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

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2008, or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to

Commission file number 1-15827

VISTEON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**38-3519512**
(State of incorporation)	*(I.R.S. employer identification no.)*
One Village Center Drive, Van Buren Township, Michigan	**48111**
(Address of principal executive offices)	*(Zip code)*

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

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

(Title of class)

Common Stock, par value $1.00 per share

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes __ No ü

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes __ No ü

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ü No __

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

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

Large accelerated filer __ Accelerated filer ü Non-accelerated filer __ Smaller reporting company __
(Do not check if a smaller reporting company)

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

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2008 (the last business day of the most recently completed second fiscal quarter) was approximately $342 million.

As of March 26, 2009, the registrant had outstanding 130,482,861 shares of common stock.

Document Incorporated by Reference*

Document	**Where Incorporated**
2009 Proxy Statement	Part III (Items 10, 11, 12, 13 and 14)

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

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PART I

ITEM 1. BUSINESS

The Company's Business

Visteon Corporation ("Visteon" or the "Company") is a leading global supplier of automotive systems, modules and components to global vehicle manufacturers ("OEMs") and the automotive aftermarket. The Company is headquartered in Van Buren Township, Michigan, has a workforce of approximately 33,500 employees and has a network of manufacturing sites, technical centers, sales offices and joint ventures located in every major geographic region of the world. The Company was incorporated in Delaware in January 2000 as a wholly-owned subsidiary of Ford Motor Company ("Ford" or "Ford Motor Company"). Subsequently, Ford transferred the assets and liabilities comprising its automotive components and systems business to Visteon. The Company separated from Ford on June 28, 2000 when all of the Company's common stock was distributed by Ford to its shareholders.

In September 2005, the Company transferred 23 of its North American facilities and certain other related assets and liabilities (the "Business") to Automotive Components Holdings, LLC ("ACH"), an indirect, wholly-owned subsidiary of the Company. On October 1, 2005, the Company sold ACH to Ford for cash proceeds of approximately $300 million, as well as the forgiveness of certain other postretirement employee benefit liabilities and other obligations relating to hourly employees associated with the Business and the assumption of certain other liabilities (together, the "ACH Transactions"). The transferred facilities included all of the Company's plants that leased hourly workers covered by Ford's Master Agreement with the United Auto Workers Union ("UAW"). The Business accounted for approximately $6.1 billion of the Company's total product sales for 2005, the majority being products sold to Ford.

In January 2006, the Company announced a multi-year improvement plan that involved the restructuring of certain underperforming and non-strategic plants and businesses to improve operating and financial performance and to reduce costs. The multi-year improvement plan, which was initially expected to affect up to 23 facilities, was completed during 2008 and addressed a total of 30 facilities and businesses, including 7 divestitures and 14 closures. These activities resulted in sales declines of $1 billion and $675 million during the years ended December 31, 2008, and 2007, respectively.

During 2008, weakened economic conditions, largely attributable to the global credit crisis, and erosion of consumer confidence, negatively impacted the automotive sector on a global basis. Significant factors including the deterioration of housing values, rising fuel prices, equity market volatility, and rising unemployment levels resulted in consumers delaying purchases of durable goods, particularly highly deliberated purchases such as automobiles. Additionally, the absence of available credit hindered vehicle affordability, forcing willing consumers out of the market globally. Together these factors combined to drive a decline in demand for automobiles across substantially all geographies.

The deterioration of market conditions in 2008 was compounded by the rapid pace at which it occurred, as evidenced by double digit year-over-year declines in fourth quarter 2008 automotive sector sales in North America, Europe, China, Korea and South America. Despite actions taken by the Company to reduce its operating costs in 2008, the rate of such reductions did not keep pace with that of the rapidly deteriorating market conditions and related decline in OEM production volumes, which resulted in significant operating losses and cash flow usage by the Company, particularly in the fourth quarter of 2008.

ITEM 1. BUSINESS — (Continued)

Additionally, current credit and capital market conditions combined with the Company's credit ratings and recent history of operating losses and negative cash flows as well as projected industry conditions are likely to restrict the Company's ability to access capital markets in the near – term and any such access would likely be at an increased cost and under more restrictive terms and conditions. Further, such constraints may also affect the Company's commercial agreements and payment terms. Absent access to additional liquidity from credit markets, which remain severely constrained, or other sources of external financial support, including accommodations from key customers, the Company expects to be at or near minimum levels of cash necessary to operate the business during 2009. Accordingly, the Company believes that substantial doubt exists as to its ability to meet its obligations as they come due through the normal course of business during 2009.

Pursuant to affirmative covenants contained in the agreements associated with the Company's senior secured facilities and European Securitization (the "Facilities"), the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into amendments and waivers (the "Waivers") with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully described in Item 9B "Other Information" of this Annual Report on Form 10-K.

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including an ad hoc committee of lenders under its senior secured term loan (the "Ad Hoc Committee"), regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code.

The aforementioned resulted in the current classification of substantially all of the Company's long-term debt as current liabilities in the Company's consolidated balance sheet as of December 31, 2008.

On March 31, 2009, Visteon UK Limited, a company organized under the laws of England and Wales and an indirect, wholly-owned subsidiary of the Company (the "UK Debtor"), filed for administration (the "UK Administration") under the United Kingdom Insolvency Act of 1986 with the High Court of Justice, Chancery division in London, England. The UK Administration does not include the Company or any of the Company's other subsidiaries. The UK Administration was initiated in response to continuing operating losses of the UK Debtor and mounting labor costs and their related demand on the Company's cash flows. Under the UK Administration, the UK Debtor will likely be run down. The UK Debtor has operations in Enfield, UK, Basildon, UK, and Belfast, UK and recorded sales of $250 million for the year ended December 31, 2008. The UK Debtor had total assets of $153 million as of December 31, 2008.

ITEM 1. BUSINESS — (Continued)

The Company's Industry

The Company supplies a range of integrated systems, modules and components to vehicle manufacturers for use in the manufacture of new vehicles, as well as to the aftermarket for use as replacement and enhancement parts. Historically, large vehicle manufacturers operated internal divisions to provide a wide range of component parts for their vehicles. Vehicle manufacturers have moved toward a competitive sourcing process for automotive parts, including increased purchases from independent suppliers, as they seek lower-priced and/or higher-technology products.

In general, the automotive sector is capital and labor intensive, operates under highly competitive conditions, experiences slow growth and is cyclical in nature. Accordingly, the financial performance of the industry is highly sensitive to changes in overall economic conditions. Significant trends in the automotive industry include:

- Market conditions — The current economic downturn has negatively impacted the automotive sector on a global basis causing a dramatic decrease in sales and significant production cuts across substantially all OEMs during the fourth quarter of 2008. Such conditions have continued to persist into 2009 and are not expected to improve significantly in the near-term. In light of these market conditions the need to conserve and generate cash in the automotive sector is expected to remain a top priority. Elimination of excess production capacity, reduction of high fixed cost structures and limitations on capital and other investments will be required to preserve liquidity and adapt to new industry realities. Failure to do so will negatively impact the financial condition of the automotive sector, particularly domestic OEM's and automotive suppliers, resulting in heightened potential for bankruptcy.

  While these market conditions are not expected to abate in the near-term, the restructuring and cost reduction efforts of the automotive sector must be carefully balanced with the need to invest in new technologies and global vehicle platforms to be prepared for the future. However, given the globally constrained liquidity conditions, the automotive sector is likely to experience further consolidation and an increase in program collaborations, vehicle assembly alliances and partnerships designed to leverage capital resources.

- Globalization — Given the need for cost reduction and cash preservation, the automotive sector is expected to increase the use and speed development of global vehicle platforms as a means to streamline the supply chain, speed time to market and reduce global production costs. Additionally, growth opportunities in the automotive sector exist in emerging economies and vehicle manufacturers are expanding globally into these regions through localized vehicle assembly operations.

  By utilizing global vehicle platforms and localizing assembly operations, vehicle manufacturers can achieve advantages including a more efficient supply chain, low cost manufacturing capabilities, new market entry, existing market expansion, reduced exposure to currency fluctuations, and enhanced customer responsiveness. As vehicle manufacturers work to reduce costs, preserve cash and achieve global growth they are increasingly interested in buying components and systems from suppliers that can serve multiple markets, support a global vehicle platform and maintain a local presence.

- Shifting consumer demand — Vehicle affordability continues to drive global consumer preference towards smaller more fuel-efficient vehicles, which generally have lower profit margins. During 2008, significant and sustained increases in fuel prices resulted in a shift of U.S. consumer preference away from sport utility vehicles and trucks toward more fuel-efficient passenger cars, adding to regulatory momentum in the U.S. to improve Corporate Average Fuel Economy standards for light vehicles to 35 miles per gallon by 2020. In Europe, vehicle affordability has been challenged not only by elevated fuel prices, but by higher carbon emissions taxes. In emerging markets, vehicle affordability is driven by the entry price and consumer demand in these markets has resulted in significant low cost vehicle development efforts. These changes in consumer behavior have resulted in an unfavorable shift in product mix towards lower margin vehicles and continue to present significant challenges for the automotive sector.

ITEM 1. BUSINESS — (Continued)

Conversely, consumers are increasingly interested in products that make them feel safer and more secure and include increased electronic and technical content such as in-vehicle communication, navigation and entertainment capabilities. To achieve sustainable profitable growth, automotive part suppliers must effectively support their customers in developing and delivering integrated products and innovative technologies at competitive prices that provide for differentiation and that address consumer preferences. Suppliers that are able to generate new products and add a greater intrinsic value to the end consumer will have a significant competitive advantage.

- Shift in Original Equipment Manufacturers market share — Vehicle manufacturers domiciled outside the United States continued to gain market share at the expense of the domestic vehicle manufacturers. Many of these foreign vehicle manufacturers have strong existing relationships with foreign-based suppliers. This has increased the competitive pressure on domestically domiciled suppliers like Visteon. However, the Company believes that this trend creates growth opportunities for domestically domiciled suppliers, such as Visteon, to leverage existing customer relationships to grow with vehicle manufacturers domiciled in the United States as they penetrate emerging markets and to leverage the Company's innovative and competitively priced technologies to develop new relationships with foreign vehicle manufacturers as they establish local manufacturing and assembly facilities in North America.
- Customer price pressures and raw material cost inflation — Downward pricing pressure from OEMs has been a historical characteristic of the automotive industry. Virtually all OEMs have aggressive price reduction initiatives and objectives each year with their suppliers, and given the difficult economic conditions such actions are expected to continue. Additionally, in recent years 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. Generally, the increased costs of raw materials and components used in the manufacture of the Company's products have been difficult to pass on to customers and the need to maintain a continued supply of raw materials has made it difficult to resist price increases and surcharges imposed by suppliers. Accordingly, successful suppliers must be able to reduce their operating costs in order to maintain profitability. The Company has taken steps to reduce its operating costs to offset customer price reductions through operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives.

The Company's Business Strategy

The Company's immediate priority is to address the its capital structure and liquidity requirements. However, the Company can provide no assurance that it will be able to implement any such actions in a manner or on terms that would be satisfactory to the Company. Despite these challenges, the Company aims to grow leading positions in its key climate, interiors and electronics product groups and to improve overall margins, long-term operating profitability and cash flows by leveraging the Company's extensive experience, innovative technology and geographic strengths. To achieve these goals and respond to industry factors and trends, the Company is working to reduce costs and preserve liquidity, improve its operations and grow the business.

ITEM 1. BUSINESS — (Continued)

Reduce Costs and Preserve Liquidity

Difficult economic and market conditions have increased the need to conserve and generate cash in the automotive sector. Elimination of excess production capacity, reduction of high fixed cost structures and strengthening of financial disciplines will be required to preserve liquidity and adapt to new industry realities. During 2008 the Company completed the previously announced multi-year improvement plan that was designed to sell, fix or close certain unprofitable or non-core businesses. These actions addressed 30 facilities and will result in cumulative gross savings of approximately $500 million. During 2008 the Company reduced manufacturing employee census by 27%, including a 15% decrease in the fourth quarter. Salaried employee census was reduced by 14% during 2008, including 6% in the fourth quarter. As market conditions change, the Company's strategy to reduce costs and preserve cash includes the following:

- Eliminate excess production capacity and high fixed cost structures — The Company will continue to develop and execute, as appropriate, actions designed to generate liquidity including customer accommodation agreements, asset sales, cash repatriation and further cost reductions including facility closures and business exits.
- Reduce administrative costs — The Company continues to implement actions designed to fundamentally reorganize and streamline its administrative functions and reduce overall costs in line with lower customer volumes and weakened economic conditions. Such actions include organizational realignment and consolidation, employee salary and benefit reductions, resource relocation to more competitive cost locations, selective functional outsourcing and evaluation of third-party supplier arrangements for purchased services.
- Enhance financial disciplines — The Company has enhanced its financial disciplines over all spending activities including the evaluation of investment in and profitability of new customer programs to improve the Company's operating margins and related return on investment and to achieve the best use of its capital.

Improve Base Operations

The Company remains focused on driving improvement in its operations despite the turbulent production environment. During 2008 the Company maintained or improved its operational performance as measured by key metrics. Quality performance, measured in defective parts per million, improved by 36% during 2008. Premium costs decreased by 64% in 2008 reflecting significantly improved product launch performance. Employee safety metrics were maintained at best in class levels in the industry. Significant elements of the Company's strategy to improve base operations are as follows:

- Achieve production efficiencies — The Company continues to take actions to lower its manufacturing costs by increasing its focus on production utilization and related investment, closure and consolidation of facilities and relocation of production to lower cost environments to take further advantage of its global manufacturing footprint. The Company has consolidated its regional purchasing activities into a global commodity driven organization to provide increased spending leverage, to optimize supplier relationships and to further standardize its production and related material purchases.
- Product quality — The Company has increased its efforts to ensure that the products provided to its customers are of the highest quality and specification. Processes and standards continue to be implemented to prevent the occurrence of non-conforming production as measured by various industry standard quality ratings such as defective parts per million.
- Health and safety of employees — The health and safety of the Company's employees is of utmost importance and the Company continues to implement programs, training and awareness in all of its operations to limit safety related incidents and to improve lost time case rates.

ITEM 1. BUSINESS — (Continued)

Grow the Business

As a result of the difficult market conditions in 2008, many of the Company's customers reassessed their future vehicle cycle plans, resulting in the deferral or cancellation of many programs that were set to be awarded in 2008. Despite these conditions, the Company achieved new business wins of approximately $700 million during 2008. The wins were balanced across major geographic regions; Asia — 38%; North America — 32%; Europe — 27%, and were balanced across product lines; Climate — 47%; Electronics — 32%; and Interiors - 21%. Key aspects of the Company's strategy to achieve profitable growth include the following:

- Focused product portfolio — The global automotive parts industry is highly competitive; winning and maintaining new business requires suppliers to rapidly produce new and innovative products on a cost-competitive basis. Accordingly, the Company has focused its resources on products core to its future success including Interiors, Electronics and Climate products. Additionally, the Company believes there are opportunities to capitalize on the continuing demand for additional electronics integration and associated products with its product portfolio and technical capabilities.
- Customer and geographic diversification — The Company is well positioned globally, with a diverse customer base. Although Ford remains the Company's largest customer, the Company has been steadily diversifying its sales with other OEMs. Product sales to customers other than Ford were 66% of total product sales for the year ended December 31, 2008 compared to 61% for the year ended December 31, 2007. The Company's regional sales mix has also become more balanced, with a greater percentage of product sales outside of North America. As a percent of total product sales, the Company's product sales by region for the year ended December 31, 2008 were as follows: North America — 24%; Europe — 41%; Asia — 30%; and South America — 5%. In comparison, product sales by region as a percentage of total product sales for the year ended December 31, 2007 were as follows: North America — 32%; Europe — 37%; Asia — 27%; and South America — 4%.

Financial Information about Segments

The Company's operations are organized in global product groups, including Climate, Electronics, Interiors and Other. Additionally, the Company operates a centralized administrative function to monitor and facilitate the delivery of transition services in support of divestiture transactions primarily related to the ACH Transactions. Further information relating to the Company's reportable segments can be found in Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K (Note 22, "Segment Information," to the Company's consolidated financial statements).

The Company's Products and Services

The following discussion provides an overview description of the products associated with major design systems within each of the Company's global product groups and a summary description of services provided by the Company.

Electronics Product Group

The Company is one of the leading global suppliers of advanced in-vehicle entertainment, driver information, wireless communication, climate control, body and security electronics and lighting technologies and products.

Electronics Products	Description
Audio Systems	The Company produces a wide range of audio systems and components, ranging from base radio head units to integrated premium audio systems and amplifiers. Examples of the Company's latest electronics products include digital and satellite radios, HD Radio™ broadcast tuners and premium systems.

ITEM 1. BUSINESS — (Continued)

Electronics Products	Description
Driver Information Systems	The Company designs and manufacturers a wide range of instrument clusters from analog-electronic to high-impact instrument clusters that incorporate LCD displays.
Infotainment — Information, Entertainment and Multimedia	The Company has developed numerous products to assist driving and provide in-vehicle entertainment. A sampling of these technologies include: MACH(R) Voice Link Technology, connectivity solutions for portable devices, and a range of Family Entertainment Systems designed to support a variety of applications and vehicle segments.
Powertrain and Feature Control Modules	The Company designs and manufactures a wide range of powertrain and feature control modules for a worldwide customer base. Powertrain control modules cover a range of applications from single-cylinder small engine control systems to fully-integrated V8/V10 engine and transmission controllers. Feature control modules include products which manage a variety of electrical loads related to powertrain and vehicle functions, including controllers for fuel pumps, 4x4 transfer cases, intake manifold tuning valves, customer convenience features, security and voltage regulation systems.
Electronic Climate Controls	The Company designs and manufactures a complete line of climate control modules with capability to provide full system integration. The array of modules available varies from single zone manual electronic modules to fully automatic multiple zone modules. The Company also provides integrated audio and climate control assemblies allowing styling and electrical architecture flexibility for various applications.
Lighting	The Company designs and builds a wide variety of headlamps (projector, reflector or Advanced Front Lighting Systems), Rear Combination Lamps, Center High-Mounted Stop Lamps (“CHMSL”) and Fog Lamps. The Company utilizes a variety of light-generating sources including Light Emitting Diode (“LED”), High Intensity Discharge (“HID”) and Halogen-based systems.

Climate Product Group

The Company is one of the leading global suppliers in the design and manufacturing of components, modules and systems that provide automotive heating, ventilation, air conditioning and powertrain cooling.

Climate Products	Description
Climate Systems	The Company designs and manufactures fully integrated heating, ventilation and air conditioning (“HVAC”) systems. The Company’s proprietary analytical tools and systems integration expertise enables the development of climate-oriented components, subsystems and vehicle-level systems. Products contained in this area include: Heat Exchangers, Climate Controls, Compressors and Fluid Transport Systems.
Powertrain Cooling Systems	Cooling functionality and thermal management for the vehicle’s powertrain system (engine and transmission) is provided by powertrain cooling-related technologies.

ITEM 1. BUSINESS — (Continued)

Interiors Product Group

The Company is one of the leading global suppliers of cockpit modules, instrument panels, door and console modules and interior trim components.

Interiors Products	Description
Cockpit Modules	The Company's cockpit modules incorporate structural, electronic, climate control, mechanical and safety components. Customers are provided with a complete array of services including advanced engineering and computer-aided design, styling concepts and modeling and in-sequence delivery of manufactured parts. The Company's Cockpit Modules are built around its instrument panels which consist of a substrate and the optional assembly of structure, ducts, registers, passenger airbag system (integrated or conventional), finished panels and the glove box assembly.
Door Panels and Trims	The Company provides a wide range of door panels / modules as well as a variety of interior trim products.
Console Modules	The Company's consoles deliver flexible and versatile storage options to the consumer. The modules are interchangeable units and offer consumers a wide range of storage options that can be tailored to their individual needs.

Other Product Group

The Company also designs and manufactures a variety of other products, including fuel products, powertrain products, as well as parts sold and distributed to the automotive aftermarket.

Services

The Company's Services operations provide various transition services in support of divestiture transactions, principally related to the ACH Transactions. Services to ACH are provided at a rate approximately equal to the Company's cost until such time the services are no longer required by ACH or the expiration of the related agreement. In addition to services provided to ACH, the Company has also agreed to provide certain transition services related to other divestiture transactions.

The Company's Customers

The Company sells its products primarily to global vehicle manufacturers as well as to other suppliers and assemblers. In addition, it sells products for use as aftermarket and service parts to automotive original equipment manufacturers and others for resale through independent distribution networks. The Company records revenue when persuasive evidence of an arrangement exists, delivery occurs or services are rendered, the sales price or fee is fixed or determinable and collectibility is reasonably assured.

Vehicle Manufacturers

The Company sells to all of the world's largest vehicle manufacturers including BMW, Chrysler LLC, Daimler AG, Ford, General Motors, Honda, Hyundai/Kia, Mazda, Mitsubishi, Nissan, PSA Peugeot Citroën, Renault, Toyota and Volkswagen, as well as emerging new vehicle manufacturers in Asia. Ford is the Company's largest customer, and product sales to Ford, including those sales to Auto Alliance International, a joint venture between Ford and Mazda, accounted for approximately 34% of 2008 total product sales. In addition, product sales to Hyundai/Kia accounted for approximately 22% of 2008 total product sales, and product sales to Nissan and Renault accounted for approximately 9% of 2008 total product sales. Sales to customers other than Ford include sales to Mazda, of which Ford holds a 13.78% equity interest.

ITEM 1. BUSINESS — (Continued)

Price reductions are typically negotiated on an annual basis between suppliers and vehicle manufacturers. Such reductions are intended to take into account expected annual reductions in the overall cost to the supplier of providing products and services to the customer, through such factors as overall increases in manufacturing productivity, material cost reductions and design-related cost improvements. The Company has an aggressive cost reduction program that focuses on reducing its total costs, which are intended to offset customer price reductions. However, there can be no assurance that such cost reduction efforts will be sufficient to fully offset such price reductions. The Company records price reductions when specific facts and circumstances indicate that a price reduction is probable and the amounts are reasonably estimable.

Other Customers

The Company sells products to various customers in the worldwide aftermarket as replacement or enhancement parts, such as body appearance packages and in-car entertainment systems, for current production and older vehicles. The Company's services revenues relate primarily to the supply of leased personnel and transition services to ACH in connection with various agreements pursuant to the ACH Transactions and amended in 2008. The Company has also agreed to provide transition services to other customers in connection with certain other divestitures.

The Company's Competition

The Company conducts its business in a complex and highly competitive industry. The global automotive parts industry principally involves the supply of systems, modules and components to vehicle manufacturers for the manufacture of new vehicles. Additionally, suppliers provide components to other suppliers for use in their product offerings and to the aftermarket for use as replacement or enhancement parts. As the supplier industry consolidates, the number of competitors decreases fostering extremely competitive conditions. Vehicle manufacturers rigorously evaluate suppliers on the basis of product quality, price competitiveness, technical expertise and development capability, new product innovation, reliability and timeliness of delivery, product design and manufacturing capability and flexibility, customer service and overall management. A summary of the Company's primary independent competitors is provided below.

Electronics — Robert Bosch GmbH; Delphi Corporation; Denso Corporation; Hella KGaA; Koito Manufacturing Co., Ltd (North American Lighting); Matsushita Electric Industrial Co., Ltd. (Panasonic); and Continental AG.

Climate — Behr GmbH & Co. KG; Delphi Corporation; Denso Corporation; and Valéo S.A.

Interiors — Faurecia Group; Johnson Controls, Inc.; Magna International Inc.; and International Automotive Components Group.

Other — Robert Bosch GmbH; Dana Corporation; Delphi Corporation; Denso Corporation; Magna International Inc.; GKN Plc.; JTEKT Corporation; ZF Friedrichshafen AG; NTN Corporation; Kautex Textron GmbH&Co KG; Inergy Automotive Systems; and TI Automotive.

The Company's Product Sales Backlog

Anticipated net product sales for 2009 through 2011 from new and replacement programs, less net sales from phased-out and canceled programs are approximately $550 million. The Company's estimate of anticipated net sales may be impacted by various assumptions, including vehicle production levels on new and replacement programs, customer price reductions, currency exchange rates and the timing of program launches. In addition, the Company typically enters into agreements with its customers at the beginning of a vehicle's life for the fulfillment of a customers' purchasing requirements for the entire production life of the vehicle. These agreements generally may be terminated by customers at any time. Therefore, this anticipated net sales information does not represent firm orders or firm commitments.

ITEM 1. BUSINESS — (Continued)

The Company's International Operations

Financial information about sales and net property by major geographic region can be found in Note 22, "Segment Information," to the Company's consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. The attendant risks of the Company's international operations are primarily related to currency fluctuations, changes in local economic and political conditions, and changes in laws and regulations. The following table sets forth the Company's net sales, including product sales and services revenues, and net property and equipment by geographic region as a percentage of total consolidated net sales and total consolidated net property and equipment, respectively.

	Net Sales Year Ended December 31			Net Property and Equipment December 31	
	2008	2007	2006	2008	2007
Geographic region:					
United States	34%	36%	40%	33%	34%
Mexico	1%	—	2%	3%	2%
Canada	1%	1%	1%	1%	1%
Intra-region eliminations	(1)%	—	(1)%	—	—
Total North America	35%	37%	42%	37%	37%
Germany	3%	4%	6%	2%	2%
France	8%	8%	8%	7%	9%
United Kingdom	4%	5%	4%	1%	2%
Portugal	5%	5%	5%	5%	5%
Spain	6%	6%	6%	4%	4%
Czech Republic	6%	5%	4%	10%	9%
Hungary	5%	4%	2%	4%	3%
Other Europe	2%	1%	2%	3%	2%
Intra-region eliminations	(1)%	(2)%	(2)%	—	—
Total Europe	38%	36%	35%	36%	36%
Korea	22%	20%	16%	14%	16%
China	3%	2%	2%	4%	3%
India	2%	2%	2%	3%	2%
Japan	2%	2%	2%	1%	1%
Other Asia	2%	2%	1%	2%	2%
Intra-region eliminations	(1)%	(1)%	(1)%	—	—
Total Asia	30%	27%	22%	24%	24%
South America	5%	5%	5%	3%	3%
Intra-region eliminations	(8)%	(5)%	(4)%	—	—
	100%	100%	100%	100%	100%

Seasonality and Cyclicality of the Company's Business

The market for vehicles is cyclical and is heavily dependent upon general economic conditions, consumer sentiment and spending and credit availability. During 2008, the automotive sector was negatively impacted by recessionary economic conditions in the United States and Western Europe exacerbated by the global credit crisis. These factors resulted in the deferral of consumer vehicle purchases, which drove a severe decline in demand for automobiles across substantially all geographies.

ITEM 1. BUSINESS — (Continued)

The Company's business is moderately seasonal because its largest North American customers typically cease production for approximately two weeks in July for model year changeovers and approximately one week in December during the winter holidays. Customers in Europe historically shut down vehicle production during a portion of August and one week in December. In addition, third quarter automotive production traditionally is lower as new vehicle models enter production. Due to the deteriorating economic conditions in 2008, vehicle production volumes did not follow this historical pattern, but instead declined throughout the year and severely during the fourth quarter of 2008.

Refer to Note 23, "Summary Quarterly Financial Data" to the Company's consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for information related to quarterly financial results.

The Company's Workforce and Employee Relations

The Company's workforce as of December 31, 2008 included approximately 33,500 persons, of which approximately 11,000 were salaried employees and 22,500 were hourly workers. As of December 31, 2008, the Company leased approximately 1,500 salaried employees to ACH under the terms of the Amended Salaried Employee Lease Agreement.

A substantial number of the Company's hourly workforce in the U.S. are represented by unions and operate under collective bargaining agreements. In connection with the ACH Transactions, the Company terminated its lease from Ford of its UAW Master Agreement hourly workforce. Many of the Company's European and Mexican employees are members of industrial trade unions and confederations within their respective countries. Many of these organizations operate under collectively bargained contracts that are not specific to any one employer. The Company constantly works to establish and maintain positive, cooperative relations with its unions around the world and believes that its relationships with unionized employees are satisfactory. There have been no significant work stoppages in the past five years, except for brief work stoppages by employees at several climate manufacturing facilities located in India and South Korea during June, July and August of 2008, as well as by employees represented by the IUE-CWA Local 907 at a manufacturing facility located in Bedford, Indiana during June of 2004.

The Company's Product Research and Development

The Company's research and development efforts are intended to maintain leadership positions in core product lines and provide the Company with a competitive edge as it seeks additional business with new and existing customers. The Company also works with technology development partners, including customers, to develop technological capabilities and new products and applications. Total research and development expenditures were approximately $434 million in 2008, decreasing from $510 million in 2007 and $594 million in 2006. The decreases are attributable to divestitures, shifting engineering headcount from high-cost to low-cost countries as well as right-sizing efforts.

The Company's Intellectual Property

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

ITEM 1. BUSINESS — (Continued)

The Company also views its name and mark as significant to its business as a whole. In addition, the Company holds rights in a number of other trade names and marks applicable to certain of its businesses and products that it views as important to such businesses and products.

The Company's Raw Materials and Suppliers

Raw materials used by the Company in the manufacture of its products include aluminum, resins, precious metals, steel, urethane chemicals and electronics components. All of the materials used are generally available from numerous sources. In general, the Company does not carry inventories of raw materials in excess of those reasonably required to meet production and shipping schedules. To date, the Company has not experienced any significant shortages of raw materials nor does it anticipate significant interruption in the supply of raw materials. However, the possibilities of such shortages exist, especially in light of deteriorating global economic conditions, credit and capital market constraints and the weakened state of the automotive sector.

Over the past few years the automotive supply industry has experienced significant inflationary pressures with respect to raw materials, which have placed operational and financial burdens on the entire supply chain. During 2008 those inflationary pressures decreased due to the overall reduction in demand resulting from weakened economic conditions and the global credit crisis. While the costs of raw materials have receded from recent high levels, the Company continues to take actions with its customers and suppliers to mitigate the impact of these inflationary pressures in the future. Actions to mitigate inflationary pressures with customers include collaboration on alternative product designs and material specifications, contractual price escalation clauses and negotiated customer recoveries. Actions to mitigate inflationary pressures with suppliers include aggregation of purchase requirements to achieve optimal volume benefits, negotiation of cost reductions and identification of more cost competitive suppliers. While these actions are designed to offset the impact of inflationary pressures, the Company cannot provide assurance that it will be successful in fully offsetting increased costs resulting from inflationary pressures in the future.

Impact of Environmental Regulations on the Company

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. The Company is also subject to environmental laws requiring the investigation and cleanup of environmental contamination at properties it presently owns or operates and at third-party disposal or treatment facilities to which these sites send or arranged to send hazardous waste. During 2008, the Company did not make any material capital expenditures relating to environmental compliance.

At the time of spin-off, the Company and Ford agreed on a division of liability for, and responsibility for management and remediation of environmental claims existing at that time and, further, that the Company would assume all liabilities for existing and future claims relating to sites that were transferred to it and its operation of those sites, including off-site disposal, except as otherwise specifically retained by Ford in the Master Transfer Agreement. In connection with the ACH Transactions, Ford agreed to re-assume these liabilities to the extent they arise from the ownership or operation prior to the spin-off of the locations transferred to ACH (excluding any increase in costs attributable to the exacerbation of such liability by the Company or its affiliates).

ITEM 1. BUSINESS — (Continued)

The Company is aware of contamination at some of its properties and relating to various third-party Superfund sites at which the Company or its predecessor has been named as a potentially responsible party. The Company is in various stages of investigation and cleanup at these sites and at December 31, 2008, had recorded a reserve of approximately $5 million for this environmental investigation and cleanup. However, estimating liabilities for environmental investigation and cleanup is complex and dependent upon a number of factors beyond the Company's control and which may change dramatically. Accordingly, although the Company believes its reserve is adequate based on current information, the Company cannot provide any assurance that its ultimate environmental investigation and cleanup costs and liabilities will not exceed the amount of its current reserve.

The Company's Website and Access to Available Information

The Company's current and periodic reports filed with the United States Securities and Exchange Commission ("SEC"), including amendments to those reports, may be obtained through its internet website at www.visteon.com free of charge as soon as reasonably practicable after the Company files these reports with the SEC. A copy of the Company's code of business conduct and ethics for directors, officers and employees of Visteon and its subsidiaries, entitled "Ethics and Integrity Policy," the Corporate Governance Guidelines adopted by the Company's Board of Directors and the charters of each committee of the Board of Directors are also available on the Company's website. A printed copy of the foregoing documents may be requested by contacting the Company's Investor Relations department in writing at One Village Center Drive, Van Buren Township, MI 48111; by phone (877) 367-6092; or via email at vcstock@visteon.com.

ITEM 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties, including those not presently known or that the Company believes to be immaterial, also may adversely affect the Company's results of operations and financial condition. Should any such risks and uncertainties develop into actual events, these developments could have material adverse effects on the Company's business and financial results.

The Company has obtained temporary waivers of defaults under its senior secured credit and securitization facilities, and if it is unable to achieve an acceptable negotiated restructuring with its lenders and customers, or make such waivers permanent, prior to their expiration, it may seek reorganization under the U.S. Bankruptcy Code.

Pursuant to affirmative covenants contained in the agreements associated with the Facilities, the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into the Waivers with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully described in Item 9B "Other Information" of this Annual Report on Form 10-K.

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including the Ad Hoc Committee, regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code.

The aforementioned resulted in the current classification of substantially all of the Company's long-term debt as current liabilities in the Company's consolidated balance sheet as of December 31, 2008. As of December 31, 2008, the Company had total indebtedness of approximately $2.76 billion and interest expense in excess of $200 million.

If the Company's cash provided by operating activities continues to be insufficient to fund its cash requirements, it could face substantial liquidity problems.

The Company's working capital requirements and cash provided by operating activities can vary greatly from quarter to quarter and from year to year, depending in part on the level, variability and timing of its customers' worldwide vehicle production and the payment terms with the Company's customers and suppliers. Prior to 2008, the Company generated cash from operating activities, albeit insufficient to fund all of the Company's cash requirements. As a result, the Company has used its cash balances accumulated primarily through asset sales and outside liquidity sources. As of the end of 2008, the Company's cash balances decreased by approximately $578 million from the beginning of the year, and the Company used cash in its operating activities for the year ended December 31, 2008.

ITEM 1A. RISK FACTORS — (Continued)

The Company cannot provide assurance that it will be able to satisfy its cash requirements during 2009 or subsequent years, or during any particular quarter, from cash provided by operating activities. If the Company's working capital needs and capital expenditure requirements exceed its cash provided by operating activities, then the Company would again look to its cash balance and committed credit lines to satisfy those needs. However, current credit and capital market conditions combined with the Company's credit ratings and recent history of operating losses and negative cash flows, as well as projected industry conditions, are likely to restrict the Company's ability to access capital markets in the near – term and any such access would likely be at an increased cost and under more restrictive terms and conditions. Further, such constraints may also affect the Company's commercial agreements and payment terms with suppliers.

Absent access to additional liquidity from credit markets, which remain severely constrained, or other sources of external financial support, including accommodations from key customers, the Company expects to be at or near minimum levels of cash necessary to operate the business during 2009. The Company may need to delay capital expenditures, curtail, eliminate or dispose of substantial assets or operations, or undertake significant restructuring measures, including protection under Chapter 11 of the U.S. Bankruptcy Code. For a discussion of these and other factors affecting the Company's liquidity, refer to "Liquidity Matters" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K.

Significant declines in automotive production levels have reduced the Company's sales and harmed its operations and financial condition, and further significant declines could make it difficult for the Company to continue its operations.

Demand for the Company's products is directly related to automotive vehicle production. Automotive sales and production can be affected by general economic conditions, such as employment levels and trends, fuel prices and interest rates, labor relations issues, regulatory requirements, trade agreements and other factors. Automotive industry conditions, particularly in North America and Western Europe continue to be challenging. In North America, the domestic automotive industry is characterized by sales declines, significant overcapacity, fierce competition, high fixed cost structures and significant employee pension and health care obligations for the domestic automakers. Further declines in automotive production levels of its current and future customers would reduce the Company's sales and harm its results of operations and financial condition.

The financial distress of the Company's major customers and within the supply base could significantly affect its operating performance.

During 2007 and more severely in 2008, automotive OEMs, particularly those domiciled in the United States, continued to experience lower demand for their products, which resulted in lower production levels on several of the Company's 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 as well as 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 Company's major customers in response to the current industry environment. This environment may also put additional pricing pressure on their suppliers, like Visteon, to reduce the cost of its products, which would reduce the Company's margins. In addition, cuts in production schedules are also sometimes announced by customers with little advance notice, making it difficult to respond with corresponding cost reductions.

ITEM 1A. RISK FACTORS — (Continued)

Given the difficult environment in the automotive industry, there is an increased risk of bankruptcies or similar events among Visteon's customers. Each of General Motors and Chrysler has reported severe liquidity concerns and the potential inability to meet short-term cash funding requirements. These domestic automakers have sought and obtained funding support from the U.S. federal government in light of the economic and credit crisis and its impact on the automotive industry. Notwithstanding any federal support provided to the domestic automotive industry, the financial prospects of certain of the Company's significant customers remain highly uncertain. It is also uncertain the extent, if any, to which any such federal support would be made available directly to automotive suppliers or the Company's ability to access such funding. Further, the terms, conditions and extent of any funding support provided by the U.S. government to the Company's customers and the supply base could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's 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 2007 and 2008 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 Company's supply base and an increase in commercial disputes and the risk of supply disruption. In addition, the adverse industry environment has required the Company to provide financial support to distressed suppliers or take other measures to ensure uninterrupted production. While Visteon has taken certain actions to mitigate these factors, it has offset only a portion of the overall impact on the Company's operating results. The continuation or worsening of these industry conditions would adversely affect the Company's profitability, operating results and cash flow.

The Company is highly dependent on Ford and further decreases in Ford's vehicle production volume would adversely affect the Company's results.

Ford is the Company's largest customer and accounted for approximately 34% of total product sales in 2008, 39% of total product sales in 2007 and 45% of total product sales in 2006. The Company has made significant progress in diversifying its customer base with other automakers and reducing its sales concentration with Ford. Ford will continue to be the Company's largest customer for the near future. As in the past, any change in Ford's vehicle production volume will have a significant impact on the Company's sales volume and restructuring efforts.

The Company currently leases approximately 1,500 salaried employees to ACH, a company controlled by Ford, and has an agreement with Ford to reimburse the Company for the costs related to separating any of the leased employees should they be returned to the Company for any reason. In the event that Ford is unable or unwilling to fulfill its obligations under this agreement, the Company could be adversely affected.

The discontinuation of, the loss of business with respect to, or a lack of commercial success of a particular vehicle model for which the Company is a significant supplier could affect the Company's estimates of anticipated net sales.

Although the Company has purchase orders from many of its customers, these purchase orders generally provide for the supply of a customer's annual requirements for a particular model and assembly plant and are renewable on a year-to-year basis, rather than for the purchase of a specific quantity of products. Therefore, the discontinuation, loss of business with respect to, or a lack of commercial success, of a particular vehicle model for which the Company is a significant supplier could reduce the Company's sales and affect its estimates of anticipated net sales, including new business and net new business.

ITEM 1A. RISK FACTORS — (Continued)

Escalating price pressures from customers may adversely affect the Company's business.

Downward pricing pressures by automotive manufacturers is a characteristic of the automotive industry. Virtually all automakers have 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 as 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 Company has taken steps to reduce its operating costs to offset customer price reductions, in addition to other actions designed to resist such reductions; however, price reductions have impacted the Company's sales and profit margins and are expected to do so in the future. If the Company is unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, the Company's results of operations and financial condition would be adversely affected.

Severe inflationary pressures impacting ferrous and non-ferrous metals and petroleum-based commodities may adversely affect the Company's profitability and the profitability of the Company's 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 Company's products to its customers. In addition, the Company's need to maintain a continued supply of raw materials and/or components has made it difficult to resist price increases and surcharges imposed by its suppliers.

Further, this inflationary pressure, combined with other factors, has adversely impacted the financial condition of several domestic automotive suppliers, including resulting in several significant supplier bankruptcies. Because the Company purchases various types of equipment, raw materials and component parts from suppliers, it 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 Company's efforts to continue to mitigate the effects of these inflationary pressures may be insufficient if conditions were to worsen, resulting in a negative impact on the Company's financial results.

The Company could be adversely affected by shortages of components from suppliers.

In an effort to manage and reduce the costs of purchased goods and services, the Company, like many suppliers and automakers, has been consolidating its supply base. As a result, the Company is dependent on single or limited sources of supply for certain components used in the manufacture of its products. The Company selects its 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 Company's suppliers will not result in occasional shortages or delays in their supply of components. If the Company was to experience a significant or prolonged shortage of critical components from any of its suppliers, particularly those who are sole sources, and could not procure the components from other sources, the Company would be unable to meet its production schedules for some of its key products and to ship such products to its customers in timely fashion, which would adversely affect sales, margins and customer relations.

ITEM 1A. RISK FACTORS — (Continued)

Work stoppages or similar difficulties could significantly disrupt the Company's operations.

A work stoppage at one or more of the Company's manufacturing and assembly facilities could have material adverse effects on the business. Also, if one or more of the Company's customers were to experience a work stoppage, that customer would likely halt or limit purchases of the Company's products which could result in the shut down of the related manufacturing facilities. Further, because the automotive industry relies heavily on just-in-time delivery of components during the assembly and manufacture of vehicles, a significant disruption in the supply of a key component due to a work stoppage at one of the Company's suppliers or any other supplier could have the same consequences, and accordingly, have a material adverse effect on the Company's financial results.

Impairment charges relating to the Company's assets and possible increases to its valuation allowances may have a material adverse effect on its earnings and results of operations.

The Company recorded asset impairment charges of $234 million, $95 million and $22 million in 2008, 2007 and 2006, 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 event that the Company does not achieve its internal financial plans, and such charges could materially affect the Company's results of operations and financial condition in the period(s) recognized. In addition, the Company cannot provide assurance that it will be able to recover its remaining net deferred tax assets which is dependent upon achieving future taxable income in certain foreign jurisdictions. Failure to achieve its taxable income targets may change the Company's assessment of the recoverability of its 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, would reduce stockholders' equity and could have a significant impact on the Company's earnings going forward.

The Company's pension and other postretirement employee benefits expense and funding levels of pension plans could materially deteriorate or the Company may be unable to generate sufficient excess cash flow to meet increased pension and other postretirement employee benefit obligations.

Substantially all of the Company's employees participate in defined benefit pension plans or retirement/termination indemnity plans. The Company also sponsors other postretirement employee benefit ("OPEB") plans in the United States. The Company's worldwide pension and OPEB obligations exposed the Company to approximately $893 million in unfunded liabilities as of December 31, 2008, of which approximately $326 million and $242 million was attributable to unfunded U.S. and Non-U.S. pension obligations, respectively and $325 million was attributable to unfunded OPEB obligations.

The Company 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 the Company's plans and affect the level and timing of required contributions in 2009 and beyond. Additionally, a material deterioration in the funded status of the plans could significantly increase pension expenses and reduce the Company's profitability.

The Company funds its OPEB obligations on a pay-as-you-go basis; accordingly, the related plans have no assets. The Company 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.

ITEM 1A. RISK FACTORS — (Continued)

The Company'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 the Company'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. For more information on sensitivities to changing assumptions, please see Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 14 "Employee Retirement Benefits" to the Company's consolidated financial statements included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

The Company's ability to generate sufficient cash to satisfy its obligations may be impacted by the factors discussed herein.

The Company's 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 Company's debt and capital structure, among other items, may impact its effective tax rate. The Company's overall effective tax rate is equal to consolidated tax expense as a percentage of consolidated earnings before tax. However, tax expense and benefits are not recognized on a global basis but rather on a jurisdictional basis. Further, the Company is 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 Company's 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 Company operates could also have a significant impact on the Company's overall effective rate in future periods.

The Company may not be able to fully utilize its U.S. net operating loss carryforwards.

If Visteon were to have a change of ownership within the meaning of Section 382 of the Internal Revenue Code, under current conditions, its annual federal net operating loss ("NOL") utilization could be limited to an amount equal to its market capitalization at the time of the ownership change multiplied by the federal long-term tax exempt rate. Visteon cannot provide any assurance that such an ownership change will not occur, in which case the availability of Visteon's substantial NOL carryforward and other federal income tax attributes would be significantly limited or possibly eliminated.

The Company's ability to effectively operate could be hindered if it fails to attract and retain key personnel.

The Company's ability to operate its business and implement its strategies effectively depends, in part, on the efforts of its executive officers and other key employees. In addition, the Company's 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 Company's business.

ITEM 1A. RISK FACTORS — (Continued)

The Company's international operations, including Asian joint ventures, are subject to various risks that could adversely affect the Company's business, results of operations and financial condition.

The Company has operating facilities, and conducts a significant portion of its business, outside the United States. The Company has invested significantly in joint ventures with other parties to conduct business in South Korea, China and elsewhere in Asia. The Company's 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 Company's joint venture partners and maintenance of the legal and political *status quo*. The Company risks expropriation in China and the instability that would accompany civil unrest or armed conflict within the Asian region. More generally, the Company's Asian joint ventures and other foreign investments could be adversely affected by changes in the political, economic and financial environments in host countries, including fluctuations in exchange rates, political instability, changes in foreign laws and regulations (or new interpretations of existing laws and regulations) and changes in trade policies, import and export restrictions and tariffs, taxes and exchange controls. Any one of these factors could have an adverse effect on the Company's business, results of operations and financial condition. In addition, the Company's consolidated financial statements are denominated in U.S. dollars and require translation adjustments, which can be significant, for purposes of reporting results from, and the financial condition of, its foreign investments.

Warranty claims, product liability claims and product recalls could harm the Company's business, results of operations and financial condition.

The Company faces inherent business risk of exposure to warranty and product liability claims in the event that its 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 Company's designed products are defective or are alleged to be defective, the Company 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 them for contributions when faced with product liability claims or recalls. A successful warranty or product liability claim against the Company in excess of its available insurance coverage and established reserves, or a requirement that the Company participate in a product recall campaign, would have adverse effects that could be material on the Company's business, results of operations and financial condition.

The Company is involved from time to time in legal proceedings and commercial or contractual disputes, which could have an adverse effect on its business, results of operations and financial position.

The Company is 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 Company's profitability and financial position.

ITEM 1A. RISK FACTORS — (Continued)

The Company could be adversely impacted by environmental laws and regulations.

The Company's operations are subject to U.S. and non-U.S. 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 Company 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.

Developments or assertions by or against the Company relating to intellectual property rights could materially impact its business.

The Company owns significant intellectual property, including a large number of patents, trademarks, copyrights and trade secrets, and is involved in numerous licensing arrangements. The Company's intellectual property plays an important role in maintaining its competitive position in a number of the markets served. Developments or assertions by or against the Company relating to intellectual property rights could materially impact the business. Significant technological developments by others also could materially and adversely affect the Company's business and results of operations and financial condition.

The Company's business and results of operations could be affected adversely by terrorism.

Terrorist-sponsored attacks, both foreign and domestic, could have adverse effects on the Company's 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 Company's business by disrupting supply chains and the delivery of products to customers.

A failure of the Company's internal controls could adversely affect the Company's ability to report its financial condition and results of operations accurately and on a timely basis. As a result, the Company's business, operating results and liquidity could be harmed.

Because of the inherent limitations of any system of internal control, including the possibility of human error, the circumvention or overriding of controls or fraud, even an effective system of internal control may not prevent or detect all misstatements. In the event of an internal control failure, the Company's ability to report its financial results on a timely and accurate basis could be adversely impacted, which could result in a loss of investor confidence in its financial reports or have a material adverse affect on the Company's ability to operate its business or access sources of liquidity.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company's principal executive offices are located in Van Buren Township, Michigan. Set forth below is a listing of the Company's most significant manufacturing and/or assembly facilities that are owned or leased by the Company and its consolidated subsidiaries as of December 31, 2008.

Interiors	
Alabama	Tuscaloosa(L)
Michigan	Benton Harbor(O)
Michigan	Benton Harbor(L)
Michigan	Highland Park(L)
Mississippi	Canton(L)
Mississippi	Durant(L)
Missouri	Eureka(L)
Tennessee	LaVergne(L)
Belgium	Genk(L)
Brazil	Camacari, Bahia(L)
France	Aubergenville(L)
France	Carvin(O)
France	Gondecourt(O)
France	Noyal-Chatillon-sur-Seiche(L)
France	Rougegoutte(O)
Germany	Berlin(L)
Mexico	Saltillo(L)
Philippines	Santa Rosa, Laguna(L)
Poland	Swarzedz(L)
Slovakia	Nitra(L)
South Korea	Choongnam, Asan(O)
South Korea	Kangse-gu, Busan-si(L)
South Korea	Kangse-gu, Busan-si(L)
South Korea	Shinam-myon, Yesan-gun, Choongnam(O)
South Korea	Ulsan-si, Ulsan(O)
Spain	Barcelona(L)
Spain	Igualada(O)
Spain	Medina de Rioseco, Valladolid(O)
Spain	Pontevedra(O)
Thailand	Amphur Pluakdaeng, Rayong(O)
Thailand	Bangsaothoong, Samutprakam(L)
United Kingdom	Enfield, Middlesex(L)

Climate	
Alabama	Shorter(L)
Argentina	General Pacheco, Buenos Aires(O)
Argentina	Quilmes, Buenos Aires(O)
Argentina	Rio Grande, Terra del Fuego(O)
Canada	Belleville, Ontario(O)
China	Nanchang City(L)
China	Dalian, Lianoning(O)
China	Chongqing(L)
China	Nanchang, Jiangxi Province(O)
China	Beijing(L)
France	Charleville, Mezieres Cedex(O)
India	Chennai(L)
India	Bhiwadi(L)
India	Maharashtra(L)
Mexico	Juarez, Chihuahua(O)
Mexico	Juarez, Chihuahua(L)
Mexico	Juarez, Chihuahua(L)
Portugal	Palmela(O)
Slovakia	Ilava(L)
Slovakia	Dubnica(L)
South Africa	Port Elizabeth(L)
South Korea	Pyungtaek(O)
South Korea	Namgo, Ulsan(O)
South Korea	Taedok-Gu, Taejon(O)
Thailand	Amphur Pluakdaeng, Rayong(O)
Turkey	Gebze, Kocaeli(L)
United Kingdom	Basildon(L)

ITEM 2. PROPERTIES — (Continued)

Electronics		Other	
Pennsylvania	Lansdale(L)	Ohio	Springfield(L)
Brazil	Guarulhos, Sao Paulo(O)	United Kingdom	Belfast, Northern Ireland(L)
Brazil	Manaus, Amazonas(L)		
Czech Republic	Hluk(O)		
Czech Republic	Novy Jicin(O)		
Czech Republic	Rychvald(O)		
Hungary	Szekesfehervar(O)		
Japan	Higashi, Hiroshima(O)		
Mexico	Apodaca, Nuevo Leon(O)		
Mexico	Apodaca, Nuevo Leon(O)		
Mexico	Chihuahua, Chihuahua(L)		
Portugal	Palmela(O)		
Spain	Cadiz(O)		

(O) indicates owned facilities; (L) indicates leased facilities

As of December 31, 2008, the Company also owned or leased 43 corporate and sales offices, technical and engineering centers and customer service centers in fourteen countries around the world, 38 of which were leased and 5 of which were owned. The Company considers its facilities to be adequate for its current uses. In addition, the Company's non-consolidated affiliates operate approximately 30 manufacturing and/or assembly locations, primarily in the Asia Pacific region.

ITEM 3. LEGAL PROCEEDINGS

On March 31, 2009, Visteon UK Limited, a company organized under the laws of England and Wales and an indirect, wholly-owned subsidiary of the Company (the "UK Debtor"), filed for administration (the "UK Administration") under the United Kingdom Insolvency Act of 1986 with the High Court of Justice, Chancery division in London, England. The UK Administration does not include the Company or any of the Company's other subsidiaries. The UK Administration is discussed in Note 24, "Subsequent Event" as included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

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

Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves have been established by the Company for matters discussed in the immediately foregoing paragraph where losses are deemed probable and reasonably estimable. It is possible, however, that some of the matters discussed in the foregoing paragraph could be decided unfavorably to the Company and could require the Company to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated at December 31, 2008 and that are in excess of established reserves. The Company does not reasonably expect, except as otherwise described herein, based on its analysis, that any adverse outcome from such matters would have a material effect on the Company's financial condition, results of operations or cash flows, although such an outcome is possible.

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

None.

ITEM 4A. EXECUTIVE OFFICERS OF VISTEON

The following table shows information about the executive officers of the Company. Ages are as of March 26, 2009:

Name	Age	Position
Donald J. Stebbins	51	Chairman, President and Chief Executive Officer
William G. Quigley III	47	Executive Vice President and Chief Financial Officer
John Donofrio	47	Senior Vice President and General Counsel
Robert Pallash	57	Senior Vice President and President, Global Customer Group
Dorothy L. Stephenson	59	Senior Vice President, Human Resources
Terrence G. Gohl	47	Vice President and President, Interiors and Lighting Product Groups
Joy M. Greenway	48	Vice President and President, Climate Product Group
Steve Meszaros	45	Vice President and President, Electronics Product Group
Michael J. Widgren	40	Vice President, Corporate Controller and Chief Accounting Officer

Donald J. Stebbins has been Visteon's Chairman, President and Chief Executive Officer since December 1, 2008 and a member of the Board of Directors since December 2006. Prior to that, he was President and Chief Executive Officer since June 2008 and President and Chief Operating Officer since joining the Company in May 2005. Before joining Visteon, Mr. Stebbins served as President and Chief Operating Officer of operations in Europe, Asia and Africa for Lear Corporation since August 2004 and prior to that he was President and Chief Operating Officer of Lear's operations in the Americas since September 2001. Mr. Stebbins is also a director of WABCO Holdings.

William G. Quigley III has been Visteon's Executive Vice President and Chief Financial Officer since November 2007. Prior to that he was Senior Vice President and Chief Financial Officer since March 2007 and Vice President, Corporate Controller and Chief Accounting Officer since joining the company in December 2004. Before joining Visteon, he was Vice President and Controller — Chief Accounting Officer of Federal-Mogul Corporation since June 2001.

John Donofrio has been Visteon's Senior Vice President and General Counsel since joining the Company in June 2005. Before joining Visteon, he was Vice President and General Counsel, Honeywell Aerospace of Honeywell International since 2000, where he also served as Vice President and Deputy General Counsel of Honeywell International from 1996 through 2005. Prior to that he was a partner at the law firm, Kirkland & Ellis LLP. Mr. Donofrio is also a director of FARO Technologies, Inc.

Robert C. Pallash has been Visteon's Senior Vice President and President, Global Customer Group since January 2008 and Senior Vice President, Asia Customer Group since August 2005. Prior to that, he was Vice President and President, Asia Pacific since July 2004, and Vice President, Asia Pacific since joining the Company in September 2001. Before joining Visteon, Mr. Pallash served as president of TRW Automotive Japan since 1999, and president of Lucas Varity Japan prior thereto. Mr. Pallash is also a director of FMC Corporation.

Dorothy L. Stephenson has been Visteon's Senior Vice President, Human Resources since joining the Company in May 2006. Prior to that, she was a human resources consultant since May 2003, and Vice President, Human Resources for Bethlehem Steel prior thereto.

ITEM 4A. EXECUTIVE OFFICERS OF VISTEON — (Continued)

Terrence G. Gohl has been Visteon's Vice President and President, Interiors and Lighting Product Groups since October 2008. Prior to that he was Vice President of Interiors, Lighting and Global Manufacturing Operations since July 2007, Vice President, Global Manufacturing Operations, Quality, MP&L and Business Practices since October 2005, and Vice President, North America Manufacturing Operations since joining the Company in August 2005. Before joining Visteon, Mr. Gohl served as Senior Vice President of North American Operations for Tower Automotive since August 2004, and Vice President, North American Operations for Lear Corporation since 2001.

Joy M. Greenway has been Visteon's Vice President and President, Climate Product Group since October 2008. Prior to that, she was Vice President, Climate Product Group since August 2005, Director, Powertrain since March 2002, and Director of Visteon's Ford truck customer business group since April 2001. She joined Visteon in 2000 as Director of Fuel Storage and Delivery Strategic Business Unit.

Steve Meszaros has been Visteon's Vice President and President, Electronics Product Group since October 2008. Prior to that, he was Vice President, Electronics Product Group since August 2005, and Managing Director, China Operations and General Manager, Yanfeng Visteon since February 2001. Prior to that, he was based in Europe, where he was responsible for Visteon's interior systems business in the United Kingdom and Germany since 1999.

Michael J. Widgren has been Visteon's Vice President, Corporate Controller and Chief Accounting Officer since May 2007. Prior to that, he was Assistant Corporate Controller since joining the Company in October 2005. Before joining Visteon, Mr. Widgren served as Chief Accounting Officer for Federal-Mogul Corporation.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Prior to March 6, 2009, the Company's common stock was listed on the New York Stock Exchange ("NYSE") under the trading symbol "VC." On March 6, 2009, the Company's common stock was suspended from trading on the NYSE and began trading over-the-counter under the symbol "VSTN."

As of March 26, 2009, the Company had 130,482,861 shares of its common stock $1.00 par value outstanding, which were owned by 96,328 shareholders of record. The table below shows the high and low sales prices for the Company's common stock as reported by the NYSE for each quarterly period for the last two years.

	2008			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common stock price per share				
High	$ 4.39	$ 5.03	$ 3.78	$ 2.31
Low	$ 3.02	$ 2.63	$ 1.93	$ 0.27

	2007			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common stock price per share				
High	$ 9.24	$ 10.08	$ 8.08	$ 6.35
Low	$ 7.56	$ 7.53	$ 4.66	$ 3.84

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES — (Continued)

On February 9, 2005, the Company's Board of Directors suspended the Company's quarterly cash dividend on its common stock. Accordingly, no dividends were paid by the Company during the years ended December 31, 2008 or 2007. The Board evaluates the Company's dividend policy based on all relevant factors. The Company's credit agreements limit the amount of cash payments for dividends that may be made. Additionally, the ability of the Company's subsidiaries to transfer assets is subject to various restrictions, including regulatory requirements and governmental restraints. Refer to Note 10, "Non-Consolidated Affiliates," to the Company's consolidated financial statements included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

The following table summarizes information relating to purchases made by or on behalf of the Company, or an affiliated purchaser, of shares of the Company's common stock during the fourth quarter of 2008.

Issuer Purchases of Equity Securities

Period	Total Number of Shares (or Units) Purchased(1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs(2)
October 1, 2008 to October 31, 2008	—	$ —	—	—
November 1, 2008 to November 30, 2008	—	—	—	—
December 1, 2008 to December 31, 2008	732	0.56	—	1,650,000
Total	732	$ 0.56	—	1,650,000

(1) This column includes only shares surrendered to the Company by employees to satisfy tax withholding obligations in connection with the vesting of restricted share awards made pursuant to the Visteon Corporation 2004 Incentive Plan and/or the Visteon Corporation Employees Equity Incentive Plan.

(2) On December 12, 2007, the Board of Directors of the Company authorized the open market purchases of up to two million shares of the Company's common stock during the subsequent 24 months to be used solely to satisfy obligations under the Company's employee benefit programs.

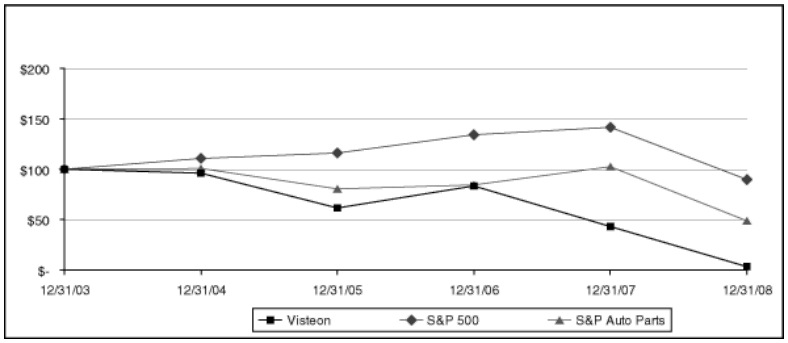
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES — (Continued)

The following information in Item 5 is not deemed to be "soliciting material" or be "filed" with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 ("Exchange Act") or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing.

The following graph compares the cumulative total return on the Company's common stock over a five year period with the cumulative total return on the Standard and Poor's 500 Composite Index and the Standard and Poor's Supercomposite Auto Parts & Equipment Index.

The graph assumes an initial investment of $100 and reinvestment of cash dividends. The comparisons in this table are required by the Securities and Exchange Commission and are not intended to forecast or be indicative of possible future performance of the Company's common stock or the referenced indices.

Comparison of Five-Year Cumulative Total Return



	December 31					
	2003	2004	2005	2006	2007	2008
Visteon Corporation	$100.00	$ 96.16	$ 61.61	$ 83.46	$ 43.21	$ 3.44
S&P 500	100.00	110.73	116.10	134.22	141.59	89.80
S&P 500 Auto Parts	100.00	100.79	80.56	84.50	102.56	48.83

ITEM 6. SELECTED FINANCIAL DATA

The following table presents information from the Company's consolidated financial statements for each of the five years ended December 31. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements and Supplementary Data" included under Items 7 and 8, respectively, of this Annual Report on Form 10-K.

	2008	2007	2006	2005	2004
	(Dollars in Millions, Except Per Share Amounts)				
Statement of Operations Data					
Net sales	$ 9,544	$ 11,275	$ 11,256	$ 16,750	$ 18,354
Gross margin	459	573	753	544	882
Net loss from continuing operations before change in accounting and extraordinary item	(681)	(348)	(145)	(262)	(1,537)
(Loss) income from discontinued operations, net of tax	—	(24)	(22)	(8)	1
Net loss before change in accounting and extraordinary item	(681)	(372)	(167)	(270)	(1,536)
Cumulative effect of change in accounting, net of tax	—	—	(4)	—	—
Net loss before extraordinary item	(681)	(372)	(171)	(270)	(1,536)
Extraordinary item, net of tax	—	—	8	—	—
Net loss	$ (681)	$ (372)	$ (163)	$ (270)	$ (1,536)
Basic and diluted per share data:					
Loss from continuing operations before change in accounting and extraordinary item	$ (5.26)	$ (2.69)	$ (1.13)	$ (2.08)	$ (12.27)
(Loss) income from discontinued operations, net of tax	—	(0.18)	(0.17)	(0.06)	0.01
Loss before change in accounting and extraordinary item	(5.26)	(2.87)	(1.30)	(2.14)	$ (12.26)
Cumulative effect of change in accounting, net of tax	—	—	(0.03)	—	—
Loss before extraordinary item	(5.26)	(2.87)	(1.33)	(2.14)	(12.26)
Extraordinary item, net of tax	—	—	0.06	—	—
Basic and diluted loss per share	$ (5.26)	$ (2.87)	$ (1.27)	$ (2.14)	$ (12.26)
Cash dividends per share	$ —	$ —	$ —	$ —	$ 0.24
Balance Sheet Data					
Total assets	$ 5,248	$ 7,205	$ 6,938	$ 6,736	$ 10,292
Total debt	$ 2,762	$ 2,840	$ 2,228	$ 1,994	$ 2,021
Total (deficit)/equity	$ (887)	$ (90)	$ (188)	$ (48)	$ 320
Statement of Cash Flows Data					
Cash (used by) provided from operating activities	$ (116)	$ 293	$ 281	$ 417	$ 418
Cash used by investing activities	$ (208)	$ (177)	$ (337)	$ (231)	$ (782)
Cash (used by) provided from financing activities	$ (193)	$ 547	$ 214	$ (51)	$ 135

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

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations, financial condition and cash flows of Visteon Corporation ("Visteon" or the "Company"). MD&A is provided as a supplement to, and should be read in conjunction with, the Company's consolidated financial statements and related notes appearing in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Description of the Business

Visteon is a leading global supplier of climate, interiors, electronics and other automotive systems, modules and components to vehicle manufacturers as well as the automotive aftermarket. The Company sells to the world's largest vehicle manufacturers ("OEMs") including BMW, Chrysler LLC, Daimler AG, Ford, General Motors, Honda, Hyundia/Kia, Nissan, PSA Peugeot Citroën, Renault, Toyota and Volkswagen. The Company has a broad network of manufacturing, technical engineering and joint venture operations throughout the world, supported by approximately 33,500 employees dedicated to the design, development, manufacture and support of its product offering and its global customers.

The Company conducts its business in the automotive sector, which is a labor and capital intensive industry that is characterized by highly competitive conditions, low growth and cyclicality. Accordingly, the financial performance of the industry is highly sensitive to changes in overall economic conditions. During 2008, weakened economic conditions, largely attributable to the global credit crisis and erosion of consumer confidence, negatively impacted the automotive sector on a global basis. Significant factors including the deterioration of housing values, elevated fuel prices, equity market volatility, and rising unemployment levels resulted in delayed purchases of durable consumer goods, particularly highly deliberated purchases such as automobiles. Additionally, the absence of available credit hindered vehicle affordability, forcing willing consumers out of the market globally. Together these factors combined to drive a decline in demand for automobiles across substantially all geographies. The dramatic decrease in sales resulted in significant production cuts across substantially all OEMs during the fourth quarter of 2008, which continued to persist into the first quarter of 2009.

Market Conditions and Overview of 2008 Financial Results

Vehicle sales in North America were negatively impacted by severe declines in the United States, where seasonally adjusted annual sales fell by 18% to 13.2 million units in 2008 compared to 16.1 million units in 2007. Sales in the U.S. started to slow during the first quarter of 2008 due to high fuel prices and the weakness intensified in each successive quarter as crude oil prices reached all time highs during 2008 and the economic picture worsened through the fourth quarter in connection with the credit crisis. Additionally, increases in fuel prices during 2008 resulted in a shift of U.S. consumer preference away from sport utility vehicles and trucks toward more fuel-efficient passenger cars. These changes in consumer behavior not only contributed to lower volumes in 2008, but also resulted in a shift of product mix during 2008 to smaller and more fuel efficient vehicles with lower margins.

In Europe, new vehicle registrations were 14.7 million units in 2008 compared to 16 million units in 2007, for an 8% decrease. During December 2008 new vehicle registrations in Europe were down 18% when compared to December 2007, despite two additional working days in 2008. In addition to recessionary economic conditions and the credit crisis, auto demand in Europe has been negatively impacted by reduced vehicle affordability resulting from elevated fuel prices and higher carbon emissions taxes, while uncertainty related to pending national emissions tax schemes has resulted in further delays in purchase decisions.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

The global credit crisis and weakening global economy also impacted Asia, but the impact was tempered in comparison to North America and Europe. In China, the sales growth rate of passenger cars and commercial vehicles declined in 2008, representing the slowest rate of growth in 5 years. In Japan, 2008 vehicle sales also decreased compared with 2007. Both China and Japan experienced double digit declines in the month of December 2008 as compared to December 2007. South Korean automakers were able to offset lower sales in their domestic markets with higher export sales.

During 2008, the Company's product sales were $9.1 billion, representing a decrease of $1.6 billion or 15% when compared to product sales for the same period of 2007. This decline was due to the impact of divestitures, plant closures and lower customer production volumes, particularly during the fourth quarter of 2008. During 2008, the Company's product sales were down across all regions including 33% in North America, 11% in Europe and 4% in Asia. The Company's product sales in North America were significantly impacted by lower Ford and Nissan production in the region for 2008. Ford North America production declined 605,000 units or 21% during 2008, including a decline of 212,000 units in the fourth quarter alone. Nissan North America truck production declined 148,000 units or 47% for 2008, including a decline of 67,000 units in the fourth quarter of 2008. In Europe, the Company's product sales were significantly impacted by lower PSA production in the region for 2008. PSA Europe production declined 202,000 units or 11% for 2008, including 141,000 units in the fourth quarter of 2008. The decline in the Company's product sales for Asia was primarily due to overall softening of the global economy driven by the global credit crisis.

The Company's gross margin was $459 million in 2008 compared with $573 million in 2007, representing a decrease of $114 million. Lower customer production volume and unfavorable product mix, primarily in North America and Europe, resulted in a $299 million gross margin reduction, while plant divestitures and closures further reduced gross margin by $135 million. These reductions were partially offset by net cost performance of $232 million reflecting efficiencies achieved through restructuring actions, cost reduction efforts and commercial agreements. Additional partial offsets include favorable currency of $46 million and gains associated with pension and other postretirement employee benefits ("OPEB") curtailments and settlements. During the fourth quarter of 2008, the Company's gross margin was negative $10 million, principally due to the rapid and significant decrease in OEM production volumes, which outpaced the Company's substantial cost reduction efforts.

The Company concluded that significant operating losses resulting from the deterioration of market conditions and related production volumes in the fourth quarter of 2008 represented an indicator that the carrying amount of the Company's long lived assets may not be recoverable. Based on the results of the Company's assessment, which was based upon the fair value of the affected assets using appraisals, management estimates and discounted cash flow calculations, the Company recorded an impairment charge of approximately $200 million to reduce the net book value of Interiors long-lived assets considered to be "held for use" to their estimated fair value. Additionally, the Company recorded a valuation allowance of $22 million for deferred tax assets in Brazil. Further deterioration of market conditions resulting in a sustained adverse impact on the global automotive sector could reduce the Company's sales and harm its results of operations, cash flows and financial position including, but not limited to, significant operating losses, asset impairments, deferred tax asset valuation allowances and reduced availability under asset-backed credit arrangements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Liquidity Matters

The Company's cash and liquidity needs are impacted by the level, variability and timing of its customers' worldwide vehicle production, which varies based on economic conditions and market shares in major markets. Current industry and market conditions pose significant challenges to the whole of the global automotive sector, particularly with respect to liquidity. Pressures associated with rapidly decreasing sales, growing inventories, severely constrained credit markets, rising costs, global competition and changing consumer preferences have resulted in significant cash usage and evaporation of available liquidity sources.

The deterioration in market conditions in 2008 was compounded by the rapid pace at which it occurred, as evidenced by double digit year-over-year declines in fourth quarter 2008 automotive sector sales in North America, Europe, China, Korea and South America. Additionally, during the fourth quarter of 2008 two of the three largest North America domiciled OEMs forecasted that they would reach minimum operating levels of cash by the end of December 2008 and would likely run out of cash in 2009 absent U.S. Government financial assistance.

In December 2008 the executive branch of the U.S. government extended $17.4 billion of bridge loans to General Motors and Chrysler, subject to various terms and conditions that, if not met by March 31, 2009, may require repayment of the bridge loan funds. On February 17, 2009 and in accordance with the terms of the bridge loans, General Motors and Chrysler submitted updated restructuring plans for the period 2009-2014 designed to demonstrate long-term viability to the U.S. Department of Treasury. On March 30, 2009, the U.S. government declined to provide further long-term financial support to General Motors and Chrysler, instead granted a 60 day extension to General Motors to submit an acceptable restructuring plan and a 30 day extension to Chrysler to complete a combination with Fiat SpA. The U.S. government offered to provide working capital support to General Motors during the 60 day extension period and offered to provide up to an additional $6 billion of federal loan funding to Chrysler to support the merger with Fiat SpA, if such merger discussions are successful within the 30 day extension period. Additionally, the U.S. government announced that it will guarantee General Motors and Chrysler product warranties to reassure consumers. Failure of these companies to secure necessary funding to support ongoing operations may cause significant disruption in the automotive sector and have a severe negative impact on the U.S. economy.

The Company's consolidated net sales during the year ended December 31, 2008 decreased $1.7 billion or 15% when compared to the same period of 2007, which included a decrease in net sales for the fourth quarter of 2008 of $1.2 billion. The Company's gross margin for the year ended December 31, 2008 decreased by $114 million or 20% when compared to the same period of 2007, which included a decrease in gross margin for the fourth quarter of 2008 of $212 million. Visteon used $116 million of cash for operating activities for the year ended December 31, 2008 representing additional use of $409 million as compared to 2007, which includes an incremental use of operating cash in the fourth quarter of 2008 of approximately $300 million. The significant deterioration of financial results in the fourth quarter of 2008 including net sales, gross margin, and operating cash primarily represents the impact of significantly lower OEM production volumes. The Company does not anticipate that these conditions will improve significantly in the near term.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

During 2008, the Company continued to execute restructuring actions designed to reduce costs and improve related cash flows, including activities under the multi-year improvement plan and other cost reduction plans. The multi-year improvement plan, which commenced in 2006, was completed during 2008 and addressed a total of 30 underperforming and non-strategic facilities and businesses. In September 2008, the Company commenced a program designed to reduce its salaried employee census by upwards of 800 positions, to reduce hourly headcount by about 2,000 and to eliminate certain pension and other postretirement employee benefits. In November 2008, the Company implemented additional employee cost reductions including a freeze on hiring and travel; suspension of 401(k) company match; elimination of salary increases for 2009; elimination of car program benefits for executives and reduction of such benefits for other eligible employees; mandatory unpaid shutdown in the U.S. for December 22 and 23, 2008; and elimination of paid 2009 winter holidays from December 28 through December 31, 2009.

Despite aggressive actions taken to reduce costs in 2008, the rate of such reductions did not keep pace with that of the rapidly deteriorating market conditions and related decline in automotive sales and production volumes in the fourth quarter of 2008. Therefore, in January 2009, the Company implemented a short workweek schedule for about 2,000 U.S. salaried employees and a corresponding 20% decrease in regular base salaries. Starting February 1, 2009 U.S. salaried employees resumed a standard five-day work schedule and, as a further cost-savings action, regular base salaries as of December 31, 2008 were reduced by an amount ranging from 10% to 2% based on level. Certain of the actions implemented in the fourth quarter of 2008 and in January 2009 are intended to preserve cash in light of the difficult market and industry conditions. However, the full effect of these actions may not be realized until later in 2009, and may not be sufficient or timely enough to address the negative financial impacts associated with the current and projected market conditions.

Due to the global credit crisis, the current state of credit and capital markets is severely constrained and access to additional sources of funding are significantly limited. Additionally, access to and the cost of borrowing, depend, in part, on the Company's credit ratings, which are currently below investment grade. Moody's current corporate rating of the Company is Ca with a negative outlook, and the SGL rating is 4. The rating on the 2010 and 2014 senior unsecured debt is C, the rating on the 2016 senior guaranteed unsecured debt is Ca and the rating on the senior secured term loan is Caa2. The current corporate rating of the Company by S&P is CCC with a negative outlook. S&P's rating on the senior unsecured debt is CCC- and the rating on the senior secured term loan is B-. Fitch's current rating on the Company's senior secured debt is C with a negative outlook.

Current credit and capital market conditions combined with the Company's credit ratings and recent history of operating losses and negative cash flows as well as projected industry conditions are likely to significantly restrict the Company's ability to access capital markets in the near – term and any such access would likely be at an increased cost and under more restrictive terms and conditions. Further, such constraints may also affect the Company's commercial arrangements and payment terms. Absent access to additional liquidity from credit markets, which remain severely constrained, or other sources of external financial support, the Company expects to be at or near minimum levels of cash required to operate the business.

As of December 31, 2008, the Company's consolidated cash balances totaled $1.2 billion and approximately 59% of these consolidated cash balances were held within the U.S. As the Company's operating profitability has become more concentrated with its foreign subsidiaries and joint ventures, the Company's cash generated from operations and related balances located outside of the U.S. continue to be significant. The Company's ability to efficiently access cash balances in certain foreign jurisdictions is subject to local regulatory and statutory requirements.

The Company had additional sources of liquidity available as of December 31, 2008 of $352 million under various financial arrangements, as described below.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

- Amended escrow account — In connection with the ACH Transactions, Ford paid $400 million into an escrow account for use by the Company to restructure its businesses subject to the terms and conditions of the Escrow Agreement, dated October 1, 2005, among the Company, Ford and Deutsche Bank Trust Company Americas. Cash in the escrow account is invested, at the direction of the Company, in high quality, short-term investments and related investment earnings are credited to the account as earned.

  The Escrow Agreement provides that the Company will be reimbursed from the escrow account for the first $250 million of reimbursable restructuring costs, as defined in the Escrow Agreement, and up to one half of the next $300 million of such costs. Investment earnings of $28 million became available to reimburse the Company's restructuring costs following the use of the first $250 million of available funds. In August 2008 and pursuant to the Amended Escrow Agreement, Ford contributed an additional $50 million into the escrow account. The Amended Escrow Agreement provides that such additional funds are available to fund restructuring and other qualified costs on a 100% basis. As of December 31, 2008, the Company had received cumulative reimbursements from the escrow account of $417 million and $68 million was available for reimbursement pursuant to the terms of the Amended Escrow Agreement.

- Asset securitization — Availability of funding under the Company's European Securitization facility depends primarily upon the amount of trade account receivables, reduced by outstanding borrowings under the program and other characteristics of those receivables that affect their eligibility (such as bankruptcy or the grade of the obligor, delinquency and excessive concentration). As of December 31, 2008, approximately $98 million of the Company's transferred receivables were considered eligible for borrowing under this facility, $92 million was outstanding and $6 million was available for funding.

- U.S. asset-backed lending facility ("ABL Facility") — The Company's ABL Facility allows for available borrowings of up to $350 million. The amount of availability at any time is dependent upon various factors, including outstanding letters of credit, the amount of eligible receivables, inventory and property and equipment. Borrowings under the ABL Facility bear interest based on a variable rate interest option selected at the time of borrowing. The ABL Facility expires on August 14, 2011. As of December 31, 2008, the ABL Facility availability was $174 million, with $50 million of available borrowings after $75 million of borrowings and $49 million of obligations under letters of credit. In January 2009, the Company borrowed an additional $30 million under the ABL Facility.

  Pursuant to the terms and conditions of the ABL Facility, the Administrative Agent is permitted, at its discretion, to reduce the borrowing base under the ABL Facility. On March 17, 2009, the Company was notified by the Administrative Agent, at its sole discretion, of a $30 million reduction to the Company's borrowing base to reflect the impairment of long-lived assets. Accordingly, the Company had no available liquidity under the ABL Facility effective March 17, 2009.

- Other — As of December 31, 2008, the Company had availability on various other credit facilities of approximately $228 million. Certain of these facilities are related to a number of the Company's non-U.S. operations, a portion of which are payable in non-U.S. currencies including, but not limited to, the Euro, Korean Won and Brazilian Real.

During February 2009, auto suppliers in North America, represented by two trade groups, requested financial support from the U.S. government. On March 19, 2009 the U.S. Treasury Department announced that it will provide up to $5 billion in financing to certain auto parts suppliers under the government's Troubled Assets Relief Program. The financing program will be run through U.S. automakers and suppliers to those companies would have to agree to terms of the government-backed protection and pay a fee for the right to participate. The timing, amount and long-term impact of the Company's participation in such financing program, if any, is highly uncertain as is the extent to which such financing will be made available on terms commercially acceptable to the Company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

The Company continues to develop and execute, as appropriate, additional actions designed to generate liquidity including customer accommodation agreements, asset sales, cash repatriation and further cost reductions including employee census reductions, facility closures and business exits. The success of the Company's liquidity plans depends on global economic conditions, levels of automotive sales and production, trade creditor business conduct and occurrence of no other material adverse developments. The Company's liquidity plans are also subject to a number of risks and uncertainties, including those identified above and those identified under Item 1A "Risk Factors" of this Annual Report on Form 10-K.

In consideration of current and projected market conditions, overall automotive sector instability and Visteon's recent history of operating losses and cash usage, projections indicate that, even with the successful implementation of additional liquidity actions, the Company's liquidity will be at or near minimum cash levels required to operate the business during 2009. Additionally, various macro-level factors outside of the Company's control may further negatively impact the Company's ability to meet its obligations as they come due. Such factors include, but are not limited to, the following:

- Sustained weakness and/or continued deterioration of global economic conditions.
- Continued automotive sales and production at levels consistent with or lower than fourth quarter 2008.
- Failure of U.S. OEMs to meet the necessary terms and conditions of U.S. government bridge loans.
- Bankruptcy of any significant customer resulting in delayed payments and/or non-payment of amounts receivable.
- Bankruptcy of any significant supplier resulting in delayed shipments of materials necessary for production.
- Actions of trade creditors to accelerate payments for goods and services provided.
- Other events of non-compliance with the terms and conditions of short or long-term debt obligations.

Despite the actions management has taken or plans to take, there can be no assurance that factors outside of the Company's control, including but not limited to, the financial condition of OEMs or other automotive suppliers, will not cause further significant financial distress for Visteon. Additionally, while the Company has already taken significant restructuring and cost reduction measures and plans to implement further actions designed to provide additional liquidity, there can be no assurance that such actions will provide a sufficient amount of funds or that such actions will supply funds in a timely manner necessary to meet the Company's ongoing liquidity requirements. Accordingly, there exists substantial doubt as to the Company's ability to operate as a going concern and meet its obligations as they come due.

Going Concern Considerations

Pursuant to affirmative covenants contained in the agreements associated with the Company's senior secured facilities and European Securitization (the "Facilities"), the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into amendments and waivers (the "Waivers") with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully described in Item 9B "Other Information" of this Annual Report on Form 10-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including an ad hoc committee of lenders under its senior secured term loan (the "Ad Hoc Committee"), regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code.

The aforementioned resulted in the current classification of substantially all of the Company's long-term debt as current liabilities in the Company's consolidated balance sheet as of December 31, 2008.

Results of Operations

2008 Compared with 2007

	Sales			Gross Margin		
	2008	2007	Change	2008	2007	Change
			(Dollars in Millions)			
Climate	$ 2,994	$ 3,370	$ (376)	$ 207	$ 233	$ (26)
Electronics	3,251	3,646	(395)	193	276	(83)
Interiors	2,748	3,183	(435)	27	75	(48)
Other	505	1,178	(673)	29	3	26
Eliminations	(421)	(656)	235	—	—	—
Total products	9,077	10,721	1,644	456	587	(131)
Services	467	554	(87)	3	6	(3)
Total segments	9,544	11,275	1,731	459	593	(134)
Reconciling Items						
Corporate	—	—	—	—	(20)	20
Total consolidated	$ 9,544	$ 11,275	$ 1,731	$ 459	$ 573	$ (114)

Net Sales

The Company's consolidated Net Sales during the year ended December 31, 2008 decreased $1.7 billion or 15% when compared to the same period of 2007. Plant divestitures and closures accounted for $1.0 billion of the decline while production volume and mix further deteriorated sales by $0.8 billion, primarily in North America and Europe across all key customers. Favorable currency offset net customer pricing changes.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Net sales for Climate were $2.99 billion in 2008, compared with $3.37 billion in 2007, representing a decrease of $376 million or 11%. This decrease included $147 million related to the closure of the Company's Connersville, Indiana facility, unfavorable production volumes related to key customers in North America of $95 million and net customer price reductions. Additionally, unfavorable currency of $153 million in Asia Pacific, primarily related to the Korean Won, resulted in a sales reduction. These decreases were partially offset by net new business and vehicle production volume and mix in Asia of $148 million, primarily related to Hyundai/Kia and favorable currency in Europe of $48 million, primarily due to the strengthening of the Euro.

Net sales for Electronics were $3.25 billion in 2008, compared with $3.65 billion in 2007, representing a decrease of $395 million or 11%. This decrease included a $565 decline related to production volumes and mix and the impact of past customer sourcing decisions, across all regions and key customers, and net customer price reductions. Favorable currency of $213 million, primarily related to the strengthening of the Euro, was a partial offset.

Net sales for Interiors were $2.75 billion in 2008, compared with $3.18 billion in 2007, representing a decrease of $435 million or 14%. This decrease includes lower customer production volumes and mix of $411 million primarily related to Nissan in North America and Nissan/Renault and PSA in Europe, $91 million related to the Halewood Divestiture and closure of the Company's Chicago, Illinois facility, $76 million due to unfavorable currency in Asia and net customer price reductions. These decreases were partially offset by favorable currency of $121 million in Europe, and revenue associated with customer agreements at certain of the Company's UK operations.

Net sales for Other were $505 million in 2008, compared with $1.18 billion in 2007, representing a decrease of $673 million or 57%. The decrease was primarily attributable to divestitures and plant closures of $635 million, including the divestiture of the Company's chassis operations, the Bedford, Indiana plant closure, the Visteon Powertrain Control Systems India divestiture, and the North America Aftermarket divestiture. Customer production volumes and mix and the impact of past sourcing decisions further reduced sales. This reduction was partially offset by revenue associated with customer agreements at certain of the Company's UK operations

Services revenues primarily relate to information technology, engineering, administrative and other business support services provided by the Company to ACH, under the terms of various agreements with ACH. Such services are generally provided at an amount that approximates cost. Total services revenues were $467 in 2008, compared with $554 million in 2007. Services revenues and related costs include approximately $33 million related to contractual reimbursement from Ford under the Amended Reimbursement Agreement for costs associated with the separation of ACH leased employees no longer required to provide such services. The decrease in services revenue represents lower ACH utilization of the Company's services in connection with the terms of various agreements.

Gross Margin

The Company's gross margin was $459 million in 2008 compared with $573 million in 2007, representing a decrease of $114 million. Lower production volume and unfavorable product mix, primarily in North America and Europe, resulted in a $299 million gross margin reduction. Gross margin declines also included $135 million related to plant closures, divestitures and past customer sourcing decisions and $14 million of net commercial and other settlements. These reductions were partially offset by net cost performance of $240 million reflecting efficiencies achieved through restructuring actions, cost reduction efforts and commercial agreements. Additional partial offsets include $46 million of favorable currency, $34 million of gains associated with pension and OPEB curtailments and settlements and a $13 million reduction in accelerated depreciation year-over-year.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Gross margin for Climate was $207 million in 2008 compared with $233 million in 2007, representing a decrease of $26 million. This decrease included the non-recurrence of $51 million of 2007 OPEB curtailment gains, $34 million related to lower customer production volumes primarily in North America and Europe and $17 million related to the closure of the Connersville, Indiana facility. These decreases were partially offset by $31 million related to net cost efficiencies achieved through manufacturing performance, purchasing improvement efforts and restructuring activities; $17 million related to the non-recurrence of 2007 accelerated depreciation and amortization; $17 million of 2008 building sales; and $8 million of 2008 pension and OPEB curtailments.

Gross margin for Electronics was $193 million in 2008 compared with $276 million in 2007, representing a decrease of $83 million. This decrease includes $169 million related to lower production volumes across all regions and past customer sourcing decisions. These reductions were partially offset by $36 million related to net cost efficiencies achieved through manufacturing performance and restructuring efforts, $27 million related to 2008 OPEB curtailments and $24 million related to favorable currency.

Gross margin for Interiors was $27 million in 2008 compared with $75 million in 2007, for a reduction of $48 million. This reduction included $103 million from lower customer production volumes, primarily in North America and Europe and $43 million for the non-recurrence of 2007 favorable customer settlements and building sales. These reductions were partially offset by $70 million of net cost efficiencies achieved through manufacturing performance, restructuring savings and purchasing improvement efforts; $11 million related to a 2008 customer settlement; $10 million related to favorable currency; $11 million related to lower accelerated depreciation and other costs and revenue associated with customer agreements at certain of the Company's UK operations.

Gross margin for Other was $29 million in 2008 compared with $3 million in 2007, for an increase of $26 million. The effect of divestitures, plant closures and lower production volumes was more than offset by the restructuring savings resulting from those actions and revenue associated with customer agreements at certain of the Company's UK operations.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $553 million in 2008 compared with $636 million in 2007, representing a reduction of $83 million. The improvement is primarily attributable to $77 million of cost efficiencies resulting from the Company's ongoing restructuring activities, net of economics and the implementation costs associated with those restructuring activities. Additional decreases in selling, general and administrative expenses included a $20 million decrease in compensation expense related to incentive compensation programs and lower costs associated with the European Securitization facility. These improvements were partially offset by the non-recurrence of a $15 million favorable customer bad debt recovery in 2007.

Restructuring Expenses and Reimbursement from Escrow Account

The Company recorded restructuring expenses of $147 million for the year ended December 31, 2008, compared to $152 million for the same period in 2007. The Company recorded reimbursement for such costs of $113 million and $142 million for the years ended December 31, 2008 and 2007, respectively, pursuant to the terms of the Amended Escrow Agreement.

The following is a summary of the Company's consolidated restructuring reserves and related activity for the year ended December 31, 2008, including amounts related to its discontinued operations. Substantially all of the Company's restructuring expenses are related to employee severance and termination benefit costs.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
December 31, 2007	$ 58	$ 23	$ 7	$ 24	$ 112
Expenses	42	20	3	82	147
Exchange	(3)	—	—	—	(3)
Utilization	(48)	(40)	(6)	(98)	(192)
December 31, 2008	$ 49	$ 3	$ 4	$ 8	$ 64

Included in the 2008 expense is $107 million for additional actions under the previously announced multi-year improvement plan. Significant actions under the multi-year improvement plan include the following:

- $33 million of employee severance and termination benefit costs associated with approximately 290 employees to reduce the Company's salaried workforce in higher cost countries.
- $23 million of employee severance and termination benefit costs associated with approximately 20 salaried and 250 hourly employees at a European Interiors facility.
- $18 million of employee severance and termination benefit costs associated with 55 employees at the Company's Other products facility located in Swansea, UK.
- $9 million of employee severance and termination benefit costs related to approximately 100 hourly and salaried employees at certain manufacturing facilities located in the UK.
- $6 million of employee severance and termination benefit costs associated with approximately 40 employees at a European Interiors facility.
- $5 million of contract termination charges related to the closure of a European Other facility.
- $5 million of employee severance and termination benefit costs related to the closure of a European Interiors facility.

Utilization for 2008 includes $131 million of payments for severance and other employee termination benefits, $46 million of special termination benefits reclassified to pension and other postretirement employee benefit liabilities, where such payments are made from the Company's benefit plans and $15 million in payments related to contract termination and equipment relocation costs.

The Company has incurred $382 million in cumulative restructuring costs related to the multi-year improvement plan including $156 million, $129 million, $66 million and $31 million for the Other, Interiors, Climate and Electronics product groups respectively. Substantially all restructuring expenses recorded to date relate to employee severance and termination benefit costs and are classified as "Restructuring expenses" on the consolidated statements of operations. As of December 31, 2008, restructuring reserves related to the multi-year improvement plan are approximately $54 million, including $35 million and $19 million classified as "other current liabilities" and "other non-current liabilities," respectively. The Company estimates that the total cost associated with the multi-year improvement plan will be approximately $475 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

In September 2008, the Company commenced a program designed to fundamentally realign, consolidate and rationalize the Company's administrative organization structure on a global basis through various voluntary and involuntary employee separation actions. Related employee severance and termination benefit costs of $26 million were recorded during 2008 associated with approximately 320 salaried employees in the United States and 100 salaried employees in other countries, for which severance and termination benefits were deemed probable and estimable. The Company expects to record additional costs related to this global program in future periods when elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change. The Company also recorded $9 million of employee severance and termination benefit costs associated with approximately 850 hourly and 60 salaried employees at a North American Climate facility. As of December 31, 2008, restructuring reserves related to these programs were approximately $10 million.

Impairment of Long-Lived Assets

The Company concluded that significant operating losses resulting from the deterioration of market conditions and related production volumes in the fourth quarter of 2008 represented an indicator that the carrying amount of the Company's long lived assets may not be recoverable. Based on the results of the Company's assessment, which was based upon the fair value of the affected assets using third party appraisals, management estimates and discounted cash flow calculations, the Company recorded an impairment charge of approximately $200 million to reduce the net book value of Interiors long-lived assets considered to be "held for use" to their estimated fair value.

On June 30, 2008, Visteon UK Limited, an indirect, wholly-owned subsidiary of the Company, transferred certain assets related to its chassis manufacturing operation located in Swansea, United Kingdom to Visteon Swansea Limited, a company incorporated in England and a wholly-owned subsidiary of Visteon UK Limited. Effective July 7, 2008, Visteon UK Limited sold the entire share capital of Visteon Swansea Limited to Linamar UK Holdings Inc., a wholly-owned subsidiary of Linamar Corporation for nominal cash consideration. The Swansea operation, which was included within the Other product group, generated negative gross margin of approximately $40 million on sales of approximately $80 million during 2007. The Company recorded asset impairment and loss on divestiture of approximately $23 million in connection with the transaction, including $16 million of losses on the Visteon Swansea Limited share capital sale and $7 million of asset impairment charges.

During the first quarter of 2008, the Company announced the sale of its North American-based aftermarket underhood and remanufacturing operations ("NA Aftermarket") including facilities located in Sparta, Tennessee and Reynosa, Mexico (together the "NA Aftermarket Divestiture"). The NA Aftermarket manufactured starters and alternators, radiators, compressors and condensers and also remanufactured steering pumps and gears. These operations recorded sales for the year ended December 31, 2007 of approximately $133 million and generated a negative gross margin of approximately $16 million. The Company recorded total losses of $46 million on the NA Aftermarket Divestiture, including an asset impairment charge of $21 million and losses on disposition of $25 million. The Company also recorded asset impairments and loss on divestitures of $6 million during 2008 in connection with other divestiture activities, including the sale of its Interiors operation located in Halewood, UK.

Interest

Interest expense was $215 million for the year ended December 31, 2008 compared to $225 million for the year ended December 31, 2007. Interest expense decreased $10 million due to lower borrowing rates partially offset by higher debt levels when compared to 2007. Interest income was $46 million for the year ended December 31, 2008 compared to $61 million for the year ended December 31, 2007. Interest income decreased $15 million due to lower investment rates partially offset by higher average cash balances in 2008.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Income Taxes

The income tax provisions for the years ended December 31, 2008 and 2007 reflect income tax expense related to those countries where the Company is profitable, accrued withholding taxes, certain non-recurring and other discrete items and the inability to record a tax benefit for pre-tax losses in the U.S. and certain foreign countries to the extent not offset by other categories of income in those jurisdictions. The company's 2008 provision for income taxes of $116 million represents a net increase of $96 million when compared with 2007, as follows:

- Non-recurrence of $91 million tax benefit recorded in 2007 related to offsetting pre-tax operating losses against current year net pre-tax income from other categories of income or loss, in particular pre-tax other comprehensive income attributable to pension and OPEB obligations and foreign currency translation.
- $38 million attributable to changes in earnings between jurisdictions where the Company is profitable and accrues income and withholding tax, and, beginning in 2008, includes withholding tax related to the Company's undistributed earnings not considered permanently reinvested from its non-U.S. unconsolidated affiliates.
- $22 million attributable to a deferred tax asset valuation allowance related to the Company's operations in Brazil recorded in consideration of negative evidence associated with the Company's ability to generate the necessary taxable earnings to recover such deferred tax assets.
- Non-recurrence of $18 million net tax benefit recorded in 2007 resulting from the Company's redemption of its ownership interest in a newly formed Korean company as part of a legal restructuring of its climate control operations in Asia. In connection with this redemption, the Company concluded that a portion of its earnings in Halla Climate Control Korea, a 70% owned affiliate of the Company, were permanently reinvested resulting in a $30 million reduction of previously accrued withholding taxes. This benefit was partially offset by $12 million of income tax expense related to a taxable gain from the restructuring.

These 2008 year-over-year increases in tax expense items were partially offset by decreases attributable to the following items:

- $60 million decrease in unrecognized tax benefits, including interest and penalties, reflects ongoing process improvements in connection with the Company's transfer pricing initiatives, as well the receipt of an advance pricing agreement from Hungary during the fourth quarter of 2008, both of which contributed to the overall decrease in unrecognized tax benefits year-over-year.
- Favorable tax law changes in 2008 resulted in tax benefits of $6 million, which includes U.S. legislation enacted in July 2008 allowing the Company to record certain U.S. research tax credits previously subject to limitation as refundable. In 2007, favorable tax law changes in Portugal which resulted in an $11 million tax benefit were more than offset by unfavorable tax law changes in Mexico which resulted in $18 million of additional tax expense.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

2007 Compared with 2006

	Sales			Gross Margin		
	2007	2006	Change	2007	2006	Change
			(Dollars in Millions)			
Climate	$ 3,370	$ 3,123	$ 247	$ 233	$ 170	$ 63
Electronics	3,646	3,514	132	276	373	(97)
Interiors	3,183	3,059	124	75	65	10
Other	1,178	1,658	(480)	3	68	(65)
Eliminations	(656)	(648)	(8)	—	—	—
Total products	10,721	10,706	15	587	676	(89)
Services	554	550	4	6	5	1
Total segments	11,275	11,256	19	593	681	(88)
Reconciling Items						
Corporate	—	—	—	(20)	72	(92)
Total consolidated	$ 11,275	$ 11,256	$ 19	$ 573	$ 753	$ (180)

Net Sales

The Company's consolidated net sales during the year ended December 31, 2007 were essentially flat when compared to the same period of 2006. Changes in currency resulted in an increase of $569 million, primarily related to the strengthening of the Euro, Korean Won, Brazil Real and British Pound during 2007. Divestitures and closures, reduced sales by $675 million and included the Company's chassis operations, the Chennai, India operation and the Chicago, Illinois facility. North America sales volumes decreased by $434 million related to lower Ford and Nissan volumes in North America and the result of customer sourcing actions, primarily in the Electronics product group. Sales in Asia increased $537 million, including $269 million of directed source content related to Hyundai/Kia production and net new business wins. Higher Ford and Premium Auto Group production volumes in Europe contributed to an increase in sales of $136 million.

Net sales for Climate were $3.4 billion in 2007, compared with $3.1 billion in 2006, representing an increase of $247 million or 8%. Sales increased in Asia by $237 million, principally attributable to new business and higher production volumes, primarily Hyundai/Kia. Climate sales increased in Europe by $68 million principally related to higher Ford vehicle production volumes. Sales were lower in North America by $121 million due to lower Ford North America vehicle production volume and unfavorable product mix partially offset by new business. Net customer price reductions were more than offset by favorable currency of $153 million.

Net sales for Electronics were $3.6 billion in 2007, compared with $3.5 billion in 2006, representing an increase of $132 million or 4%. Sales in 2007 included higher sales in Europe of $178 million due to increased Ford vehicle production volumes, partially offset by lower Ford North American vehicle production volumes and adverse product mix related to past customer sourcing actions of $191 million. Net customer price reductions were more than offset by favorable currency of $198 million.

Net sales for Interiors were $3.2 billion in 2007, compared with $3.1 billion in 2006, representing an increase of $124 million or 4%. Increased sales in Asia of $298 million, primarily due to an increase in directed source content for Hyundai/Kia production, were partially offset by lower sales in North America of $297 million, primarily due to lower Ford and Nissan vehicle production volumes as well as the impact of lost volume related to the closure of the Chicago, Illinois facility. Net customer price reductions were more than offset by customer commercial settlements and favorable currency of $165 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Net sales for Other were $1.2 billion in 2007, compared with $1.7 billion in 2006, representing a decrease of $480 million or 29%. The decrease is largely attributable to the divestiture of the Company's chassis operations, which resulted in a decrease of $390 million and the Chennai, India divestiture, which resulted in a decrease of $35 million. Sales decreased by $95 million with reductions in all regions related to lower vehicle production volumes and adverse product mix. Net customer price reductions were more than offset by favorable currency of $53 million.

Services revenues relate to information technology, engineering, administrative and other business support services provided by the Company under the terms of various transition agreements. Such services are generally provided at an amount that approximates cost. Services revenues totaled $554 million for the year ended December 31, 2007 compared with $550 million for the year ended December 31, 2006.

Gross Margin

The Company's gross margin was $573 million for the year ended December 31, 2007, compared with $753 million for the year ended December 31, 2006, representing a decrease of $180 million or 24%. The decrease resulted from the following items:

- Non-recurrence of certain benefits recorded in 2006, including $72 million of postretirement benefit relief related to the transfer of certain Visteon salaried employees to Ford, commercial agreements of $39 million and non-income tax reserve adjustments of $27 million.
- Non-recurrence of certain expense items recorded in 2006, including $11 million of employee benefit curtailment expense included in cost of sales but reimbursed from the escrow account and a $9 million litigation settlement.
- Certain 2007 benefits, including OPEB curtailment gains related to restructuring activities of $58 million, commercial agreements of $35 million, and gains on the sale of land and buildings in the UK of $24 million.
- Certain 2007 expense items, including accelerated depreciation of $50 million resulting from the Company's restructuring activities, $23 million of employee benefit curtailment and settlement expense included in cost of sales but reimbursed from the escrow account and $20 million of pension settlement expenses related to a previously closed Canadian facility.
- The divestiture of the Company's chassis operations resulted in a reduction in gross margin of $33 million.
- The remainder was related to vehicle production volume and mix, past sourcing actions and customer pricing partially offset by improved operating performance.

Gross margin for Climate was $233 million in 2007, compared with $170 million in 2006, representing an increase of $63 million or 37%. Material and manufacturing cost reduction activities, lower OPEB expenses and restructuring savings were partially offset by customer pricing and increases in raw material costs resulting in a net increase in gross margin of $101 million. Favorable currency increased gross margin by $9 million. These increases were partially offset by $47 million of unfavorable vehicle and product mix, lower vehicle production volumes, in North America and accelerated depreciation.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Gross margin for Electronics was $276 million in 2007, compared with $373 million in 2006, representing a decrease of $97 million or 26%. Vehicle production volume and mix was unfavorable $125 million in North America primarily related to lower Ford vehicle production volumes and the impact of past Ford sourcing actions. However, vehicle production volume and mix was favorable $54 million in other regions, primarily in Europe reflecting increased Ford Europe vehicle production volume. Accelerated depreciation related to restructuring activities reduced gross margin by $20 million. Material and manufacturing cost reduction activities, lower OPEB expenses and restructuring savings were more than offset by premium launch costs, net customer price reductions and increased raw material costs resulting in a decrease in gross margin of $28 million. Favorable currency increased gross margin by $22 million.

Gross margin for Interiors was $75 million in 2007, compared with $65 million in 2006, representing an increase of $10 million or 15%. Customer commercial settlements, material and manufacturing cost reduction activities, lower OPEB expenses and restructuring savings were partially offset by customer pricing and increases in raw material costs, which resulted in a net increase in gross margin of $8 million. Additionally, the Company's Interiors operations recorded a gain on the sale of a building located in the UK, which increased gross margin by $12 million. Favorable currency further increased gross margin by $11 million. These increases were partially offset by vehicle production volume and mix of $15 million reflecting lower Ford and Nissan vehicle production volumes in North America facility, partially offset by increases in Europe related to Ford production volume and in Asia related to net new business. Accelerated depreciation related to restructuring activities reduced gross margin by $6 million.

Gross margin for Other was $3 million in 2007, compared with $68 million in 2006, representing a decrease of $65 million or 96%. This decrease includes unfavorable customer vehicle production volume and product mix of $58 million, $33 million related to the divestiture of the Company's chassis operations and $12 million of net pension curtailment and settlement expense included in cost of sales but reimbursed from the escrow account. These decreases were partially offset by $16 million related to the net of material and manufacturing cost reduction activities, lower OPEB expense, and restructuring savings, partially offset by customer price reductions and increases in raw material costs. Additionally, the gross margin decrease for Other was partially offset by the non-recurrence of a 2006 litigation settlement of $9 million and the 2007 sale of buildings in the UK for $13 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $636 million in 2007, compared with $713 million in 2006, representing a decrease of $77 million or 11%. The decrease resulted from $60 million in efficiency actions, primarily related to salaried headcount reductions implemented during the fourth quarter of 2006 and the first quarter of 2007; lower stock-based compensation expense of $22 million; and $12 million of lower bad debt and other expenses, partially offset by $17 million of unfavorable currency

Restructuring Expenses and Reimbursement from Escrow Account

The Company recorded restructuring expenses of $162 million for the year ended December 31, 2007, compared to $95 million for the same period in 2006. The Company recorded reimbursement for such costs of $142 million and $104 million for the years ended December 31, 2007 and 2006, respectively, pursuant to the terms of the Escrow Agreement. The following is a summary of the Company's consolidated restructuring reserves and related activity as of and for the year ended December 31, 2007, including amounts related to discontinued operations. Substantially all of the Company's restructuring expenses are related to employee severance and termination benefit costs.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

	Interiors	Climate	Electronics	Other	Total
	(Dollars in Millions)				
December 31, 2006	$ 18	$ 21	$ 2	$ 12	$ 53
Expenses	66	27	9	60	162
Utilization	(26)	(25)	(4)	(48)	(103)
December 31, 2007	$ 58	$ 23	$ 7	$ 24	$ 112

Substantially all restructuring expenses recorded in 2007 were related to the multi-year improvement plan. Significant restructuring actions under the multi-year improvement plan for the year ended December 31, 2007 included the following:

- $31 million of employee severance and termination benefit costs associated with the elimination of approximately 300 salaried positions.
- $27 million of employee severance and termination benefit costs for approximately 300 employees at a European Interiors facility related to the announced 2008 closure of that facility.
- $21 million of employee severance and termination benefit costs for approximately 600 hourly and 100 salaried employees related to the announced 2008 closure of a North American Other facility.
- $14 million was recorded related to the December 2007 closure of a North American Climate facility for employee severance and termination benefits, contract termination and equipment move costs.
- $12 million of expected employee severance and termination benefit costs associated with approximately 100 hourly employees under a plant efficiency action at a European Climate facility.
- $10 million of employee severance and termination benefit costs associated with the exit of brake manufacturing operations at a European Other facility. Approximately 160 hourly and 20 salaried positions were eliminated as a result of this action.
- $10 million of employee severance and termination benefit costs were recorded for approximately 40 hourly and 20 salaried employees at various European facilities.
- The Company recorded an estimate of employee severance and termination benefit costs under the multi-year improvement plan of approximately $34 million for the probable payment of such post-employment benefit costs.

Utilization of $103 million for the year ended December 31, 2007 includes $79 million of payments for severance and other employee termination benefits, $16 million of special termination benefits reclassified to pension and other postretirement employee benefit liabilities where such payments are made from the Company's benefit plans and $8 million in payments related to contract termination and equipment relocation costs.

Impairment of Long-Lived Assets

During the fourth quarter of 2007 the Company recorded impairment charges of $16 million to reduce the net book value of long-lived assets associated with the Company's fuel products to their estimated fair value. This amount was recorded pursuant to impairment indicators including lower than anticipated current and near term future customer volumes and the related impact on the Company's current and projected operating results and cash flows resulting from a change in product technology.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

During the third quarter of 2007, the Company completed the sale of its Visteon Powertrain Control Systems India ("VPCSI") operation located in Chennai, India. The Company determined that assets subject to the VPCSI divestiture including inventory, intellectual property and real and personal property met the "held for sale" criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in asset impairment charges of approximately $14 million.

During the first quarter of 2007, the Company determined that assets subject to divestiture in connection with the Company's chassis operations, including inventory, intellectual property and real and personal property met the "held for sale" criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in asset impairment charges of approximately $28 million.

In connection with the Company's announced exit of the brake manufacturing business at its Swansea, UK facility, an asset impairment charge of $16 million was recorded to reduce the net book value of certain long-lived assets at the facility to their estimated fair value. The Company's estimate of fair value was based on market prices, prices of similar assets, and other available information.

During 2007 the Company entered into agreements to sell two Electronics buildings located in Japan. The Company determined that these buildings met the "held for sale" criteria of SFAS 144 and were recorded at the lower of carrying value or fair value less cost to sell, which resulted in asset impairment charges of approximately $15 million.

Interest

Interest expense, net was $164 million for the year ended December 31, 2007 compared to $159 million for the year ended December 31, 2006. Interest expense increased $35 million due to higher average debt levels in 2007. Interest income was $61 million for the year ended December 31, 2007 compared to $31 million for the year ended December 31, 2006. Interest income increased $30 million due to higher average cash balances in 2007.

Income Taxes

The Company's 2007 income tax provision of $20 million reflects income tax expense of $50 million related to certain countries where the Company is profitable, accrued withholding taxes and the inability to record a tax benefit for pre-tax losses in the U.S. and certain foreign countries to the extent not offset by other categories of income. The 2007 income tax provision also includes $72 million for an increase in unrecognized tax benefits resulting from positions taken in tax returns filed during the year, as well as those expected to be taken in future tax returns, including interest and penalties. Additionally, the Company recorded approximately $18 million of income tax expense related to significant tax law changes in Mexico enacted in the fourth quarter of 2007. These expense items were offset by an $11 million benefit due to favorable tax law changes in Portugal also enacted in the fourth quarter of 2007.

Cash Flows

Operating Activities

Cash used by operating activities during 2008 totaled $116 million, compared with $293 million provided from operating activities for the same period in 2007. The increase in usage is attributable to higher net loss, as adjusted for certain non-cash items, higher net restructuring cash outflow, lower dividends from non-consolidated affiliates, an increase in recoverable tax assets, lower trade working capital excluding change in receivables sold, and higher interest payments. The increase in usage was partially offset by non-recurrence of a reduction in receivables sold in 2007.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Investing Activities

Cash used by investing activities was $208 million during 2008, compared with $177 million for the same period in 2007. The increase in cash usage primarily resulted from lower proceeds from divestitures and asset sales, partially offset by lower capital expenditures. The proceeds from divestitures and asset sales for 2008, which included proceeds from the NA Aftermarket Divestiture, totaled $83 million compared to $207 million for 2007, which included proceeds from the divestiture of the Company's chassis operations. Capital expenditures, excluding capital leases, were $294 million in 2008 compared with $376 million in 2007. The Company's credit agreements limit the amount of capital expenditures the Company may make.

Financing Activities

Cash used by financing activities totaled $193 million in 2008, compared with $547 million provided from financing activities in 2007. Cash used by financing activities in 2008 primarily resulted from the repurchase of $344 million in aggregate principal amount of the Company's 8.25% notes and issuance of $206.4 million in aggregate principal amount of 12.25% senior notes due 2016, reductions in affiliate debt, a decrease in book overdrafts and dividends to minority shareholders, partially offset by a $75 million draw on the Company's ABL Facility. Cash provided from financing activities in 2007 reflects the proceeds from the Company's $500 million addition to its seven-year term loan and approximately $139 million from two separate unsecured Korean bonds, partially offset by reductions in affiliate debt, dividends to minority shareholders and a decrease in book overdrafts. The Company's credit agreements limit the amount of cash payments for dividends the Company may make.

Debt and Capital Structure

Debt

Pursuant to affirmative covenants contained in the agreements associated with the Facilities, the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into the Waivers with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully described in Item 9B "Other Information" of this Annual Report on Form 10-K.

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including the Ad Hoc Committee regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

The aforementioned resulted in the current classification of substantially all of the Company's long-term debt as current liabilities in the Company's consolidated balance sheet as of December 31, 2008. Additional, information related to the Company's debt and related agreements is set forth in Note 13 "Debt" to the consolidated financial statements which are included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Covenants and Restrictions

Subject to limited exceptions, each of the Company's direct and indirect, existing and future, domestic subsidiaries, as well as a limited number of foreign subsidiaries act as guarantor under its term loan credit agreement. The obligations under the credit agreement are secured by a first-priority lien on certain assets of the Company and most of its domestic subsidiaries, including intellectual property, intercompany debt, the capital stock of nearly all direct and indirect domestic subsidiaries and at least 65% of the stock of most foreign subsidiaries and 100% of the stock of certain foreign subsidiaries that are guarantors, as well as a second-priority lien on substantially all other material tangible and intangible assets of the Company and most of its domestic subsidiaries.

The obligations under the ABL Facility are secured by a first-priority lien on certain assets of the Company and most of its domestic subsidiaries, including real property, accounts receivable, inventory, equipment and other tangible and intangible property, including the capital stock of nearly all direct and indirect domestic subsidiaries (other than those domestic subsidiaries the sole assets of which are capital stock of foreign subsidiaries), as well as a second-priority lien on substantially all other material tangible and intangible assets of the Company and most of its domestic subsidiaries which secure the Company's term loan credit agreement.

The terms relating to both credit agreements specifically limit the obligations to be secured by a security interest in certain U.S. manufacturing properties and intercompany indebtedness and capital stock of U.S. manufacturing subsidiaries in order to ensure that, at the time of any borrowing under the Credit Agreement and other credit lines, the amount of the applicable borrowing which is secured by such assets (together with other borrowings which are secured by such assets and obligations in respect of certain sale-leaseback transactions) do not exceed 15% of Consolidated Net Tangible Assets (as defined in the indenture applicable to the Company's outstanding bonds and debentures).

The credit agreements contain, among other things, mandatory prepayment provisions for certain asset sales, recovery events, equity issuances and debt incurrence, covenants, representations and warranties and events of default customary for facilities of this type. Such covenants include certain restrictions on the incurrence of additional indebtedness, liens, acquisitions and other investments, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other repurchases in respect of capital stock, voluntary prepayments of certain other indebtedness, capital expenditures, transactions with affiliates, changes in fiscal periods, hedging arrangements, lines of business, negative pledge clauses, subsidiary distributions and the activities of certain holding company subsidiaries, subject to certain exceptions. The ability of the Company's subsidiaries to transfer assets is subject to various restrictions, including regulatory, governmental and contractual restraints.

Under certain conditions amounts outstanding under the credit agreements may be accelerated. Bankruptcy and insolvency events with respect to the Company or certain of its subsidiaries will result in an automatic acceleration of the indebtedness under the credit agreements. Subject to notice and cure periods in certain cases, other events of default under the credit agreements will result in acceleration of indebtedness under the credit agreements at the option of the lenders. Such other events of default include failure to pay any principal, interest or other amounts when due, failure to comply with covenants, breach of representations or warranties in any material respect, non-payment or acceleration of other material debt, entry of material judgments not covered by insurance or a change of control of the Company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Off-Balance Sheet Arrangements

Guarantees

The Company has guaranteed approximately $90 million for lease payments and $8 million of debt capacity related to its subsidiaries. The Company has also guaranteed certain Tier 2 supplier and other third-party obligations of up to $2 million to ensure the continued supply of essential parts.

During January 2009, the Company reached an agreement with the Pension Benefit Guaranty Corporation ("PBGC") pursuant to U.S. federal pension law provisions that permit the agency to seek protection when a plant closing results in termination of employment for more than 20 percent of employees covered by a pension plan. In connection with this agreement, the Company agreed to provide a guarantee by certain affiliates of certain contingent pension obligations of up to $30 million.

These guarantees have not, nor does the Company expect they are reasonably likely to have, a material current or future effect on the Company's financial position, results of operations or cash flows.

Asset Securitization

In October 2008, the Company amended and restated agreements related to its European trade accounts receivable securitization facility to, among other things, include an additional selling entity and change the master service provider. In connection with these amendments, the Company regained control of previously transferred trade receivables such that, effective October 2008, this facility, which was previously accounted for as a sale of receivables under the provisions of Statement of Financial Accounting Standards No. 140 ("SFAS 140"), "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," was accounted for as a secured borrowing and Visteon Financial Centre P.L.C., a bankruptcy-remote qualifying special purpose entity, was consolidated in accordance with the requirements of FASB Interpretation No. 46 (revised) "Consolidation of Variable Interest Entities." The accounting impact at the time of these amendments was non-cash affecting and included an increase in Accounts receivable, net of $291 million, a decrease in Interests in accounts receivable transferred of $207 million and an increase in Long-term debt of $84 million.

Other

During 2006, the Company sold account receivables without recourse under a European sale of receivables agreement. As of December 31, 2006, the Company had sold approximately 62 million Euro ($81 million). This European sale of receivables agreement was terminated in December 2006. Losses on these receivable sales were approximately $3 million for the year ended December 31, 2006.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Contractual Obligations

The following table summarizes the Company's contractual obligations existing as of December 31, 2008:

	Total	2009	2010-2011	2012-2013	2014 & After
Debt, including capital leases(a)	$ 2,762	$ 2,697	$ 63	$ 2	$ —
Purchase obligations(b)	420	119	222	69	10
Interest payments on long-term debt(c)	681	151	249	228	53
Capital expenditures	109	100	9	—	—
Operating leases	183	49	65	51	18
Postretirement funding commitments(d)	113	5	15	18	75
Total contractual obligations(e)	$ 4,268	$ 3,121	$ 623	$ 368	$ 156

(a) Pursuant to affirmative covenants contained in the agreements associated with the Facilities, the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into Waivers with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully discussed in Item 9B "Other Information" of this Annual Report on Form 10-K. The aforementioned has resulted in the classification of $2,554 million of debt as a current liability in accordance with the requirements of Statement of Financial Accounting Standards No. 78, "Classification of Obligations that are Callable by the Creditor" and FASB Emerging Issue Task Force Issue No. 86-30, "Classification of Obligations When a Violation Is Waived by the Creditor."

(b) Purchase obligations include amounts related to a 10 year Master Service Agreement ("MSA") with IBM in January 2003. Pursuant to this agreement, the Company outsourced most of its information technology needs on a global basis. During 2006, the Company and IBM modified this agreement, resulting in certain changes to the service delivery model and related service charges. Accordingly, the Company estimates that service charges under the modified MSA are expected to aggregate approximately $350 million during the remaining term of the MSA, subject to decreases and increases based on the Company's actual consumption of services to meet its then current business needs. The outsourcing agreement may be terminated also for the Company's business convenience under the agreement for a scheduled termination fee.

(c) Payments include the impact of interest rate swaps, and do not assume the replenishment of retired debt.

(d) Postretirement funding commitments include the estimated liability to Ford for postretirement employee health care and life insurance benefits of certain salaried employees as discussed in Note 14 "Employee Retirement Benefits" to the consolidated financial statements, which is incorporated by reference herein.

(e) This table does not include any reserve for income taxes under FIN 48 since the Company is unable to make reasonable estimates for the periods in which these reserves may become due.

The Company has guaranteed approximately $90 million for lease payments and $8 million of debt capacity related to its subsidiaries. The Company has also guaranteed certain Tier 2 supplier and other third-party obligations of up to $2 million to ensure the continued supply of essential parts. In January 2009, the Company agreed to provide a guarantee by certain affiliates of certain contingent pension obligations of up to $30 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Other Liquidity Matters

Over the long-term, the Company expects to fund its working capital, restructuring and capital expenditure needs with cash flows from operations. To the extent that the Company's liquidity needs exceed cash from operations, the Company would look to its cash balances and availability for borrowings to satisfy those needs, as well as the need to raise additional capital. However, the Company's ability to fund its working capital, restructuring and capital expenditure needs may be adversely affected by many factors including, but not limited to, general economic conditions, specific industry conditions, financial markets, competitive factors and legislative and regulatory changes. Therefore, assurance cannot be provided that Visteon will generate sufficient cash flow from operations or that available borrowings will be sufficient to enable the Company to meet its liquidity needs.

Fair Value Measurements

The Company uses fair value measurements in the preparation of its financial statements, which utilize various inputs including those that can be readily observable, corroborated or are generally unobservable. The Company utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Company applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. The primary financial instruments that are recorded at fair value in the Company's financial statements are derivative instruments.

Statement of Financial Accounting Standards No. 157 ("SFAS 157"), "Fair Value Measurements," requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs. The various levels of the SFAS 157 fair value hierarchy are described as follows:

- Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.
- Level 2 — Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Company's use of derivative instruments creates exposure to credit loss in the event of nonperformance by the counterparty to the derivative financial instruments. The Company limits this exposure by entering into agreements directly with a variety of major financial institutions with high credit standards and that are expected to fully satisfy their obligations under the contracts. Fair value measurements related to derivative assets take into account the non-performance risk of the respective counterparty, while derivative liabilities take into account the non-performance risk of the Company and its foreign affiliates.

The fair values of derivative instruments are determined under an income approach using industry-standard models that consider various assumptions, including time value, volatility factors, current market and contractual prices for the underlying, and counterparty non-performance risk. Substantially all of which are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace, therefore are categorized as Level 2 assets or liabilities in the fair value hierarchy established by SFAS 157. The hypothetical gain or loss from a 100 basis point change in non-performance risk would be less than $1 million for the fair value of foreign currency derivatives and net interest rate swaps as of December 31, 2008.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Critical Accounting Estimates

The Company's consolidated financial statements and accompanying notes as included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K have been prepared in conformity with accounting principles generally accepted in the United States. Accordingly, the Company's significant accounting policies have been disclosed in the consolidated financial statements and accompanying notes under Note 2 "Summary of Significant Accounting Policies." The Company provides enhanced information that supplements such disclosures for accounting estimates when:

- The estimate involves matters that are highly uncertain at the time the accounting estimate is made; and
- Different estimates or changes to an estimate could have a material impact on the reported financial position, changes in financial condition or results of operations.

When more than one accounting principle, or the method of its application, is generally accepted, management selects the principle or method that it considers to be the most appropriate given the specific circumstances. Application of these accounting principles requires the Company's management to make estimates about the future resolution of existing uncertainties. Estimates are typically based upon historical experience, current trends, contractual documentation, and other information, as appropriate. Due to the inherent uncertainty involving estimates, actual results reported in the future may differ from those estimates. In preparing these financial statements, management has made its best estimates and judgments of the amounts and disclosures included in the financial statements.

Pension Plans and Other Postretirement Employee Benefit Plans

Using appropriate actuarial methods and assumptions, the Company's defined benefit pension and non-pension postretirement employee benefit plans are accounted for in accordance with Statement of Financial Accounting Standards No. 87 ("SFAS 87"), "Employers' Accounting for Pensions," and Statement of Financial Accounting Standards No. 106 ("SFAS 106"), "Employers' Accounting for Postretirement Benefits Other Than Pensions," respectively, and as amended by Statement of Financial Accounting Standards No. 158 ("SFAS 158"), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." Disability, early retirement and other postretirement employee benefits are accounted for in accordance with Statement of Financial Accounting Standards No. 112 ("SFAS 112"), "Employer Accounting for Postemployment Benefits."

The determination of the Company's obligation and expense for its pension and other postretirement employee benefits, such as retiree health care and life insurance, is dependent on the Company's selection of certain assumptions used by actuaries in calculating such amounts. Selected assumptions are described in Note 14 "Employee Retirement Benefits" to the Company's consolidated financial statements included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, which are incorporated herein by reference, including the discount rate, expected long-term rate of return on plan assets and rates of increase in compensation and health care costs.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

In accordance with accounting principles generally accepted in the United States, actual results that differ from assumptions used are accumulated and amortized over future periods and, accordingly, generally affect recognized expense in future periods. Therefore, assumptions used to calculate benefit obligations as of the annual measurement date directly impact the expense to be recognized in future periods. The primary assumptions affecting the Company's accounting for employee benefits under SFAS Nos. 87, 106, 112 and 158 as of December 31, 2008 are as follows:

- *Long-term rate of return on plan assets:* The expected long-term rate of return is used to calculate net periodic pension cost. The required use of the expected long-term rate of return on plan assets may result in recognized returns that are greater or less than the actual returns on those plan assets in any given year. Over time, however, the expected long-term rate of return on plan assets is designed to approximate actual earned long-term returns. The expected long-term rate of return for pension assets has been chosen based on various inputs, including historical returns for the different asset classes held by the Company's trusts and its asset allocation, as well as inputs from internal and external sources regarding expected capital market returns, inflation and other variables. In determining its pension expense for 2008, the Company used long-term rates of return on plan assets ranging from 5.00% to 10.25% outside the U.S. and 8.25% in the U.S.

  Actual returns on U.S. pension assets for 2008, 2007 and 2006 were (7.9%), 8% and 8%, respectively, compared to the expected rate of return assumption of 8.25%, 8% and 8.5% respectively, for each of those years. The Company's market-related value of pension assets reflects changes in the fair value of assets over a five-year period, with a one-third weighting to the most recent year.

- *Discount rate:* The discount rate is used to calculate pension and postretirement employee benefit obligations. The discount rate assumption is based on market rates for a hypothetical portfolio of high-quality corporate bonds rated Aa or better with maturities closely matched to the timing of projected benefit payments for each plan at its annual measurement date. The Company used discount rates ranging from 1.9% to 10.25% to determine its pension and other benefit obligations as of December 31, 2008, including weighted average discount rates of 6.10% for U.S. pension plans, 6.05% for non-U.S. pension plans, and 6.00% for postretirement employee health care and life insurance plans.

- *Health care cost trend:* For postretirement employee health care plan accounting, the Company reviews external data and Company specific historical trends for health care costs to determine the health care cost trend rate assumptions. In determining the projected benefit obligation for postretirement employee health care plans as of December 31, 2008, the Company used health care cost trend rates of 8.33%, declining to an ultimate trend rate of 5.0% in 2014.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

While the Company 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 other postretirement employee benefit obligations and its future expense. The following table illustrates the sensitivity to a change in certain assumptions for Company sponsored U.S. and non-U.S. pension plans on its 2008 funded status and 2009 pre-tax pension expense (excludes certain salaried employees that are covered by a Ford sponsored plan):

	Impact on U.S. 2009 Pre-tax Pension Expense	Impact on U.S. Plan 2008 Funded Status	Impact on Non-U.S. 2009 Pre-tax Pension Expense	Impact on Non-U.S. Plan 2008 Funded Status
25 basis point decrease in discount rate(a)	+$ 0.7 million	−$ 44 million	+$ 3 million	−$ 40 million
25 basis point increase in discount rate(a)	−$ 0.6 million	+$ 42 million	−$ 2 million	+$ 39 million
25 basis point decrease in expected return on assets(a)	+$ 2 million		+$ 2 million	
25 basis point increase in expected return on assets(a)	−$ 2 million		−$ 2 million	

(a) Assumes all other assumptions are held constant.

The following table illustrates the sensitivity to a change in the discount rate assumption related to Visteon sponsored postretirement employee health care and life insurance plans expense (excludes certain salaried employees that are covered by a Ford sponsored plan):

	Impact on 2009 Pre-tax OPEB Expense	Impact on Visteon Sponsored Plan 2008 Funded Status
25 basis point decrease in discount rate(a)	+$0.2 million	−$7 million
25 basis point increase in discount rate(a)	−$0.2 million	+$7 million

(a) Assumes all other assumptions are held constant.

The following table illustrates the sensitivity to a change in the assumed health care trend rate related to Visteon sponsored postretirement employee health expense (excludes certain salaried employees that are covered by a Ford sponsored plan):

	Total Service and Interest Cost	APBO
100 basis point increase in health care trend rate(a)	+$3 million	+$28 million
100 basis point decrease in health care trend rate(a)	−$3 million	−$25 million

(a) Assumes all other assumptions are held constant.

Impairment of Long-Lived Assets and Certain Identifiable Intangibles

Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") requires that long-lived assets and intangible assets subject to amortization are reviewed for impairment when certain indicators of impairment are present. Impairment exists if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. Generally, when impairment exists the long-lived assets are adjusted to their respective fair values.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

In assessing long-lived assets for an impairment loss, assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Asset grouping requires a significant amount of judgment. Accordingly, facts and circumstances will influence how asset groups are determined for impairment testing. In assessing long-lived assets for impairment, management considered the Company's product line portfolio, customers and related commercial agreements, labor agreements and other factors in grouping assets and liabilities at the lowest level for which identifiable cash flows are largely independent. Additionally, in determining fair value of long-lived assets, management uses appraisals, management estimates or discounted cash flow calculations.

Product Warranty and Recall

The Company accrues for warranty obligations for products sold based on management estimates, with support from the Company's sales, engineering, quality and legal functions, of the amount that eventually will be required to settle such obligations. This accrual is based on several factors, including contractual arrangements, past experience, current claims, production changes, industry developments and various other considerations.

The Company accrues for product recall claims related to potential financial participation in customers' actions to provide remedies related primarily to safety concerns as a result of actual or threatened regulatory or court actions or the Company's determination of the potential for such actions. The Company accrues for recall claims for products sold based on management estimates, with support from the Company's engineering, quality and legal functions. Amounts accrued are based upon management's best estimate of the amount that will ultimately be required to settle such claims.

Environmental Matters

The Company is subject to the requirements of federal, state, local and international environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. The Company is also subject to environmental laws requiring the investigation and cleanup of environmental contamination at properties it presently owns or operates and at third-party disposal or treatment facilities to which these sites send or arranged to send hazardous waste.

At the time of spin-off, the Company and Ford agreed on a division of liability for, and responsibility for management and remediation of, environmental claims existing at that time, and, further, that the Company would assume all liabilities for existing and future claims relating to sites that were transferred to it and its operation of those sites, including off-site disposal, except as otherwise specifically retained by Ford in the Master Transfer Agreement. In connection with the ACH Transactions, Ford agreed to re-assume these liabilities to the extent they arise from the ownership or operation prior to the spin-off of the locations transferred to ACH (excluding any increase in costs attributable to the exacerbation of such liability by the Company or its affiliates).

The Company is aware of contamination at some of its properties and relating to various third-party superfund sites at which the Company or its predecessor has been named as a potentially responsible party. The Company is in various stages of investigation and cleanup at these sites. At December 31, 2008, the Company had recorded a reserve of approximately $5 million for this environmental investigation and cleanup. However, estimating liabilities for environmental investigation and cleanup is complex and dependent upon a number of factors beyond the Company's control and which may change dramatically. Accordingly, although the Company believes its reserve is adequate based on current information, the Company cannot provide any assurance that its ultimate environmental investigation and cleanup costs and liabilities will not exceed the amount of its current reserve.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Income Taxes

The Company, which is subject to income taxes in the U.S. and numerous non-U.S. jurisdictions, accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Significant judgment is required in determining the Company's worldwide provision for income taxes, deferred tax assets and liabilities and the valuation allowance recorded against the Company's net deferred tax assets. Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance to reduce deferred tax assets when, based on all available evidence, both positive and negative, it is more likely than not that such assets will not be realized. This assessment, which is completed on a jurisdiction-by-jurisdiction basis, requires significant judgment, and in making this evaluation, the evidence considered by the Company includes, historical and projected financial performance, as well as the nature, frequency and severity of recent losses along with any other pertinent information.

In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities. Accruals for tax contingencies are provided for in accordance with the requirements of Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109" as it relates to income tax risks and Statement of Financial Accounting Standards No. 5 "Accounting for Contingencies" as it relates to non-income tax risks, where appropriate.

Recent Accounting Pronouncements

See Note 3 "Recent Accounting Pronouncements" to the accompanying consolidated financial statements under Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for a discussion of recent accounting pronouncements.

FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated in this Annual Report on Form 10-K which are not statements of historical fact constitute "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Forward-looking statements give current expectations or forecasts of future events. Words such as "anticipate", "expect", "intend", "plan", "believe", "seek", "estimate" and other words and terms of similar meaning in connection with discussions of future operating or financial performance signify forward-looking statements. These statements reflect the Company's current views with respect to future events and are based on assumptions and estimates, which are subject to risks and uncertainties including those discussed in Item 1A under the heading "Risk Factors" and elsewhere in this report. Accordingly, undue reliance should not be placed on these forward-looking statements. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this report. The Company does not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made and qualifies all of its forward-looking statements by these cautionary statements.

You should understand that various factors, in addition to those discussed elsewhere in this document, could affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements, including:

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

- Visteon's ability to satisfy its future capital and liquidity requirements; Visteon's ability to access the credit and capital markets at the times and in the amounts needed and on terms acceptable to Visteon; Visteon's ability to comply with covenants applicable to it; and the continuation of acceptable supplier payment terms.
- Visteon's ability to satisfy its pension and other postretirement employee benefit obligations, and to retire outstanding debt and satisfy other contractual commitments, all at the levels and times planned by management.
- Visteon's ability to access funds generated by its foreign subsidiaries and joint ventures on a timely and cost effective basis.
- Visteon's ability to restructure its capital structure, which will depend on, among other things, the outcome of negotiations with customers and lenders.
- Changes in the operations (including products, product planning and part sourcing), financial condition, results of operations or market share of Visteon's customers, particularly its largest customer, Ford, and suppliers.
- Changes in vehicle production volume of Visteon's customers in the markets where the Company operates, and in particular changes in Ford's North American and European vehicle production volumes and platform mix.
- Visteon's ability to profitably win new business from customers other than Ford and to maintain current business with, and win future business from, Ford, and, Visteon's ability to realize expected sales and profits from new business.
- Increases in commodity costs or disruptions in the supply of commodities, including steel, resins, aluminum, copper, fuel and natural gas.
- Visteon's ability to generate cost savings to offset or exceed agreed upon price reductions or price reductions to win additional business and, in general, improve its operating performance; to achieve the benefits of its restructuring actions; and to recover engineering and tooling costs and capital investments.
- Visteon's ability to compete favorably with automotive parts suppliers with lower cost structures and greater ability to rationalize operations; and to exit non-performing businesses on satisfactory terms, particularly due to limited flexibility under existing labor agreements.
- Restrictions in labor contracts with unions that restrict Visteon's ability to close plants, divest noncompetitive or noncore businesses, change local work rules and practices at a number of facilities and implement cost-saving measures.
- The costs and timing of facility closures or dispositions, business or product realignments, or similar restructuring actions, including potential asset impairment or other charges related to the implementation of these actions or other adverse industry conditions and contingent liabilities.
- Significant changes in the competitive environment in the major markets where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold.
- Legal and administrative proceedings, investigations and claims, including shareholder class actions, regulatory inquiries, product liability, warranty, environmental and safety claims, and any recalls of products manufactured or sold by Visteon.
- Changes in economic conditions, currency exchange rates, changes in foreign laws, regulations or trade policies or political stability in foreign countries where Visteon procures materials, components or supplies or where its products are manufactured, distributed or sold.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

- Shortages of materials or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to or difficulties in the employment of labor in the major markets where Visteon purchases materials, components or supplies to manufacture its products or where its products are manufactured, distributed or sold.
- Changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of Visteon's products or assets.
- Possible terrorist attacks or acts of war, which could exacerbate other risks such as slowed vehicle production, interruptions in the transportation system, or fuel prices and supply.
- The cyclical and seasonal nature of the automotive industry.
- Visteon's ability to comply with environmental, safety and other regulations applicable to it and any increase in the requirements, responsibilities and associated expenses and expenditures of these regulations.
- Visteon's ability to protect its intellectual property rights and to respond to changes in technology and technological risks and to claims by others that Visteon infringes their intellectual property rights.
- Visteon's ability to provide various employee and transition services in accordance with the terms of existing agreements, as well as Visteon's ability to recover the costs of such services.
- Visteon's ability to quickly and adequately remediate control deficiencies in its internal control over financial reporting.
- The possibility that Visteon and any of its subsidiaries may need to seek protection under the U.S. Bankruptcy Code or similar laws in other jurisdictions.
- Other factors, risks and uncertainties detailed from time to time in Visteon's Securities and Exchange Commission filings.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary market risks to which the Company is exposed include changes in foreign currency exchange rates, interest rates and certain commodity prices. The Company manages these risks through derivative instruments and various operating actions including fixed price contracts with suppliers and cost sourcing arrangements with customers. The Company's use of derivative instruments is limited to hedging activities and such instruments are not used for speculative or trading purposes, as per clearly defined risk management policies. Additionally, the Company's use of derivative instruments creates exposure to credit loss in the event of nonperformance by the counterparty to the derivative financial instruments. The Company limits this exposure by entering into agreements directly with a variety of major financial institutions with high credit standards and that are expected to fully satisfy their obligations under the contracts. Additionally, the Company's ability to utilize derivatives to manage market risk is dependent on credit conditions and market conditions given the current economic environment.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK — (Continued)

Foreign Currency Risk

The Company's net cash inflows and outflows exposed to the risk of changes in exchange rates arise from the sale of products in countries other than the manufacturing source, foreign currency denominated supplier payments, debt and other payables, subsidiary dividends and investments in subsidiaries. Where possible, the Company utilizes derivative financial instruments to manage foreign currency exchange rate risks. Forward and option contracts may be utilized to protect the Company's cash flow from adverse movements in exchange rates. Foreign currency exposures are reviewed monthly and any natural offsets are considered prior to entering into a derivative financial instrument. The Company's primary foreign exchange operating exposures include the Euro, Korean Won, Czech Koruna and Mexican Peso. For transactions in these currencies, the Company utilizes a strategy of partial coverage. As of December 31, 2008, the Company's coverage for projected transactions in these currencies through 2009 was approximately 34%. As of December 31, 2008 and December 31, 2007, the net fair value of foreign currency forward and option contracts was an asset of $4 million and a liability of $1 million, respectively.

The hypothetical pre-tax gain or loss in fair value from a 10% favorable or adverse change in quoted currency exchange rates would be approximately $33 million and $30 million as of December 31, 2008 and 2007, respectively. These estimated changes assume a parallel shift in all currency exchange rates and include the gain or loss on financial instruments used to hedge loans to subsidiaries. Because exchange rates typically do not all move in the same direction, the estimate may overstate the impact of changing exchange rates on the net fair value of the Company's financial derivatives. It is also important to note that gains and losses indicated in the sensitivity analysis would generally be offset by gains and losses on the underlying exposures being hedged.

Interest Rate Risk

The Company is subject to interest rate risk principally in relation to fixed-rate and variable-rate debt. The Company uses derivative financial instruments to manage exposure to fluctuations in interest rates in connection with its risk management policies. The Company has entered into interest rate swaps for a portion of the 8.25% notes due August 1, 2010 ($125 million) and a portion of the 7.00% notes due March 10, 2014 ($225 million). These interest rate swaps effectively convert the designated portions of these notes from fixed interest rate to variable interest rate instruments. Additionally, the Company has entered into interest rate swaps for a portion of the $1 billion term loan due 2013 ($200 million), effectively converting the designated portion of this loan from a variable interest rate to a fixed interest rate instrument. Approximately 30% and 37% of the Company's borrowings were effectively on a fixed rate basis as of December 31, 2008 and 2007, respectively. As of December 31, 2008 and 2007, the net fair value of interest rate swaps was an asset of $17 million and a liability of $9 million, respectively.

The potential loss in fair value of these swaps from a hypothetical 50 basis point adverse change in interest rates would be approximately $5 million as of December 31, 2008 and $4 million as of December 31, 2007. The annual increase in pre-tax interest expense from a hypothetical 50 basis point adverse change in variable interest rates (including the impact of interest rate swaps) would be approximately $10 million and $9 million as of December 31, 2008 and 2007, respectively. This analysis may overstate the adverse impact on net interest expense because of the short-term nature of the Company's interest bearing investments.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK — (Continued)

Commodity Risk

The Company's exposure to market risks from changes in the price of production material commodities are not hedged due to a lack of acceptable hedging instruments in the market. The Company's exposures to price changes in these commodities are addressed through negotiations with suppliers and customers, although there can be no assurance that the Company will recover all such costs. When, and if, acceptable hedging instruments are available in the market, management will determine at that time if financial hedging is appropriate, depending upon the Company's exposure level at that time, the effectiveness of the financial hedge and other factors.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined under Rule 13a-15(f) of the Securities Exchange Act of 1934. Under the supervision and with the participation of the principal executive and financial officers of the Company, an evaluation of the effectiveness of internal control over financial reporting was conducted based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations ("the COSO Framework") of the Treadway Commission. Based on the evaluation performed under the COSO Framework as of December 31, 2008, management has concluded that the Company's internal control over financial reporting is effective.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2008, as stated in their report which is included herein.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Board of Directors and Shareholders of Visteon Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' deficit and cash flows present fairly, in all material respects, the financial position of Visteon Corporation and its subsidiaries at December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15(a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company's history of operating losses and cash usage, affected by adverse current and projected market conditions and overall automotive sector instability, raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 of the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it accounts for share-based compensation in 2006, the manner in which it accounts for the funded status of defined benefit pension and other postretirement plans in 2006, and the measurement date for its defined benefit pension and other post retirement plans in 2007. As discussed in Note 16 to the consolidated financial statements, the Company changed its method of accounting for unrecognized tax benefits in 2007.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Detroit, Michigan
March 31, 2009

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions, Except Per Share Amounts)		
Net sales			
Products	$ 9,077	$ 10,721	$ 10,706
Services	467	554	550
	9,544	11,275	11,256
Cost of sales			
Products	8,621	10,154	9,958
Services	464	548	545
	9,085	10,702	10,503
Gross margin	459	573	753
Selling, general and administrative expenses	553	636	713
Restructuring expenses	147	152	93
Reimbursement from Escrow Account	113	142	104
Asset impairments and loss on divestitures	275	95	22
Operating (loss) income	(403)	(168)	29
Interest expense	215	225	190
Interest income	46	61	31
Debt extinguishment gain	—	—	8
Equity in net income of non-consolidated affiliates	41	47	33
Loss from continuing operations before income taxes, minority interests, change in accounting and extraordinary item	(531)	(285)	(89)
Provision for income taxes	116	20	25
Minority interests in consolidated subsidiaries	34	43	31
Net loss from continuing operations before change in accounting and extraordinary item	(681)	(348)	(145)
Loss from discontinued operations, net of tax	—	24	22
Net loss before change in accounting and extraordinary item	(681)	(372)	(167)
Cumulative effect of change in accounting, net of tax	—	—	(4)
Net loss before extraordinary item	(681)	(372)	(171)
Extraordinary item, net of tax	—	—	8
Net loss	$ (681)	$ (372)	$ (163)
Basic and diluted loss per share:			
Continuing operations	$ (5.26)	$ (2.69)	$ (1.13)
Discontinued operations	—	(0.18)	(0.17)
Net loss	(5.26)	(2.87)	(1.27)

See accompanying notes to the consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31	
	2008	2007
	(Dollars in Millions)	
ASSETS		
Cash and equivalents	$ 1,180	$ 1,758
Accounts receivable, net	989	1,150
Interests in accounts receivable transferred	—	434
Inventories, net	354	495
Other current assets	249	235
Total current assets	2,772	4,072
Property and equipment, net	2,162	2,793
Equity in net assets of non-consolidated affiliates	220	218
Other non-current assets	94	122
Total assets	$ 5,248	$ 7,205
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Short-term debt, including current portion of long-term debt and debt in default	$ 2,697	$ 95
Accounts payable	1,058	1,766
Accrued employee liabilities	228	316
Other current liabilities	288	351
Total current liabilities	4,271	2,528
Long-term debt	65	2,745
Employee benefits, including pensions	627	530
Postretirement benefits other than pensions	404	624
Deferred tax liabilities	139	147
Other non-current liabilities	365	428
Minority interests in consolidated subsidiaries	264	293
Shareholders' deficit		
Preferred stock (par value $1.00, 50 million shares authorized, none outstanding)	—	—
Common stock (par value $1.00, 500 million shares authorized, 131 million shares issued, 131 million and 130 million shares outstanding, respectively)	131	131
Stock warrants	127	127
Additional paid-in capital	3,407	3,406
Accumulated deficit	(4,704)	(4,016)
Accumulated other comprehensive income	157	275
Other	(5)	(13)
Total shareholders' deficit	(887)	(90)
Total liabilities and shareholders' deficit	$ 5,248	$ 7,205

See accompanying notes to the consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
Operating Activities			
Net loss	$ (681)	$ (372)	$ (163)
Adjustments to reconcile net loss to net cash (used by) provided from operating activities:			
Depreciation and amortization	416	472	430
Asset impairments and loss on divestitures	275	107	22
Non-cash postretirement benefits	(72)	(29)	(72)
Non-cash tax items	—	(91)	(68)
Equity in net income of non-consolidated affiliates, net of dividends remitted	5	20	(9)
Other non-cash items	11	(6)	(10)
Changes in assets and liabilities:			
Accounts receivable and retained interests	509	216	122
Inventories	44	6	55
Escrow receivable	15	33	(28)
Accounts payable	(504)	(123)	(104)
Postretirement benefits other than pensions	65	(19)	(7)
Income taxes deferred and payable, net	30	20	(4)
Other assets and other liabilities	(229)	59	117
Net cash (used by) provided from operating activities	(116)	293	281
Investing Activities			
Capital expenditures	(294)	(376)	(373)
Proceeds from divestitures and asset sales	83	207	42
Other	3	(8)	(6)
Net cash used by investing activities	(208)	(177)	(337)
Financing Activities			
Short-term debt, net	28	33	(400)
Proceeds from issuance of debt, net of issuance costs	260	637	1,378
Principal payments on debt	(88)	(88)	(624)
Maturity/repurchase of unsecured debt securities	(337)	—	(141)
Other, including book overdrafts	(56)	(35)	1
Net cash (used by) provided from financing activities	(193)	547	214
Effect of exchange rate changes on cash	(61)	38	34
Net (decrease) increase in cash and equivalents	(578)	701	192
Cash and equivalents at beginning of year	1,758	1,057	865
Cash and equivalents at end of year	$ 1,180	$ 1,758	$ 1,057
Supplemental Disclosures:			
Cash paid for interest	$ 226	$ 215	$ 197
Cash paid for income taxes, net of refunds	$ 86	$ 91	$ 97

See accompanying notes to the consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA — (Continued)

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

	2008	2007	2006
		(Dollars in Millions)	
Common Stock			
Balance at January 1	$ 131	$ 131	$ 131
Balance at December 31	$ 131	$ 131	$ 131
Stock Warrants			
Balance at January 1	$ 127	$ 127	$ 127
Balance at December 31	$ 127	$ 127	$ 127
Additional Paid-In Capital			
Balance at January 1	$ 3,406	$ 3,398	$ 3,396
Stock-based compensation	1	8	2
Balance at December 31	$ 3,407	$ 3,406	$ 3,398
Accumulated Deficit			
Balance at January 1	$ (4,016)	$ (3,606)	$ (3,440)
Net loss	(681)	(372)	(163)
SFAS 158 adjustment	—	(34)	—
Shares issued for stock-based compensation	(7)	(4)	(3)
Balance at December 31	$ (4,704)	$ (4,016)	$ (3,606)
Accumulated Other Comprehensive Income (Loss)			
Balance at January 1	$ 275	$ (216)	$ (234)
Net foreign currency translation adjustment	(89)	131	121
Net change in pension and OPEB obligations	(29)	158	25
Net gain (loss) on derivatives and other	—	(8)	1
Net other comprehensive income (loss) adjustments	(118)	281	147
Cumulative effect of adoption of SFAS 158	—	210	(129)
Balance at December 31	$ 157	$ 275	$ (216)
Other — Treasury Stock			
Balance at January 1	$ (13)	$ (22)	$ (27)
Shares issued for stock-based compensation	—	10	9
Treasury stock activity	(1)	(1)	—
Restricted stock award activity	11	—	(4)
Balance at December 31	$ (3)	$ (13)	$ (22)
Other			
Balance at January 1	$ —	$ —	$ (1)
Stock-based compensation, net	(2)	—	—
Other	—	—	1
Balance at December 31	$ (2)	$ —	$ —
Total Shareholders' Deficit	$ (887)	$ (90)	$ (188)
Comprehensive Loss			
Net loss	$ (681)	$ (372)	$ (163)
Net other comprehensive income (loss) adjustments	(118)	281	147
Total comprehensive loss	$ (799)	$ (91)	$ (16)

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. Description of Business and Basis of Presentation

Description of the Business

Visteon Corporation (the "Company" or "Visteon") is a leading global supplier of automotive systems, modules and components to global automotive original equipment manufacturers ("OEMs") and to the worldwide aftermarket for replacement and enhancement parts. The Company's operations are organized by global product groups including Climate, Electronics, Interiors and Other and are principally conducted in the United States, Mexico, Canada, Germany, United Kingdom, France, Spain, Portugal, Czech Republic, Korea, China, India, Brazil and Argentina.

Visteon became an independent company when Ford Motor Company and affiliates ("Ford" or "Ford Motor Company") established the Company as a wholly-owned subsidiary in January 2000 and subsequently transferred to the Company the assets and liabilities comprising Ford's automotive components and systems business. Ford completed its spin-off of the Company on June 28, 2000. Prior to incorporation, the Company operated as Ford's automotive components and systems business.

On October 1, 2005, Visteon sold Automotive Components Holdings, LLC ("ACH"), an indirect, wholly owned subsidiary of the Company to Ford for cash proceeds of approximately $300 million, as well as the forgiveness of certain other postretirement employee benefit ("OPEB") liabilities and other obligations relating to hourly employees associated with ACH, and the assumption of certain other liabilities with respect to ACH (together, the "ACH Transactions"). The ACH Transactions also provided for the termination of the Hourly Employee Assignment Agreement and complete relief to the Company of all liabilities relating to Visteon-assigned Ford UAW hourly employees. Additionally, on October 1, 2005, Ford acquired from the Company warrants to acquire 25 million shares of the Company's common stock and agreed to provide $550 million (pursuant to the "Escrow Agreement" and the "Reimbursement Agreement") to be used in the Company's further restructuring.

In August 2008, the Company, Ford and ACH amended certain agreements initially completed in connection with the ACH Transactions, including the Escrow Agreement, the Reimbursement Agreement, the Master Services Agreement, dated as of September 30, 2005, as amended, between the Company and ACH (the "Master Services Agreement"); the Visteon Salaried Employee Lease Agreement, dated as of October 1, 2005, as amended, between the Company and ACH (the "Visteon Salaried Employee Lease Agreement"); and the Intellectual Property Contribution Agreement, dated as of October 1, 2005, as amended, among the Company, Visteon Global Technologies, Inc., Automotive Components Holdings, Inc. and ACH (the "Intellectual Property Contribution Agreement").

- The "Amended Escrow Agreement" — The Escrow Agreement was amended to, among other things, provide that Ford contribute an additional $50 million into the escrow account, and to provide that such additional funds shall be available to the Company to fund restructuring and other qualifying costs, as defined within the Escrow Agreement, on a 100% basis. The additional $50 million was funded into the escrow account in August 2008.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1. Description of Business and Basis of Presentation — (Continued)

- The "Amended Reimbursement Agreement" — The Reimbursement Agreement was amended and restated to, among other things, require Ford to reimburse the Company in full for certain severance expenses and other qualifying termination benefits, as defined in such agreement, relating to the termination of salaried employees who were leased to ACH. Previously, the amount required to be reimbursed by Ford was capped at $150 million, of which the first $50 million was to be funded in total by Ford and the remaining $100 million was to be matched by the Company. Any unused portion of the $150 million as of December 31, 2009 was to be deposited into the escrow account governed by the Escrow Agreement. The Reimbursement Agreement was amended to eliminate the $150 million cap as well as the Company's obligation to match any costs during the term of the agreement. Further, Ford's obligation to deposit remaining funds into the escrow account, which was established pursuant to the Escrow Agreement, was eliminated. Approximately $30 million was recorded as Net Sales — Services and Cost of Sales — Services under these arrangements for the year ended December 31, 2008.
- The "Amended Master Services Agreement" — The Master Services Agreement was amended to, among other things, extend the term that Visteon will provide certain services to ACH, Ford and others from December 31, 2009 to January 1, 2011.
- The "Amended Visteon Salaried Employee Lease Agreement" — The Visteon Salaried Employee Lease Agreement was amended to, among other things, extend the term that ACH may lease salaried employees of the Company from December 31, 2010 to December 31, 2014.
- The "Amended Intellectual Property Contribution Agreement" — The Intellectual Property Contribution Agreement was amended to, among other things, clarify the availability for use by ACH of certain patents, design tools and other proprietary information.

The Company continues to transact a significant amount of ongoing commercial activity with Ford. Product sales, services revenues, accounts receivable and postretirement employee benefits due to Ford comprise certain significant account balances arising from ongoing commercial relations with Ford and are summarized below as adjusted for discontinued operations.

	For the Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
Product sales	$ 3,095	$ 4,131	$ 4,791
Services revenues	$ 451	$ 542	$ 550

	December 31	
	2008	2007
	(Dollars in Millions)	
Accounts receivable, net	$ 174	$ 277
Postretirement employee benefits	$ 113	$ 121

Additionally, as of December 31, 2007, the Company had transferred approximately $154 million of Ford receivables under a European receivables securitization agreement.

NOTE 1. Description of Business and Basis of Presentation — (Continued)

Going Concern Considerations

During 2008, the global credit crisis and the erosion of consumer confidence negatively impacted the automotive sector on a global basis. Significant factors including the deterioration of housing values, rising fuel prices, equity market volatility, and rising unemployment levels resulted in consumers delaying purchases of durable goods, particularly highly deliberated purchases such as automobiles. Additionally, the absence of available credit hindered vehicle affordability, forcing willing consumers out of the market globally. Together these factors combined to drive a decline in OEM production, particularly in the fourth quarter of 2008, which resulted in significant operating losses for the Company, particularly in the fourth quarter of 2008.

In consideration of current and projected market conditions, overall automotive sector instability and Visteon's recent history of operating losses and cash usage, projections indicate that the Company's liquidity will be at or near minimum cash levels required to operate the business during 2009. The Company continues to develop and execute, as appropriate, additional actions designed to generate liquidity including customer accommodation agreements, asset sales, cash repatriation and cost reductions. The success of the Company's liquidity plans depends on global economic conditions, levels of automotive sales and production, trade creditor business conduct and occurrence of no other material adverse developments. Additionally, various macro-level factors outside of the Company's control may further negatively impact the Company's ability to meet its obligations as they come due. Such factors include, but are not limited to, the following:

- Sustained weakness and/or continued deterioration of global economic conditions.
- Continued automotive sales and production at levels consistent with or lower than fourth quarter 2008.
- Failure of U.S. OEMs to meet the necessary terms and conditions of U.S. government bridge loans.
- Bankruptcy of any significant customer resulting in delayed payments and/or non-payment of amounts receivable.
- Bankruptcy of any significant supplier resulting in delayed shipments of materials necessary for production.
- Actions of trade creditors to accelerate payments for goods and services provided.
- Other events of non-compliance with the terms and conditions of short or long-term debt obligations.

Despite the actions management has taken or plans to take, there can be no assurance that factors outside of the Company's control, including but not limited to, the financial condition of OEMs or other automotive suppliers, will not cause further significant financial distress for Visteon. Additionally, while the Company has already taken significant restructuring and cost reduction measures and plans to implement further actions designed to provide additional liquidity, there can be no assurance that such actions will provide a sufficient amount of funds or that such actions will supply funds in a timely manner necessary to meet the Company's ongoing liquidity requirements. Accordingly, there exists substantial doubt as to the Company's ability to operate as a going concern and meet its obligations as they come due.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 1. Description of Business and Basis of Presentation — (Continued)

Pursuant to affirmative covenants contained in the agreements associated with the Company's senior secured facilities and European Securitization (the "Facilities"), the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into amendments and waivers (the "Waivers") with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully described in Note 13 "Debt."

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including an ad hoc committee of lenders under its senior secured term loan (the "Ad Hoc Committee"), regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code. Visteon's ability to continue operating as a going concern is, among other things, dependent on the success of discussions with the lenders under the Facilities, including the Ad Hoc Committee.

The aforementioned resulted in the classification of substantially all of the Company's long-term debt as current liabilities in the Company's consolidated balance sheet as of December 31, 2008.

Basis of Presentation

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"), consistently applied and on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company's financial statements do not include any adjustments related to assets or liabilities that may be necessary should the Company not be able to continue as a going concern.

NOTE 2. Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and all subsidiaries that are more than 50% owned and over which the Company exercises control. Investments in affiliates of 50% or less but greater than 20% are accounted for using the equity method. The consolidated financial statements also include the accounts of certain entities in which the Company holds a controlling interest based on exposure to economic risks and potential rewards (variable interests) for which it is the primary beneficiary.

NOTE 2. Summary of Significant Accounting Policies — (Continued)

In connection with Financial Accounting Standards Board ("FASB") Interpretation No. 46 (revised) ("FIN 46(R)"), "Consolidation of Variable Interest Entities," the Company consolidates certain variable interest entities, as follows:

- Visteon Financial Centre, P.L.C. is wholly-owned by an independent charitable trust and operates as a conduit between the Company and third-party lenders for the purpose of purchasing receivables generated by Visteon selling entities and borrowing funds from third-party lenders based on those receivables. The Company consolidates Visteon Financial Centre P.L.C. as substantially all of the entity's operations are performed on behalf of the Company. As of December 31, 2008, Visteon Financial Centre P.L.C. had total assets of $319 million and total liabilities of $92 million. These amounts are recorded at their carrying values, which approximates their fair values as of December 31, 2008.
- TACO Visteon Engineering Private Limited ("TACO") is a joint venture, 50% owned by the Company that provides certain computer aided engineering and design services in India for the Company along with other manufacturing activities conducted for TATA Autocomp Systems Limited and Visteon. Consolidation of this entity was based on an assessment of the Company's exposure to a majority of the expected losses. As of December 31, 2008, TACO had total assets of $3 million and total liabilities of $2 million. These amounts are recorded at their carrying values which approximates their fair values as of December 31, 2008.

Reclassifications: Certain prior year amounts have been reclassified to conform to current year presentation.

Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect amounts reported herein. Management believes that such estimates, judgments and assumptions are reasonable and appropriate. However, due to the inherent uncertainty involved, actual results may differ from those provided in the Company's consolidated financial statements.

Foreign Currency: Assets and liabilities of the Company's non-U.S. businesses are translated into U.S. Dollars at end-of-period exchange rates and the related translation adjustments are reported in the consolidated balance sheets under the classification of "Accumulated other comprehensive income (loss)." The effects of remeasurement of assets and liabilities of the Company's non-U.S. businesses that use the U.S. Dollar as their functional currency are included in the consolidated statements of operations as transaction gains and losses. Income and expense elements of the Company's non-U.S. businesses are translated into U.S. Dollars at average-period exchange rates and are reflected in the consolidated statements of operations as part of sales, costs and expenses. Additionally, gains and losses resulting from transactions denominated in a currency other than the functional currency are included in the consolidated statements of operations as transaction gains and losses. Transaction gains of $14 million in 2008 and losses of $6 million in both 2007 and 2006 resulted from the remeasurement of certain deferred foreign tax liabilities and are included within income taxes. Net transaction gains and losses increased net loss by $3 million in 2008 and decreased net loss by $2 million and $3 million in 2007 and 2006, respectively.

NOTE 2. Summary of Significant Accounting Policies — (Continued)

Revenue Recognition: The Company records revenue when persuasive evidence of an arrangement exists, delivery occurs or services are rendered, the sales price or fee is fixed or determinable and collectibility is reasonably assured. The Company ships product and records revenue pursuant to commercial agreements with its customers generally in the form of an approved purchase order, including the effects of contractual customer price productivity. The Company does negotiate discrete price changes with its customers, which are generally the result of unique commercial issues between the Company and its customers and are generally the subject of specific negotiations between the Company and its customers. The Company records amounts associated with discrete price changes as a reduction to revenue when specific facts and circumstances indicate that a price reduction is probable and the amounts are reasonably estimable. The Company records amounts associated with discrete price changes as an increase to revenue upon execution of a legally enforceable contractual agreement and when collectibility is reasonably assured.

Services revenues are recognized as services are rendered and associated costs of providing such services are recorded as incurred.

Fair Value Measurements: The Company uses fair value measurements in the preparation of its financial statements, which utilize various inputs including those that can be readily observable, corroborated or are generally unobservable. The Company utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Company applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

Cash Equivalents: The Company considers all highly liquid investments purchased with a maturity of three months or less, including short-term time deposits, commercial paper, repurchase agreements and money market funds to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts: Accounts receivable are stated at historical value, which approximates fair value. The Company does not generally require collateral from its customers. Accounts receivable are reduced by an allowance for amounts that may be uncollectible in the future. This estimated allowance is determined by considering factors such as length of time accounts are past due, historical experience of write-offs and customer financial condition. If not reserved through specific examination procedures, the Company's general policy for uncollectible accounts is to reserve based upon the aging categories of accounts receivable. Past due status is based upon the invoice date of the original amounts outstanding. Included in selling, general and administrative ("SG&A") expenses are provisions for estimated uncollectible accounts receivable of $1 million for the year ended December 31, 2008, recoveries in excess of provisions for estimated uncollectible accounts receivable of $19 million for the year ended December 31, 2007 and provisions for estimated uncollectible accounts receivable of $4 million for the year ended December 31, 2006. The allowance for doubtful accounts balance was $37 million, $18 million and $44 million at December 31, 2008, 2007 and 2006, respectively.

Inventories: Inventories are stated at the lower of cost, determined on a first-in, first-out ("FIFO") basis, or market. Inventories are reduced by an allowance for excess and obsolete inventories based on management's review of on-hand inventories compared to historical and estimated future sales and usage.

NOTE 2. Summary of Significant Accounting Policies — (Continued)

Product Tooling: Product tooling includes molds, dies and other tools used in production of a specific part or parts of the same basic design. The Company accounts for product tooling in accordance with the requirements of FASB Emerging Issues Task Force Issue No. 99-5 ("EITF 99-5"), "Accounting for Pre-Production Costs Related to Long-Term Supply Arrangements." EITF 99-5 generally requires that non-reimbursable design and development costs for products to be sold under long-term supply arrangements be expensed as incurred and costs incurred for molds, dies and other tools that will be owned by the Company or its customers and used in producing the products under long-term supply arrangements be capitalized and amortized over the shorter of the expected useful life of the assets or the term of the supply arrangement. Contractually reimbursable design and development costs that would otherwise be expensed under EITF 99-5 are recorded as an asset as incurred.

Product tooling owned by the Company is capitalized as property and equipment, and amortized to cost of sales over its estimated economic life, generally not exceeding six years. The net book value of product tooling owned by the Company was $90 million and $148 million as of December 31, 2008 and 2007, respectively. Unbilled receivables related to production tools in progress, which will not be owned by the Company and for which there is a contractual agreement for reimbursement from the customer, were approximately $21 million, $14 million and $74 million as of December 31, 2008, 2007 and 2006, respectively.

Restructuring: The Company defines restructuring expense to include costs directly associated with exit or disposal activities accounted for in accordance with Statement of Financial Accounting Standards No. 146 ("SFAS 146"), "Accounting for Costs Associated with Exit or Disposal Activities," employee severance and special termination benefit costs incurred as a result of an exit or disposal activity or a fundamental realignment accounted for in accordance with Statement of Financial Accounting Standards No. 88 ("SFAS 88"), "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" and Statement of Financial Accounting Standards No. 112 ("SFAS 112"), "Employers' Accounting for Postemployment Benefits" and pension and other postretirement employee benefit costs incurred as a result of an exit or disposal activity or a fundamental realignment accounted for in accordance with Statement of Financial Accounting Standard No. 87 ("SFAS 87"), "Employers' Accounting for Pensions" and Statement of Accounting Standard No. 106 ("SFAS 106"), "Employers' Accounting for Postretirement Benefits Other than Pensions."

Long-Lived Assets and Certain Identifiable Intangibles: Long-lived assets, such as property and equipment and definite-lived intangible assets are stated at cost or fair value for impaired assets. Depreciation or amortization is computed principally by the straight-line method for financial reporting purposes and by accelerated methods for income tax purposes in certain jurisdictions. Long-lived assets and intangible assets subject to amortization are depreciated or amortized over the estimated useful life of the asset.

Asset impairment charges are recorded for long-lived assets and intangible assets subject to amortization when events and circumstances indicate that such assets may be impaired and the undiscounted net cash flows estimated to be generated by those assets are less than their carrying amounts. If estimated future undiscounted cash flows are not sufficient to recover the carrying value of the assets, an impairment charge is recorded for the amount by which the carrying value of the assets exceeds its fair value. The Company classifies assets and liabilities as held for sale when management approves and commits to a formal plan of sale and it is probable that the sale will be completed. The carrying value of the assets and liabilities held for sale are recorded at the lower of carrying value or fair value less cost to sell, and the recording of depreciation is ceased. Fair value is determined using appraisals, management estimates or discounted cash flow calculations.

NOTE 2. Summary of Significant Accounting Policies — (Continued)

Capitalized Software Costs: Certain costs incurred in the acquisition or development of software for internal use are capitalized in accordance with Statement of Position No. 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Capitalized software costs are amortized using the straight-line method over estimated useful lives generally ranging from three to eight years. The net book value of capitalized software costs was approximately $57 million, $66 million and $83 million at December 31, 2008, 2007 and 2006, respectively. Related amortization expense was approximately $41 million, $46 million and $44 million for the years ended December 31, 2008, 2007 and 2006, respectively. Amortization expense of approximately $27 million is expected for 2009 and is expected to decrease to $19 million, $8 million and $2 million for 2010, 2011 and 2012, respectively.

Pensions and Other Postretirement Employee Benefits: Pensions and other postretirement employee benefit costs and related liabilities and assets are dependent upon assumptions used in calculating such amounts. These assumptions include discount rates, expected returns on plan assets, health care cost trends, compensation and other factors. In accordance with GAAP, actual results that differ from the assumptions used are accumulated and amortized over future periods, and accordingly, generally affect recognized expense in future periods.

Product Warranty: The Company accrues for warranty obligations for products sold based on management estimates, with support from its sales, engineering, quality and legal functions, of the amount that eventually will be required to settle such obligations. This accrual is based on several factors, including contractual arrangements, past experience, current claims, production changes, industry developments and various other considerations.

Product Recall: The Company accrues for product recall claims related to probable financial participation in customers' actions to provide remedies related primarily to safety concerns as a result of actual or threatened regulatory or court actions or the Company's determination of the potential for such actions. The Company accrues for recall claims for products sold based on management estimates, with support from the Company's engineering, quality and legal functions. Amounts accrued are based upon management's best estimate of the amount that will ultimately be required to settle such claims.

Environmental Costs: Costs related to environmental assessments and remediation efforts at operating facilities, previously owned or operated facilities, and Superfund or other waste site locations are accrued when it is probable that a liability has been incurred and the amount of that liability can be reasonably estimated. Estimated costs are recorded at undiscounted amounts, based on experience and assessments and are regularly evaluated. The liabilities are recorded in other current liabilities and other long-term liabilities in the Company's consolidated balance sheets.

NOTE 2. Summary of Significant Accounting Policies — (Continued)

Income Taxes: The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance to reduce deferred tax assets when it is more likely than not that such assets will not be realized. This assessment requires significant judgment, and must be done on a jurisdiction-by-jurisdiction basis. In determining the need for a valuation allowance, all available positive and negative evidence, including historical and projected financial performance, is considered along with any other pertinent information. Additionally, deferred taxes have been provided for the net effect of repatriating earnings from consolidated and unconsolidated foreign affiliates, except for approximately $220 million of Korean earnings considered permanently reinvested under Accounting Principles Board Opinion No. 23 "Accounting for Income Taxes-Special Areas". If these earnings were repatriated, additional withholding tax expense of approximately $25 million would have been incurred.

Debt Issuance Costs: The costs related to the issuance or modification of long-term debt are deferred and amortized into interest expense over the life of each debt issue. Deferred amounts associated with debt extinguished prior to maturity are expensed.

Other Costs: Advertising and sales promotion costs, repair and maintenance costs, research and development costs, and pre-production operating costs are expensed as incurred. Research and development expenses include salary and related employee benefits, contractor fees, information technology, occupancy, telecommunications and depreciation. Advertising costs were $2 million in 2008, $3 million in 2007 and $4 million in 2006. Research and development costs were $434 million in 2008, $510 million in 2007 and $594 million in 2006. Shipping and handling costs are recorded in the Company's consolidated statements of operations as "Cost of sales."

Financial Instruments: The Company uses derivative financial instruments, including forward contracts, swaps and options, to manage exposures to changes in currency exchange rates and interest rates. All derivative financial instruments are classified as "held for purposes other than trading." The Company's policy specifically prohibits the use of derivatives for speculative purposes.

NOTE 3. Recent Accounting Pronouncements

In December 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 132(R)-1 ("FSP FAS 132(R)-1"), "Employers' Disclosures about Postretirement Benefit Plan Assets." This FSP requires disclosure of (a) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies, (b) the major categories of plan assets, (c) the inputs and valuation techniques used to measure the fair value of plan assets, (d) the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period and (e) significant concentrations of risk within plan assets. FSP FAS 132(R)-1 is effective for fiscal years ending after December 15, 2009. The Company is currently evaluating the impact of these statements on its consolidated financial statements.

NOTE 3. Recent Accounting Pronouncements — (Continued)

In December 2008, the FASB issued FASB Staff Position No. FAS 140-4 and FIN 46(R)-8 ("FSP FAS 140-4 and FIN 46(R)-8"), "Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities." This FSP is intended to provide greater transparency by requiring additional disclosures about transfers of financial assets and involvement with variable interest entities. FSP FAS 140-4 and FIN 46(R)-8 are effective for the first reporting period ending after December 15, 2008 and was adopted by the Company as of December 31, 2008 without material impact on its consolidated financial statements.

In October 2008, the FASB issued FASB Staff Position No. FAS 157-3 ("FSP FAS 157-3"), "Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active," which clarifies the application of Statement of Financial Accounting Standard No. 157 ("SFAS 157"), "Fair Value Measurements," in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS 157-3 became effective upon issuance and was adopted by the Company for the reporting period ending September 30, 2008 without material impact on its consolidated financial statements.

In September 2008, the FASB issued FASB Staff Position No. FAS 133-1 and FIN 45-4 ("FSP FAS 133-1 and FIN 45-4"), "Disclosures about Credit Derivatives and Certain Guarantees, an amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161." This FSP requires disclosure of information about credit derivatives by sellers of credit derivatives and disclosure of the current status of the payment/performance risk of a guarantee. This FSP is effective for financial statements issued for reporting periods ending after November 15, 2008 and was adopted by the Company for the period ending December 31, 2008 without material impact on its consolidated financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." This statement requires disclosure of (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement of Financial Accounting Standards No. 133 and its related interpretations and (c) how derivative instruments and related hedged items affect an entity's financial position, results of operations and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 and becomes effective for the Company on a prospective basis on January 1, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R), "Business Combinations" and Statement of Financial Accounting Standards No. 160, "Non-controlling Interests in Consolidated Financial Statements, an amendment to ARB No. 51." These statements change the accounting and reporting for business combination transactions and minority interests in consolidated financial statements. These statements are required to be adopted simultaneously and are effective for the first annual reporting period beginning on or after December 15, 2008. The Company will adopt this standard effective January 1, 2009 and does not expect a significant impact on its consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115." This statement permits measurement of financial instruments and certain other items at fair value. The Company adopted this statement effective January 1, 2008 and has not elected the permitted fair value measurement provisions of this statement.

NOTE 3. Recent Accounting Pronouncements — (Continued)

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS 157"), "Fair Value Measurements." This statement, which became effective January 1, 2008, defines fair value, establishes a framework for measuring fair value and expands disclosure requirements regarding fair value measurements. The Company adopted the requirements of SFAS 157 as of January 1, 2008 without a material impact on its consolidated financial statements. In February 2008, the FASB issued FASB Staff Position No. FAS 157-2 ("FSP FAS 157-2"), "Effective Date of FASB Statement No. 157," which delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis to fiscal years beginning after November 15, 2008. The Company will adopt the provisions of SFAS 157 for its nonfinancial assets and nonfinancial liabilities effective January 1, 2009 and does not expect a significant impact on its consolidated financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 158 ("SFAS 158"), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefits, an amendment of FASB Statements No. 87, 88, 106, and 132(R)." SFAS 158 requires the establishment of a net asset or liability representing the funded status of defined benefit pension and OPEB plans in the balance sheet. Additionally, SFAS 158 requires the measurement of plan assets and benefit obligations as of the year-end balance sheet date effective for fiscal years ending after December 15, 2008. The Company adopted the recognition and disclosure provisions of SFAS 158 as of December 31, 2006 and the year-end measurement provisions of SFAS 158 as of January 1, 2007, which resulted in a net curtailment loss of $6 million in the fourth quarter of 2006.

The Company re-measured plan assets and obligations as of January 1, 2007 consistent with the provisions of SFAS 158, initially recording a reduction to its pension and OPEB liabilities of $100 million and $90 million, respectively, and an increase to accumulated other comprehensive income of $190 million. The Company also adjusted the January 1, 2007 retained earnings balance by approximately $34 million, representing the net periodic benefit costs for the period between September 30, 2006 and January 1, 2007 that would have been recognized on a delayed basis during the first quarter of 2007 absent the change in measurement date. The net periodic benefit costs for 2007 were based on this January 1, 2007 measurement or subsequent re-measurements. During the fourth quarter of 2007 the Company further reduced its pension liability by $20 million with a corresponding increase to accumulated other comprehensive income based on a revision of its re-measured pension obligation as of January 1, 2007. The revision had no impact on full year earnings and an immaterial impact on income as reported in each of the previous three quarters of 2007.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (Revised 2004) ("SFAS 123(R)"), "Share-Based Payments." This statement requires that all share-based payments to employees be recognized in the financial statements based on their estimated fair value. SFAS 123(R) was adopted by the Company effective January 1, 2006 using the modified-prospective method. In accordance with the modified-prospective method, the Company's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R). Under the modified-prospective method, compensation expense includes:

- Share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the fair value estimated in accordance with the original provisions of Statement of Financial Accounting Standards No. 123, ("SFAS 123") "Accounting for Stock-Based Compensation."
- Share-based payments granted subsequent to January 1, 2006, based on the fair value estimated in accordance with the provisions of SFAS 123(R).

NOTE 3. Recent Accounting Pronouncements — (Continued)

The cumulative effect, net of tax, of adoption of SFAS 123(R) was $4 million or $0.03 per share as of January 1, 2006. The Company recorded $13 million, or $0.10 per share, of incremental compensation expense during the year ended December 31, 2006 under SFAS 123(R) when compared to the amount that would have been recorded under SFAS 123. Additional disclosures required by SFAS 123(R) regarding the Company's stock-based compensation plans and related accounting are provided in Note 15 "Stock-Based Compensation."

NOTE 4. Asset Impairments and Loss on Divestitures

Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") requires that long-lived assets and intangible assets subject to amortization are reviewed for impairment when certain indicators of impairment are present. Impairment exists if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. Generally, when impairment exists the long-lived assets are adjusted to their respective fair values.

In assessing long-lived assets for an impairment loss, assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Asset grouping requires a significant amount of judgment. Accordingly, facts and circumstances will influence how asset groups are determined for impairment testing. In assessing long-lived assets for impairment, management considered the Company's product line portfolio, customers and related commercial agreements, labor agreements and other factors in grouping assets and liabilities at the lowest level for which identifiable cash flows are largely independent. The Company considers projected future undiscounted cash flows, trends and other factors in its assessment of whether impairment conditions exist. While the Company believes that its estimates of future cash flows are reasonable, different assumptions regarding such factors as future automotive production volumes, customer pricing, economics and productivity and cost saving initiatives, could significantly affect its estimates. In determining fair value of long-lived assets, management uses appraisals, management estimates or discounted cash flow calculations.

The Company recorded asset impairment charges of $234 million, $95 million and $22 million for the years ended December 31, 2008, 2007 and 2006, respectively, to adjust certain long-lived assets to their estimated fair values. In addition to asset impairment charges, the Company recorded $41 million in losses on divestitures of certain businesses in 2008.

2008 Asset Impairments and Loss on Divestitures

The Company concluded that significant operating losses resulting from the deterioration of market conditions and related production volumes in the fourth quarter of 2008 represented an indicator that the carrying amount of the Company's long lived assets may not be recoverable. Based on the results of the Company's assessment, which was based upon the fair value of the affected assets using appraisals, management estimates and discounted cash flow calculations, the Company recorded an impairment charge of approximately $200 million to reduce the net book value of Interiors long-lived assets considered to be "held for use" to their estimated fair value.

NOTE 4. Asset Impairments and Loss on Divestitures — (Continued)

On June 30, 2008, Visteon UK Limited, an indirect, wholly-owned subsidiary of the Company, transferred certain assets related to its chassis manufacturing operation located in Swansea, United Kingdom to Visteon Swansea Limited, a company incorporated in England and a wholly-owned subsidiary of Visteon UK Limited. Effective July 7, 2008, Visteon UK Limited sold the entire share capital of Visteon Swansea Limited to Linamar UK Holdings Inc., a wholly-owned subsidiary of Linamar Corporation for nominal cash consideration (together, the "Swansea Divestiture"). The Swansea operation, which manufactured driveline products, generated negative gross margin of approximately $40 million on sales of approximately $80 million during 2007. The Company recorded asset impairment and loss on divestiture of approximately $23 million in connection with the Swansea Divestiture, including $16 million of losses on the Visteon Swansea Limited share capital sale and $7 million of asset impairment charges.

During the first quarter of 2008, the Company announced the sale of its North American-based aftermarket underhood and remanufacturing operations ("NA Aftermarket") including facilities located in Sparta, Tennessee and Reynosa, Mexico (together, the "NA Aftermarket Divestiture"). The NA Aftermarket manufactured starters and alternators, radiators, compressors and condensers and also remanufactures steering pumps and gears. These operations recorded sales for the year ended December 31, 2007 of approximately $133 million and generated a negative gross margin of approximately $16 million. The Company recorded total losses of $46 million on the NA Aftermarket Divestiture, including an asset impairment charge of $21 million and losses on disposition of $25 million.

The Company also recorded asset impairments of $6 million during 2008 in connection with other divestiture activities, including the sale of its Interiors operation located in Halewood, UK (the "Halewood Divestiture").

2007 Impairment Charges

During the fourth quarter of 2007 the Company recorded impairment charges of $16 million to reduce the net book value of long-lived assets associated with the Company's fuel products to their estimated fair value. This amount was recorded pursuant to impairment indicators including lower than anticipated current and near term future customer volumes and the related impact on the Company's current and projected operating results and cash flows resulting from a change in product technology.

During the third quarter of 2007, the Company completed the sale of its Visteon Powertrain Control Systems India ("VPCSI") operation located in Chennai, India. The Company determined that assets subject to the VPCSI divestiture including inventory, intellectual property and real and personal property met the "held for sale" criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in asset impairment charges of approximately $14 million.

In March 2007, the Company entered into a Master Asset and Share Purchase Agreement ("MASPA") to sell certain assets and liabilities associated with the Company's chassis operations (the "Chassis Divestiture"). The Company's chassis operations were primarily comprised of suspension, driveline and steering product lines and include facilities located in Dueren and Wuelfrath, Germany, Praszka, Poland and Sao Paulo, Brazil. Collectively, these operations recorded sales for the year ended December 31, 2006 of approximately $600 million. During the first quarter of 2007, the Company determined that assets subject to the Chassis Divestiture including inventory, intellectual property and real and personal property met the "held for sale" criteria of SFAS 144. Accordingly, these assets were valued at the lower of carrying amount or fair value less cost to sell, which resulted in asset impairment charges of approximately $28 million.

NOTE 4. Asset Impairments and Loss on Divestitures — (Continued)

In consideration of the MASPA and the Company's announced exit of the brake manufacturing business at its Swansea, UK facility, an asset impairment charge of $16 million was recorded to reduce the net book value of certain long-lived assets at the facility to their estimated fair value in the first quarter of 2007. The Company's estimate of fair value was based on market prices, prices of similar assets and other available information.

During 2007 the Company entered into agreements to sell two Electronics buildings located in Japan. The Company determined that these buildings met the "held for sale" criteria of SFAS 144 and were recorded at the lower of carrying value or fair value less cost to sell, which resulted in asset impairment charges of approximately $15 million.

2006 Impairment Charges

During the second quarter of 2006 the Company announced the closure of a European Interiors facility. In connection with this action, the Company recorded an asset impairment of $10 million to reduce the net book value of certain long-lived assets to their estimated fair value. Also during the second quarter of 2006 and in accordance with Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock," the Company determined that an "other than temporary" decline in the fair market value of its investment in Vitro Flex, S.A. de C.V. ("Vitro Flex") had occurred. Consequently, the Company reduced the carrying value of its investment in Vitro Flex by approximately $12 million to its estimated fair market value at June 30, 2006.

NOTE 5. Restructuring Activities

The Company has undertaken various restructuring activities to achieve its strategic and financial objectives. Restructuring activities include, but are not limited to, plant closures, production relocation, administrative cost structure realignment and consolidation of available capacity and resources. In addition to its ongoing operating cash needs, the Company expects to finance restructuring programs through cash reimbursement from an escrow account established pursuant to the ACH Transactions, from cash generated from its ongoing operations or through cash available under its existing debt agreements, subject to the terms of applicable covenants.

Amended Escrow Agreement

Pursuant to the Escrow Agreement, dated as of October 1, 2005, among the Company, Ford and Deutsche Bank Trust Company Americas, Ford paid $400 million into the escrow account for use by the Company to restructure its businesses. The Escrow Agreement provides that the Company will be reimbursed from the escrow account for the first $250 million of reimbursable restructuring costs, as defined in the Escrow Agreement, and up to one half of the next $300 million of such costs. In August 2008 and pursuant to the Amended Escrow Agreement, Ford contributed an additional $50 million into the escrow account. The Amended Escrow Agreement provides that such additional funds are available to fund restructuring and other qualified costs on a 100% basis.

NOTE 5. Restructuring Activities — (Continued)

Cash in the escrow account is invested, at the direction of the Company, in high quality, short-term investments and related investment earnings are credited to the account as earned. Investment earnings of $28 million became available to reimburse the Company's restructuring costs following the use of the first $250 million of available funds. Investment earnings on the remaining $200 million will be available for reimbursement after full utilization of those funds. While the Company anticipates full utilization of funds available under the Amended Escrow Agreement, any amounts remaining in the escrow account after December 31, 2012 will be disbursed to the Company pursuant to the terms of the Amended Escrow Agreement. The following table provides a reconciliation of amounts available in the escrow account.

	Year Ended December 31, 2008	Inception through December 31, 2008
	(Dollars in Millions)	
Beginning escrow account available	$ 144	$ 400
Add: Amended Escrow Agreement Funding	50	50
Add: Investment earnings	3	35
Deduct: Disbursements for restructuring costs	(129)	(417)
Ending escrow account available	$ 68	$ 68

Approximately $7 million and $22 million of amounts receivable from the escrow account were classified in "Other current assets" in the Company's consolidated balance sheets as of December 31, 2008 and 2007, respectively.

Restructuring Reserves

The following is a summary of the Company's consolidated restructuring reserves and related activity for the years ended December 31, 2008, 2007 and 2006, respectively. Substantially all of the Company's restructuring expenses are related to employee severance and termination benefit costs. Information in the table below includes amounts associated with the Company's discontinued operations.

	Interiors	Climate	Electronics	Other	Total
			(Dollars in Millions)		
December 31, 2005	$ —	$ —	$ 4	$ 10	$ 14
Expenses	24	31	16	24	95
Utilization	(6)	(10)	(18)	(22)	(56)
December 31, 2006	18	21	2	12	53
Expenses	66	27	9	60	162
Utilization	(26)	(25)	(4)	(48)	(103)
December 31, 2007	58	23	7	24	112
Expenses	42	20	3	82	147
Exchange	(3)	—	—	—	(3)
Utilization	(48)	(40)	(6)	(98)	(192)
December 31, 2008	$ 49	$ 3	$ 4	$ 8	$ 64

NOTE 5. Restructuring Activities — (Continued)

Restructuring reserve balances of $45 million and $87 million at December 31, 2008 and 2007, respectively, are classified as "Other current liabilities" on the consolidated balance sheets. The Company anticipates that the activities associated with the restructuring reserve balance as of December 31, 2008 will be substantially completed by the end of 2009. Other restructuring reserves of $19 million and $25 million are classified as "Other non-current liabilities" on the consolidated balance sheet as of December 31, 2008 and 2007, respectively and relate to employee benefits that are probable and estimable but for which associated activities will not be completed within one year.

Utilization includes $131 million, $79 million and $49 million of payments for severance and other employee termination benefits for the years ended December 31, 2008, 2007 and 2006, respectively. Utilization also includes $46 million, $16 million and $7 million in 2008, 2007 and 2006, respectively, of special termination benefits reclassified to pension and other postretirement employee benefit liabilities, where such payments are made from the Company's benefit plans. For the years ended December 31, 2008 and 2007, utilization also includes $15 million and $8 million, respectively in payments related to contract termination and equipment relocation costs.

Estimates of restructuring costs are based on information available at the time such charges are recorded. In general, management anticipates that restructuring activities will be completed within a timeframe such that significant changes to the plan are not likely. Due to the inherent uncertainty involved in estimating restructuring expenses, actual amounts paid for such activities may differ from amounts initially estimated, resulting in unexpected costs in future periods. Generally, charges are recorded as elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change.

2008 Restructuring Actions

During 2008 the Company recorded restructuring charges of $147 million, including $107 million under the previously announced multi-year improvement plan. Significant actions under the multi-year improvement plan include the following:

- $33 million of employee severance and termination benefit costs associated with approximately 290 employees to reduce the Company's salaried workforce in higher cost countries.
- $23 million of employee severance and termination benefit costs associated with approximately 20 salaried and 250 hourly employees at a European Interiors facility.
- $18 million of employee severance and termination benefit costs associated with 55 employees at the Company's Other products facility located in Swansea, UK. In connection with the Swansea Divestiture, Visteon UK Limited agreed to reduce the number of employees to be transferred, which resulted in $5 million of employee severance benefits and $13 million of special termination benefits.
- $9 million of employee severance and termination benefit costs related to approximately 100 hourly and salaried employees at certain manufacturing facilities located in the UK.
- $6 million of employee severance and termination benefit costs associated with approximately 40 employees at a European Interiors facility.
- $5 million of contract termination charges related to the closure of a European Other facility.
- $5 million of employee severance and termination benefit costs for the closure of a European Interiors facility.

NOTE 5. Restructuring Activities — (Continued)

The Company has incurred $382 million in cumulative restructuring costs related to the multi-year improvement plan including $156 million, $129 million, $66 million and $31 million for the Other, Interiors, Climate and Electronics product groups respectively. Substantially all restructuring expenses recorded to date relate to employee severance and termination benefit costs and are classified as “Restructuring expenses” on the consolidated statements of operations. As of December 31, 2008, restructuring reserves related to the multi-year improvement plan are approximately $54 million, including $35 million and $19 million classified as “other current liabilities” and “other non-current liabilities,” respectively. The Company estimates that the total cost associated with the multi-year improvement plan will be approximately $475 million.

In addition to the multi-year improvement plan, the Company commenced a program during September 2008 designed to fundamentally realign, consolidate and rationalize the Company’s administrative organization structure on a global basis through various voluntary and involuntary employee separation actions. Related employee severance and termination benefit costs of $26 million were recorded during 2008 associated with approximately 320 salaried employees in the United States and 100 salaried employees in other countries, for which severance and termination benefits were deemed probable and estimable. The Company expects to record additional costs related to this global program in future periods when elements of the plan are finalized and the timing of activities and the amount of related costs are not likely to change. The Company also recorded $9 million of employee severance and termination benefit costs associated with approximately 850 hourly and 60 salaried employees at a North American Climate facility. As of December 31, 2008, restructuring reserves related to these programs were approximately $10 million.

2007 Restructuring Actions

During 2007 the company incurred restructuring expenses of $162 million under the multi-year improvement plan, including the following significant actions:

- $31 million of employee severance and termination benefit costs associated with the elimination of approximately 300 salaried positions.
- $27 million of employee severance and termination benefit costs for approximately 300 employees at a European Interiors facility related to the announced 2008 closure of that facility.
- $21 million of employee severance and termination benefit costs for approximately 600 hourly and 100 salaried employees related to the announced 2008 closure of a North American Other facility.
- $14 million was recorded related to the December 2007 closure of a North American Climate facility for employee severance and termination benefits, contract termination and equipment move costs.
- $12 million of expected employee severance and termination benefit costs associated with approximately 100 hourly employees under a plant efficiency action at a European Climate facility.
- $10 million of employee severance and termination benefit costs associated with the exit of brake manufacturing operations at a European Other facility. Approximately 160 hourly and 20 salaried positions were eliminated as a result of this action.
- $10 million of employee severance and termination benefit costs were recorded for approximately 40 hourly and 20 salaried employees at various European facilities.

NOTE 5. Restructuring Activities — (Continued)

In addition to the above announced actions the Company recorded an estimate of expected employee severance and termination benefit costs of approximately $34 million for the probable payment of such post-employment benefit costs in connection with the multi-year improvement plan. Restructuring reserves related to the multi-year improvement plan are approximately $112 million, including $87 million and $25 million classified as “other current liabilities” and “other non-current liabilities,” respectively, on the consolidated balance sheet as of December 31, 2007.

2006 Restructuring Actions

During 2006 the Company incurred restructuring expenses of $95 million under the multi-year improvement plan, including the following significant actions:

- $20 million of employee severance and termination benefit costs for 750 hourly and 170 salaried employees related to the 2007 closure of a North American Climate manufacturing facility.
- $19 million of employee severance and termination benefit costs for the elimination of approximately 800 salaried positions pursuant to an announced program to reduce salaried workforce in higher cost countries.
- $9 million of employee severance and termination benefit costs related to approximately 600 employees at Climate facilities in North America and 70 employees at certain European manufacturing facilities.
- $7 million related to the announced closure of a European Interiors manufacturing facility. Costs include employee severance and termination benefits for approximately 150 hourly and salaried employees and certain non-employee related costs associated with closing the facility.
- $7 million of employee severance and termination benefit costs related to a workforce reduction effort at a European Interiors manufacturing facility. These costs relate to approximately 110 hourly employees.
- $6 million of employee severance and termination benefits for approximately 500 hourly and 50 salaried employees related to a workforce reduction at Electronics manufacturing facilities in Mexico and Portugal.
- $6 million related to a restructuring initiative at a North American Electronics manufacturing facility. These costs include severance and termination benefit costs for approximately 1,000 employees.
- $5 million related to the announced closure of a North American Interiors manufacturing facility, including employee severance and termination benefit costs for 265 hourly employees, 26 salaried employees and a lease termination penalty.

NOTE 6. Discontinued Operations and Extraordinary Item

Discontinued Operations

In March 2007, the Company entered into the MASPA for the sale of certain assets and liabilities associated with the Company’s chassis operations. The Chassis Divestiture, while representing a significant portion of the Company’s chassis operations, did not result in the complete exit of any of the affected product lines. Effective May 31, 2007, the Company ceased to produce brake components at its Swansea, UK facility, which resulted in the complete exit of the Company’s global suspension product line. Accordingly, the results of operations of the Company’s global suspension product line have been reclassified to “Loss from discontinued operations, net of tax” in the consolidated statements of operations for the years ended December 31, 2007 and 2006. A summary of the results of discontinued operations is provided in the table below.

NOTE 6. Discontinued Operations and Extraordinary Item — (Continued)

	Year Ended December 31	
	2007	2006
	(Dollars in Millions)	
Net product sales	$ 50	$ 165
Cost of sales	63	184
Gross margin	(13)	(19)
Selling, general and administrative expenses	1	3
Asset impairments	12	—
Restructuring expenses	10	2
Reimbursement from Escrow Account	12	2
Loss from discontinued operations, net of tax	$ (24)	$ (22)

Extraordinary Item

On April 27, 2006, the Company's wholly-owned, consolidated subsidiary Carplastics, S.A. de C.V. acquired the real property, inventory, tooling and equipment of Guide Lighting Technologies of Mexico S. de R.L. de C.V., a lighting manufacturing facility located in Monterrey, Mexico. In accordance with Statement of Financial Accounting Standards No. 141 "Business Combinations," the Company allocated the purchase price to the assets and liabilities acquired. The sum of the amounts assigned to the assets and liabilities acquired exceeded the cost of the acquired entity and that excess was allocated as a pro rata reduction of the amounts that otherwise would have been assigned to all of the acquired non-financial assets (i.e. property and equipment). An excess of $8 million remained after reducing to zero the amounts that otherwise would have been assigned to the non-financial assets and was recorded as an extraordinary gain in the accompanying consolidated financial statements.

NOTE 7. Inventories

Inventories consist of the following components:

	December 31	
	2008	2007
	(Dollars in Millions)	
Raw materials	$ 145	$ 159
Work-in-process	184	224
Finished products	67	160
	396	543
Valuation reserves	(42)	(48)
	$ 354	$ 495

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 8. Other Assets

Other current assets are summarized as follows:

	December 31	
	2008	2007
	(Dollars in Millions)	
Recoverable taxes	$ 119	$ 88
Current deferred tax assets	29	47
Deposits	24	30
Unamortized debt costs	20	—
Prepaid assets	18	28
Escrow receivable	7	22
Other	32	20
	$ 249	$ 235

Other non-current assets are summarized as follows:

	December 31	
	2008	2007
	(Dollars in Millions)	
Non-current deferred tax assets	$ 34	$ 39
Unamortized debt costs and other intangible assets	7	33
Notes and other receivables	4	11
Other	49	39
	$ 94	$ 122

Unamortized debt issue costs of $20 million have been reclassified from “Other non-current assets” to “Other current assets” in accordance with the requirements of Statement of Financial Accounting Standards No. 78, “Classification of Obligations that are Callable by the Creditor” (“SFAS 78”).

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 9. Property and Equipment

Property and equipment, net consists of the following:

	December 31	
	2008	2007
	(Dollars in Millions)	
Land	$ 73	$ 95
Buildings and improvements	809	1,083
Machinery, equipment and other	2,985	3,894
Construction in progress	112	146
Total property and equipment	3,979	5,218
Accumulated depreciation	(1,907)	(2,573)
	2,072	2,645
Product tooling, net of amortization	90	148
Property and equipment, net	$ 2,162	$ 2,793

Property and equipment is depreciated principally using the straight-line method of depreciation over the estimated useful life of the asset. Generally, buildings and improvements are depreciated over a 30-year estimated useful life and machinery, equipment and other assets are depreciated over estimated useful lives ranging from 5 to 15 years. Product tooling is amortized using the straight-line method over the estimated life of the tool, generally not exceeding six years. Depreciation and amortization expenses are summarized as follows:

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
Depreciation	$ 380	$ 425	$ 377
Amortization	36	47	53
	$ 416	$ 472	$ 430

The Company recorded approximately $37 million, $50 million and $5 million of accelerated depreciation expense for the years ended December 31, 2008, 2007 and 2006, respectively, representing the shortening of estimated useful lives of certain assets (primarily machinery and equipment) in connection with the Company's restructuring activities.

NOTE 10. Non-Consolidated Affiliates

The Company had $220 million and $218 million of equity in the net assets of non-consolidated affiliates at December 31, 2008 and 2007, respectively. The Company recorded equity in net income of non-consolidated affiliates of $41 million, $47 million and $33 million at December 31, 2008, 2007 and 2006, respectively. The following table presents summarized financial data for such non-consolidated affiliates. The amounts included in the table below represent 100% of the results of operations of the Company's non-consolidated affiliates accounted for under the equity method. Yanfeng Visteon Automotive Trim Systems Co., Ltd ("Yanfeng"), of which the Company owns a 50% interest, is considered a significant non-consolidated affiliate and is shown separately below.

NOTE 10. Non-Consolidated Affiliates — (Continued)

Summarized balance sheet data as of December 31 is as follows:

	Yanfeng		All Others	
	(Dollars in Millions)			
	2008	2007	2008	2007
Current assets	$ 386	$ 349	$ 216	$ 230
Other assets	375	311	205	184
Total assets	761	660	421	414
Current liabilities	453	363	227	211
Other liabilities	75	85	16	23
Shareholders' equity	233	212	178	180
Total liabilities and shareholders' equity	$ 761	$ 660	$ 421	$ 414

Summarized statement of operations data for the years ended December 31 is as follows:

	Net Sales			Gross Margin			Net Income		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
	(Dollars in Millions)								
Yanfeng	$ 1,059	$ 929	$ 646	$ 190	$ 162	$ 114	$ 71	$ 68	$ 51
All other	805	707	652	119	106	94	14	26	16
	$ 1,864	$ 1,636	$ 1,298	$ 309	$ 268	$ 208	$ 85	$ 94	$ 67

The Company's share of net assets and net income is reported in the consolidated financial statements as "Equity in net assets of non-consolidated affiliates" on the consolidated balance sheets and "Equity in net income of non-consolidated affiliates" on the consolidated statements of operations. Included in the Company's accumulated deficit is undistributed income of non-consolidated affiliates accounted for under the equity method of approximately $104 million and $99 million at December 31, 2008 and 2007, respectively.

Restricted net assets related to the Company's consolidated subsidiaries were approximately $91 million and $85 million, respectively as of December 31, 2008 and 2007. Restricted net assets related to the Company's non-consolidated affiliates were approximately $220 million and $218 million, respectively as of December 31, 2008 and 2007. Restricted net assets of consolidated subsidiaries are attributable to the Company's operations in China, where certain regulatory requirements and governmental restraints result in significant restrictions on the Company's consolidated subsidiaries ability to transfer funds to the Company.

NOTE 11. Other Liabilities

Other current liabilities are summarized as follows:

	December 31	
	2008	2007
	(Dollars in Millions)	
Product warranty and recall reserves	$ 50	$ 54
Accrued interest payable	45	62
Restructuring reserves	45	87
Non-income taxes payable	38	34
Income taxes payable	16	13
Other accrued liabilities	94	101
	$ 288	$ 351

Other non-current liabilities are summarized as follows:

	December 31	
	2008	2007
	(Dollars in Millions)	
Income tax reserves	$ 155	$ 154
Non-income taxes payable	57	80
Product warranty and recall reserves	50	54
Deferred income	46	63
Restructuring reserves	19	25
Other accrued liabilities	38	52
	$ 365	$ 428

In connection with the ACH Transactions, the Company sold to and leased-back from Ford certain land and buildings under two separate lease arrangements both for six-year terms with rental payments at below market rates, which represents continuing involvement under Statement of Financial Accounting Standards No. 98, “Accounting for Leases.” Accordingly, recognition of the $42 million gain associated with these sale-leasebacks was deferred. During 2008, the Company terminated one of these lease arrangements and recognized $12 million of related deferred income, which was offset by the remaining net book value associated with the facility. The remaining deferred income associated with this sale-leaseback will be recognized upon termination of the Company’s continuing involvement with the facility.

The Company also carried deferred gains associated with other sale-leaseback transactions of $12 million and $15 million as of December 31, 2008 and 2007, respectively, which will be recognized over the remaining lease terms of up to five years on these facilities.

NOTE 12. Asset Securitization

In October 2008, the Company amended and restated agreements related to its European trade accounts receivable securitization facility (the "European Securitization") to, among other things, include an additional selling entity and change the master service provider. In connection with these amendments, the Company regained control of previously transferred trade receivables such that, effective October 2008, this facility, which was previously accounted for as a sale of receivables under the provisions of Statement of Financial Accounting Standards No. 140 ("SFAS 140"), "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," was accounted for as a secured borrowing and Visteon Financial Centre Plc, a bankruptcy-remote qualifying special purpose entity, was consolidated in accordance with the requirements of FIN 46(R). The accounting impact at the time of these amendments was non-cash affecting and included an increase in Accounts receivable, net of $291 million, a decrease in Interests in accounts receivable transferred of $207 million, and an increase in Long-term debt of $84 million.

Prior to the October 2008 amendments, trade receivables transferred from the Sellers were funded through cash obtained from the issuance of variable loan notes to third-party lenders and through subordinated loans obtained from a wholly-owned subsidiary of the Company, which represented the Company's retained interest in the trade receivables transferred. Transfers for which the Company received consideration other than a beneficial interest, were accounted for as "true sales" and were removed from the consolidated balance sheet. Transfers for which the Company received a beneficial interest were not removed from the consolidated balance sheet totaled $434 million as of December 31, 2007, were recorded at fair value and were subordinated to the interests of third-party lenders. Securities representing the Company's retained interests were accounted for as trading securities under Statement of Financial Accounting Standards No. 115 "Accounting for Certain Investments in Debt and Equity Securities."

The table below provides a reconciliation of changes in interests in account receivables transferred for the period through which transfers were accounted for as true sales under SFAS 140.

	December 31	
	2008	2007
	(Dollars in Millions)	
Beginning balance	$ 434	$ 482
Receivables transferred	2,171	3,263
Receivables balance sheet reclassification due to FIN 46(R)	(207)	—
Proceeds from new securitizations	—	(41)
Proceeds from collections reinvested in securitization	(464)	(522)
Cash flows received on interests retained	(1,882)	(2,806)
Exchange	(52)	58
Ending balance	$ —	$ 434

The Company recorded losses of $7 million and $8 million for the years ended December 31, 2008 and 2007, respectively related to trade receivables sold under the European Securitization.

Other

During 2006, the Company sold account receivables without recourse under a European sale of receivables agreement. As of December 31, 2006, the Company had sold approximately 62 million Euro ($81 million). This European sale of receivables agreement was terminated in December 2006. Losses on these receivable sales were approximately $3 million for the year ended December 31, 2006.

NOTE 13. Debt

Pursuant to affirmative covenants contained in the agreements associated with the Facilities, the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into Waivers with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully described below.

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including an ad hoc committee of lenders under its senior secured term loan, regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties, or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code.

The aforementioned has resulted in the classification of $2,554 million of long-term debt as a current liability in accordance with the requirements of SFAS 78 and FASB Emerging Issues Task Force Issue No. 86-30, "Classification of Obligations When a Violation Is Waived by the Creditor."

Effective March 31, 2009, the Company entered into limited waivers and amendments to the following agreements:

- The Amended and Restated Credit Agreement, dated as of April 10, 2007 (as amended, supplemented or otherwise modified, the "Term Credit Agreement"), among the Company, certain of its subsidiaries, the lenders party thereto, Credit Suisse Securities (USA) LLC and Sumitomo Mitsui Banking Corporation, as co-documentation agents, Citicorp USA, Inc., as syndication agent, JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. as joint lead arrangers and joint bookrunners;
- The Credit Agreement, dated as of August 14, 2006 (as amended, supplemented or otherwise modified, the "ABL Credit Agreement"), among the Company, certain of its subsidiaries, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent; and
- The Master Receivables Purchase & Servicing Agreement, dated as of August 14, 2006 and as amended and restated as of October 29, 2008 (the "Securitization Agreement"), by and among Visteon UK Limited, Visteon Deutschland GmbH, Visteon Sistemas Interiores Espana S.L.U., Cadiz Electronica S.A.U., Visteon Portuguesa Limited, VC Receivables Financing Corporation Limited, Visteon Electronics Corporation, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank, N.A., Citibank International Plc, Citicorp USA, Inc., and the Company and the related securitization agreements.

NOTE 13. Debt — (Continued)

Pursuant to the Limited Waiver ("Term Waiver") to the Term Credit Agreement, the potential default relating to the inclusion of an explanatory paragraph in the report of the Company's independent registered public accounting firm indicating substantial doubt about the Company's ability to continue as a going concern (the "Going-Concern Default") is waived until May 30, 2009, and the Company is required to complete certain collateral disclosure and perfection matters within certain periods following effectiveness or the Term Waiver may be terminated prior to May 30, 2009 and certain other Events of Default may occur. The Company also entered into a letter agreement, effective as of March 31, 2009 (the "Ad Hoc Committee Letter Agreement"), with the Ad Hoc Committee, which requires, among other things, that the Company and its subsidiaries provide access to management, as well as certain analysis and reports to the Ad Hoc Committee. The agreement also requires the Company and its subsidiaries in North America and Europe to maintain a balance of cash and cash equivalents of at least $335.1 million on a consolidated basis, and requires the Company and its subsidiaries in North America to maintain a balance of cash and cash equivalents of at least $193.5 million on a consolidated basis. The Ad Hoc Committee Letter Agreement provides that the failure to comply with any of its terms will cause termination of the Term Waiver prior to May 30, 2009 and certain other Defaults or Events of Default may occur.

Pursuant to the Fourth Amendment and Limited Waiver to the Credit Agreement and Amendment to Security Agreement (the "ABL Waiver"), the Going-Concern Default is waived until May 30, 2009, and the Company is required to complete certain collateral disclosure and perfection matters within certain periods following effectiveness or the ABL Waiver may be terminated at the discretion of the Administrative Agent. The ABL Waiver also makes several amendments to the ABL Credit Agreement, including:

- Increasing the interest rate applicable to borrowing and commitment fees payable thereunder;
- Eliminating the availability of swingline loans and overadvances;
- Restricting future borrowings or the issuance of any new letters of credit if such borrowing or letter of credit would cause the amount of the Company's cash and cash equivalents in the U.S. to exceed $100 million, excluding amounts held in certain designated collateral accounts;
- Requiring the Company to maintain cash and cash equivalents in a certain designated deposit or securities account in amount that at least equals the amount borrowed plus letters of credit issued under the ABL Credit Agreement; and
- Ensuring that only a certain amount of cash and cash equivalents are held in accounts that are not subject to control agreements securing outstanding amounts under the ABL Credit Agreement.

Pursuant to the Conditional Waiver (the "Securitization Waiver") to the Securitization Agreement, the Going-Concern Default is waived until June 29, 2009. The Securitization Waiver also makes several amendments to the Securitization Agreement, including:

- Decreasing the variable funding facility limit to $200 million;
- Increasing the borrowing rates and commitment fees payable thereunder;
- Increasing certain reserves;
- Requiring notification to customers by Visteon of the sales of receivables and re-direction of customer payments to special purpose segregated accounts;
- Increasing the frequency of borrowing base and other reporting and settlement periods;
- Giving the agent discretion to access receivables collections; and

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 13. Debt — (Continued)

- Requiring further amendments from May 31, 2009 that would require customers whose receivable have been sold under the program to make payment thereon directly to the lenders.

As of December 31, 2008, the Company had $2,697 million and $65 million of debt outstanding classified as short-term debt and long-term debt, respectively. The Company's short and long-term debt balances consist of the following:

	Maturity	Weighted Average Interest Rate 2008	Weighted Average Interest Rate 2007	Carrying Value 2008	Carrying Value 2007
			(Dollars in Millions)		
Short-term debt					
Debt in default		7.4%	—	$ 2,554	$ —
Current portion of long-term debt		6.3%	5.8%	72	44
Other — short-term		6.1%	5.5%	71	51
Total short-term debt				2,697	95
Long-term debt					
8.25% notes due August 1, 2010	2010	—	8.4%	—	553
Term loan due June 13, 2013	2013	—	8.5%	—	1,000
Term loan due December 13, 2013	2013	—	8.6%	—	500
7.00% notes due March 10, 2014	2014	—	7.7%	—	449
12.25% notes due December 31, 2016	2016	—	—	—	—
Other	2010-2027	6.3%	5.6%	65	243
Total long-term debt				65	2,745
Total debt				$ 2,762	$ 2,840

The fair value of debt including related interest rate swaps was approximately $826 million at December 31, 2008, based on quoted market prices or current rates for similar debt with the same credit ratings and remaining maturities, compared with a carrying value of $2,762 million. The fair value of debt including related interest rate swaps was approximately $2,657 million at December 31, 2007, compared with a carrying value of $2,840 million.

2008 Debt Transactions

On June 18, 2008, the Company completed the sale of $206.4 million aggregate principal amount of its 12.25% senior notes due 2016 (the "New Notes") in a private placement exempt from the registration requirements of the Securities Act of 1933. On June 18, 2008, the Company repurchased $344 million in aggregate principal amount of its 8.25% senior notes due August 2010 pursuant to a partial tender offer commenced on May 19, 2008 (collectively the "Bond Transactions"). The Company used the net proceeds from the sale of the New Notes, plus additional cash on hand, to pay the aggregate consideration of approximately $337 million, excluding costs and expenses, for such repurchase.

NOTE 13. Debt — (Continued)

The Bond Transactions were accounted for as a modification of existing indebtedness under FASB Emerging Issues Task Force No. 96-19, "Debtor's Accounting for a Modification or Exchange of Debt Instruments." Accordingly, an aggregate discount of $10 million related to the net amount of the discount on the New Notes, which were issued at a price of $916.21 per $1,000 in aggregate principle amount, fees paid to creditors and the gain on retirement of $344 million of 8.25% senior notes due August 2010 has been deferred and will be amortized over the life of the New Notes up to December 31, 2013. Additionally, during the second quarter of 2008 the Company recorded $5 million of expenses related to third party fees and recognized $3 million of unamortized gains related to previously terminated interest rate swaps in connection with the Bond Transactions.

In October 2008, the Company amended and restated agreements related to the European Securitization. In connection with these amendments, the Company regained control of previously transferred trade receivables such that, effective October 2008, this facility, which was previously accounted for as a sale of receivables under the provisions of SFAS 140, was accounted for as a secured borrowing and the Transferor was consolidated in accordance with the requirements of FIN 46(R).

2007 Debt Transactions

On November 27, 2007, the Company's 70% owned subsidiary, Halla Climate Control Corporation, issued two separate unsecured bonds of 60 billion KRW and 70 billion KRW, due November 27, 2009 and 2010 respectively, for total proceeds of approximately $139 million. The proceeds from the new loan, combined with existing cash balances were used to subscribe for an ownership interest in a newly formed Korean company that holds interests in certain of the Company's climate control operations in India, China and the United States. In December 2007 Visteon redeemed its ownership interest in the newly formed Korean company in exchange for approximately $292 million.

On April 10, 2007, the Company entered into an agreement to amend and restate its $1 billion seven-year term loan due June 13, 2013 (the "Amended Credit Agreement") to provide an additional $500 million seven-year term loan, which will mature on December 13, 2013. Consistent with the existing term loan, the additional term loan bears interest at a Eurodollar rate plus 3%.

8.25% Notes due August 1, 2010

On August 3, 2000, the Company completed a public offering of unsecured fixed rate term debt securities, which included $700 million maturing on August 1, 2010. On June 18, 2008, the Company repurchased $344 million in aggregate principal amount of its 8.25% senior notes due August 2010 pursuant to the Bond Transactions. These securities bear interest at a stated rate of 8.25%, with interest payable semi-annually on February 1 and August 1, beginning on February 1, 2001. The unsecured term debt securities agreement contains certain restrictions including, among others, a limitation relating to liens and sale-leaseback transactions, as defined in the agreement. The Company was in compliance with applicable restrictions as of December 31, 2008.

NOTE 13. Debt — (Continued)

Seven-Year Term Loans due June 13, 2013 and December 13, 2013

The $1 billion seven-year term loan due June 13, 2013 is collateralized by a first-priority lien on certain assets of the Company and most of its domestic subsidiaries, including intellectual property, intercompany debt, the capital stock of nearly all direct and indirect subsidiaries and 65% of the stock of certain foreign subsidiaries as well as a second-priority lien on substantially all other tangible and intangible assets of the Company and most of its domestic subsidiaries. The terms of the facility limits the obligation collateralized by certain U.S. assets to ensure compliance with the Company's bond indenture. In addition, the terms of the facility limits the amount of dividends that the Company can pay. Borrowings under the $1 billion seven-year term loan bear interest based on a variable rate interest option selected at the time of borrowing.

Pursuant to the Amended Credit Agreement, the Company borrowed an additional $500 million under a seven-year term loan due December 13, 2013. Consistent with the $1 billion seven-year term loan due June 13, 2013, the additional $500 million seven-year term loan is collateralized by a first-priority lien on certain assets of the Company and domestic subsidiaries, as well as a limited number of foreign subsidiaries, including intellectual property, intercompany debt, the capital stock of nearly all direct and indirect subsidiaries, 65% of the stock of most foreign subsidiaries and 100% of the stock of certain foreign subsidiaries who act as guarantors, as well as a second-priority lien on substantially all other tangible and intangible assets of the Company and most of its domestic subsidiaries. The terms of the facility limits the obligation secured by certain U.S. assets to ensure compliance with the Company's bond indenture. In addition, the terms of the facility limits the amount of dividends that the Company can pay. Borrowings under the additional $500 million seven-year term loan bear interest based on a variable rate interest option selected at the time of borrowing. The Company was in compliance with applicable limitations as of December 31, 2008.

7.00% Notes due March 10, 2014

On March 10, 2004, the Company completed a public offering of unsecured fixed-rate term debt securities totaling $450 million with a maturity of 10 years. The securities bear interest at a stated rate of 7.00%, with interest payable semi-annually on March 10 and September 10, beginning on September 10, 2004. The securities rank equally with the Company's existing and future unsecured fixed-rate term debt securities and senior to any future subordinated debt. The unsecured term debt securities agreement contains certain restrictions, including, among others, a limitation relating to liens and sale-leaseback transactions, as defined in the agreement. The Company was in compliance with applicable restrictions as of December 31, 2008.

12.25% Notes due December 31, 2016

On June 18, 2008, the Company completed the sale of $206.4 million aggregate principal amount of its 12.25% senior notes due 2016 in a private placement exempt from the registration requirements of the Securities Act of 1933. The New Notes rank equally with the Company's existing and future unsecured term debt, senior to any future subordinated debt and are guaranteed by certain of its U.S. subsidiaries. The New Notes have not been and will not be registered under the Securities Act or any state securities laws.

NOTE 13. Debt — (Continued)

The New Notes were issued pursuant to a supplemental indenture which contains covenants that limit, among other things, the ability of the Company and its restricted subsidiaries to incur additional indebtedness, make certain distributions, investments and other restricted payments, dispose of assets, grant liens on assets, issue guarantees, designate unrestricted subsidiaries, engage in transactions with affiliates, enter into agreements restricting the ability of subsidiaries to pay dividends, engage in sale and leaseback transactions and merge or consolidate or transfer substantially all of its assets, subject to certain exceptions and qualifications. Each of the Company's existing and future wholly-owned domestic restricted subsidiaries that guarantee debt under the ABL Facility guarantee the New Notes.

Holders of the New Notes have the right to require the Company to redeem their New Notes in whole or in part on December 31, 2013 at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest (the "Put Option"). The Company may redeem the New Notes prior to December 31, 2013 in whole at any time or in part from time to time, at its option, at a redemption price equal to the greater of (1) 100% of the principal amount to be redeemed, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the New Notes to be redeemed discounted to the date of redemption on a semi-annual basis at the applicable Treasury Rate plus 50 basis points plus accrued and unpaid interest, including, if applicable, liquidated damages, on the principal amount being redeemed to the redemption date. Thereafter, the Company may redeem the New Notes in whole at any time or in part from time to time, at its option, at specified redemption prices plus accrued and unpaid interest. In addition, upon the occurrence of certain change of control events, holders of the New Notes have the right to require the Company to purchase some or all of the New Notes at 101% of the principal amount thereof, plus accrued and unpaid interest.

Interest on the New Notes is fixed at an annual rate of 12.25% and is payable semi-annually in arrears on June 30 and December 31, beginning December 31, 2008. The Company is required to pay additional interest on the New Notes if, at any time during the period beginning six months and ending one year after June 18, 2008, adequate current public information with respect to the Company is unavailable.

Other Debt

The U.S. Asset-Backed Lending Facility ("ABL Facility") allows for total borrowings of up to $350 million. The amount of availability at any time is dependent upon various factors, including outstanding letters of credit, the amount of eligible receivables, inventory and property and equipment. Borrowings under the ABL Facility bear interest based on a variable rate interest option selected at the time of borrowing. The ABL Facility expires on August 14, 2011. As of December 31, 2008, the total facility availability for the Company was $174 million with $50 million available for borrowings after $75 million of outstanding borrowings and $49 million of obligations under outstanding letters of credit. In January 2009, the Company borrowed an additional $30 million under the ABL Facility.

Pursuant to the terms and conditions of the ABL Facility, the Administrative Agent is permitted, at its discretion, to reduce the borrowing base under the ABL Facility. On March 17, 2009, the Company was notified by the Administrative Agent, at its sole discretion, of a $30 million reduction to the Company's borrowing base to reflect the impairment of long-lived assets. Accordingly, the Company had no available liquidity under the ABL Facility effective March 17, 2009.

NOTE 13. Debt — (Continued)

Borrowings under the ABL Facility are secured by a first-priority lien on certain assets of the Company and most of its domestic subsidiaries, including real property, accounts receivable, inventory, equipment and other tangible and intangible property, including the capital stock of nearly all direct and indirect domestic subsidiaries (other than those domestic subsidiaries the sole assets of which are capital stock of foreign subsidiaries), as well as a second-priority lien on substantially all other material tangible and intangible assets of the Company and most of its domestic subsidiaries which secure the Company's seven-year term loan agreement. The terms of the ABL Facility limit the obligations secured by certain U.S. assets to ensure compliance with the Company's bond indenture. Use of the facility is dependent on the Company meeting minimum excess liquidity requirements.

The European Securitization extends until August 2011 and provides up to $325 million in funding from the sale of trade receivables originating from Company subsidiaries located in Germany, Portugal, Spain, France, the United States and the UK (the "Sellers"). The amount of funding available under the European Securitization is based upon the amount of trade receivables transferred by the Sellers reduced by outstanding borrowings under the program and other characteristics of those trade receivables that affect their eligibility (such as bankruptcy or the grade of the obligor, delinquency and excessive concentration). As of December 31, 2008, approximately $98 million of the Company's trade receivables were considered eligible for borrowing under the European Securitization, $92 million of secured borrowings were outstanding and $6 million was available for funding.

Borrowings under the European Securitization are secured by the underlying receivables and bear interest based on a one-month variable rate plus 225 basis points determined at the time of borrowing. The use of the European Securitization facility is dependent on the Company meeting minimum excess liquidity requirements. The Sellers act as servicing agents and continue to service the transferred receivables for which they receive a monthly servicing fee based on the aggregate amount of the outstanding purchased receivables. The Company is required to pay a monthly fee to the lenders based on the unused portion of the European Securitization.

As of December 31, 2008, the Company had additional debt facilities of $437 million, with $143 million and $65 million in short-term and long-term debt outstanding, respectively, consisting of credit facilities and capital leases for various affiliates and other obligations. Remaining availability on these affiliate credit facilities is approximately $229 million. Certain of these balances are related to a number of the Company's non-U.S. operations, a portion of which are payable in non-U.S. currencies including, but not limited to the Euro, Brazilian Real and Korean Won.

Interest Rate Swaps

The Company has entered into interest rate swaps for a portion of the 8.25% notes due August 1, 2010 ($125 million) and a portion of the 7.00% notes due March 10, 2014 ($225 million). These interest rate swaps effectively convert the designated portions of these notes from fixed interest rate to variable interest rate instruments in connection with the Company's risk management policies. These interest rate swaps have been designated as fair value hedges and the effect of marking these contracts to market has been recorded in the Company's consolidated balance sheets as a direct adjustment to the underlying debt.

The adjustment does not affect the results of operations unless the contract is terminated, in which case the resulting gain or loss on termination is recorded as a valuation adjustment of the underlying debt and is amortized to interest expense over the remaining life of the debt.

NOTE 13. Debt — (Continued)

During 2006, the Company entered into interest rate swaps for a portion of the $1 billion seven-year term loan due 2013 ($200 million), effectively converting the designated portion of this loan from a variable interest rate to a fixed interest rate instrument. These interest rate swaps are accounted for as cash flow hedges with the effective portion of the gain or loss reported in the "Accumulated other comprehensive income" component of "Shareholders' deficit" in the Company's consolidated balance sheets. The ineffective portion of these swaps is assessed based on the hypothetical derivative method and is recorded as interest expense in the Company's consolidated statements of operations.

NOTE 14. Employee Retirement Benefits

Visteon Sponsored Employee Retirement Plans

In the U.S., the Company's hourly employees represented by certain collective bargaining groups earn noncontributory benefits based on employee service, while the Company's U.S. salaried employees earn noncontributory pay related benefits. Certain of the non-U.S. subsidiaries sponsor separate plans that provide similar types of benefits to their employees. In general, the Company's defined benefit plans are funded with the exception of certain supplemental benefit plans for executives and certain non-U.S. plans, primarily in Germany. The Company's policy for funded plans is to contribute annually, at a minimum, amounts required by applicable law, regulation or union agreement.

In May 2007, the Company approved changes to the U.S. salaried pension plans which reduced disability retirement benefits. These changes reduced the projected benefit obligation by approximately $20 million which is being amortized as a reduction of retirement benefit expense over the estimated average remaining service lives.

Most U.S. salaried employees and certain non-U.S. employees are eligible to participate in defined contribution plans by contributing a portion of their compensation, which is partially matched by the Company. Matching contributions were suspended for the U.S. defined contribution plan effective January 1, 2002, were reinstated on July 1, 2006 and were suspended effective December 1, 2008. The expense related to matching contributions was approximately $8 million, $8 million and $4 million in 2008, 2007 and 2006, respectively.

Visteon Sponsored Postretirement Employee Health Care and Life Insurance Benefits

In the U.S., the Company has a financial obligation for the cost of providing selected postretirement health care and life insurance benefits to its employees under Company-sponsored plans. These plans generally pay for the cost of health care and life insurance for retirees and dependents, less retiree contributions and co-pays.

In October 2008, the Company communicated changes to certain hourly postretirement employee health care plans to eliminate Company-sponsored prescription drug benefits for Medicare eligible retirees, spouses and dependents effective January 1, 2009, to eliminate all benefits for certain employees who are not currently eligible and to provide additional retirement plan benefits. These changes resulted in a net reduction in pension and OPEB liabilities of approximately $92 million. This amount will be amortized as a net reduction of retirement and postretirement employee benefit expense over the average remaining life expectancy of plan participants. The Company recorded curtailment gains in the fourth quarter of 2008 of approximately $16 million reflecting the elimination of future service in these plans.

NOTE 14. Employee Retirement Benefits — (Continued)

During January 2007, the Company communicated changes to the U.S. salaried postretirement health care plans which became effective June 1, 2007. These changes eliminate Company-sponsored prescription drug coverage for Medicare eligible salaried retirees, surviving spouses and dependents. These changes resulted in a reduction to the accumulated postretirement benefit obligation ("APBO") of approximately $30 million which will be amortized as a reduction of postretirement employee benefit expense over the estimated average remaining employee service lives.

Ford Sponsored Postretirement Employee Health Care and Life Insurance Benefits

Ford charges the Company for the expense of postretirement health care and life insurance benefits that are provided by Ford to certain Company salaried employees who retire after May 24, 2005. The Company is required to fund the actual costs of these benefits as incurred by Ford for the salaried retirees through 2010. In addition, the Company has agreed to contribute funds to a trust to fund postretirement health care and life insurance benefits to be provided by Ford related to these salaried employees and retirees. The required funding is over a 39-year period beginning in 2011. The annual funding requirement during this period will be determined annually based upon amortization of the unfunded liabilities at year-end 2010 plus a portion of annual expense.

The benefit obligations below reflect the salaried life insurance plan changes announced by Ford in 2008 and are based upon Ford's assumptions. The current and long-term benefit obligations and total net amount recognized in the balance sheets for the postretirement health care and life insurance benefits payable to Ford relating to participation by certain salaried employees were as follows:

	December 31	
	2008	2007
	(Dollars in Millions)	
Obligation for benefits to certain salaried employees	$ 67	$ 81
Unamortized gains associated with the obligation	46	40
Postretirement employee benefits payable to Ford	$ 113	$ 121

NOTE 14. Employee Retirement Benefits — (Continued)

Benefit Expenses

The Company's expense for retirement benefits is as follows:

	Retirement Plans						Health Care and Life Insurance Benefits		
	U.S. Plans			Non-U.S. Plans					
	2008	2007	2006	2008	2007	2006	2008	2007	2006
	(Dollars in Millions, Except Percentages)								
Costs Recognized in Income									
Service cost	$ 21	$ 23	$ 49	$ 19	$ 27	$ 35	$ 3	$ 6	$ 16
Interest cost	73	71	73	70	72	70	31	32	42
Expected return on plan assets	(83)	(76)	(73)	(57)	(55)	(56)	—	—	—
Amortization of:									
Transition obligation	—	—	—	—	—	1	—	—	—
Plan amendments	(1)	1	6	5	5	5	(30)	(47)	(49)
Losses and other	—	1	5	2	11	21	10	15	28
Special termination benefits	6	3	1	—	—	—	—	—	—
Curtailments	(1)	7	—	2	4	—	(79)	(58)	(51)
Settlements	—	—	—	20	32	(1)	—	—	—
Visteon sponsored plan net pension/ postretirement expense	15	30	61	61	96	75	(65)	(52)	(14)
Expense for certain salaried employees whose pensions are partially covered by Ford	—	6	(2)	—	—	—	(7)	(5)	(32)
Employee retirement benefit expenses excluding restructuring	$ 15	$ 36	$ 59	$ 61	$ 96	$ 75	$ (72)	$ (57)	$ (46)
Retirement benefit related restructuring expenses									
Special termination benefits	$ 16	$ 6	$ 4	$ 27	$ 9	$ 1	$ 1	$ —	$ —
Other	2	1	2	—	—	—	—	—	—
Total employee retirement benefit related restructuring expenses	$ 18	$ 7	$ 6	$ 27	$ 9	$ 1	$ 1	$ —	$ —
Weighted Average Assumptions Used for Expenses									
Discount rate for expense	6.30%	5.95%	5.70%	5.70%	5.05%	4.90%	6.30%	5.85%	5.70%
Assumed long-term rate of return on assets	8.25%	8.00%	8.50%	6.80%	6.50%	6.70%	—	—	—
Initial health care cost trend rate							9.00%	9.30%	9.80%
Ultimate health care cost trend rate							5.00%	5.00%	5.00%
Year ultimate health care cost trend rate reached							2013	2011	2010

NOTE 14. Employee Retirement Benefits — (Continued)

Curtailments and Settlements

Curtailment and settlement gains and losses are recorded in accordance with Statement of Financial Accounting Standards Nos. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," and 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and are classified in the Company's consolidated statements of operations as "Cost of sales" or "Selling, general and administrative expenses." Qualifying curtailment and settlement losses related to the Company's restructuring activities are reimbursable under the terms of the Amended Escrow Agreement.

During 2008 the Company recorded significant curtailments and settlements of its employee retirement benefit plans as follows:

- Curtailment gains of $79 million related to elimination of employee benefits associated with U.S. OPEB plans in connection with employee headcount reductions under previously announced restructuring actions. These curtailments reduced the benefit obligations by $7 million.
- Curtailment losses of $7 million related to the reduction of future service in the UK pension plan for employees at the Company's Swansea, UK operation in connection with the Swansea Divestiture. These losses were partially offset by curtailment gains in Germany, Mexico and France related to employee headcount reductions under previously announced restructuring actions. These curtailments reduced the benefit obligations by $7 million in the UK and $4 million across Germany, Mexico and France.
- Settlement losses of $20 million related to UK employee pension obligations of approximately $90 million transferred to Ford in October 2008 for employees that transferred from Visteon to Ford during the years 2005 through 2007 in accordance with the ACH Transactions.

During 2007 the Company recorded significant curtailments and settlements of its employee retirement benefit plans as follows:

- Curtailment loss of $7 million related to employee retirement benefit obligations under certain U.S. retirement plans in connection with previously announced restructuring actions. These curtailments reduced the benefit obligations by $32 million.
- Settlement loss of $13 million related to employee retirement benefit obligations under certain German retirement plans for employees of the Dueren and Wuelfrath, Germany facilities, which were included in the Chassis Divestiture. The divestiture also curtailed the future service in the German plans which reduced the benefit obligations by $28 million.
- Settlement losses of $20 million related to employee retirement benefit obligations under Canadian retirement plans for employees of the Markham, Ontario facility, which was closed in 2002.
- Curtailment loss of $4 million related to employee retirement benefit obligations for certain salaried employee reductions in the UK.
- Curtailment gains of $58 million related to elimination of employee benefits associated with a U.S. OPEB plan in connection with employee headcount reductions under previously announced restructuring actions. These curtailments reduced the balance sheet liability by $28 million.

During 2006 the Company recorded significant curtailments and settlements of its employee retirement benefit plans as follows:

NOTE 14. Employee Retirement Benefits — (Continued)

- Effective January 1, 2006, Ford acquired two plants from ACH, which are located in Rawsonville, Michigan and Sterling Heights, Michigan. In connection with this transaction and the Salaried Employee Transition Agreement between the Company and Ford, certain salaried employees of the Company were transferred to Ford who were eligible for benefits or who had rights to benefits under Ford's postretirement health care and life insurance plans. The Company recorded approximately $24 million related to the relief of postretirement benefits payable to Ford. Additionally, the Company recorded curtailment gains of approximately $48 million related to the reduction in expected years of future service in Visteon sponsored postretirement health care and life insurance and retirement plans.
- Reduction of approximately 200 hourly employees at certain U.S. manufacturing facilities, resulted in a reduction in expected years of future service in the related retirement and postretirement health care plans. As a result, the Company recorded an OPEB curtailment gain of approximately $14 million and a pension curtailment loss of $3 million.
- In connection with a plan to exit a North American manufacturing facility, the Company recorded a curtailment loss of $8 million. The curtailment loss reflects a reduction in expected years of future service in the related retirement plans.

Retirement Benefit Related Restructuring Expenses

In addition to normal employee retirement benefit expenses, the Company recorded $46 million, $16 million and $7 million for the years ended December 31, 2008, 2007 and 2006, respectively, for retirement benefit related restructuring charges. Such charges generally relate to special termination benefits, voluntary termination incentives and pension losses and are the result of various restructuring actions as described in Note 5 "Restructuring Activities." Retirement benefit related restructuring charges are recorded in accordance with SFAS 87, 88, 106, 112 and 158, are initially classified as restructuring expenses and are subsequently reclassified to retirement benefit expenses.

Assumed Health Care Trend Rate Sensitivity

The following table illustrates the sensitivity to a change in the assumed health care trend rate related to Visteon sponsored postretirement employee health care plan expense (excludes certain salaried employees that are covered by a Ford sponsored plan):

	Total Service and Interest Cost	APBO
100 basis point increase in health care cost trend rates(a)	+$ 3 million	+$ 28 million
100 basis point decrease in health care cost trend rates(a)	−$ 3 million	−$ 25 million

(a) Assumes all other assumptions are held constant.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 14. Employee Retirement Benefits — (Continued)

Benefit Obligations

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans			
	2008	2007	2008	2007	2008	2007
	(Dollars in Millions, Except Percentages)					
Change in Benefit Obligation						
Benefit obligation — beginning	$ 1,179	$ 1,224	$ 1,248	$ 1,566	$ 543	$ 667
Effect of SFAS 158 adoption	—	17	—	(52)	—	(90)
Service cost	21	23	19	27	3	6
Interest cost	73	71	70	72	31	32
Participant contributions	—	—	6	8	2	1
Amendments/other	5	(19)	7	1	(97)	—
Actuarial loss/(gain)	8	(49)	(52)	(105)	(117)	(20)
Special termination benefits	22	9	27	9	1	—
Curtailments, net	(5)	(32)	(11)	(32)	(7)	(28)
Settlements	—	(1)	(95)	(183)	(4)	—
Foreign exchange translation	—	—	(265)	57	(1)	1
Divestitures	—	—	—	(70)	—	—
Benefits paid	(69)	(64)	(60)	(50)	(29)	(26)
Benefit obligation — ending	$ 1,234	$ 1,179	$ 894	$ 1,248	$ 325	$ 543
Change in Plan Assets						
Plan assets — beginning	$ 1,048	$ 960	$ 937	$ 1,002	$ —	$ —
Effect of SFAS 158 adoption	—	29	—	24	—	—
Actual return on plan assets	(89)	78	(50)	45	—	—
Sponsor contributions	22	49	111	77	27	25
Participant contributions	—	—	6	8	2	1
Foreign exchange translation	—	—	(197)	38	—	—
Settlements	—	—	(95)	(171)	—	—
Divestitures	—	—	—	(36)	—	—
Benefits paid/other	(73)	(68)	(60)	(50)	(29)	(26)
Plan assets — ending	$ 908	$ 1,048	$ 652	$ 937	$ —	$ —
Funded Status of the Plans						
Benefit obligations in excess of plan assets	$ (326)	$ (131)	$ (242)	$ (311)	$ (325)	$ (543)
Balance Sheet Classification						
Other non-current assets	$ —	$ —	$ 10	$ 5	$ —	$ —
Accrued employee liabilities	(9)	(3)	(3)	(3)	(29)	(34)
Employee benefits, including pensions	(317)	(128)	(249)	(313)	—	—
Postretirement benefits other than pensions	—	—	—	—	(296)	(509)
Accumulated other comprehensive income						
Actuarial loss (gain)	118	(61)	103	119	39	175
Prior service (credit)/cost	(25)	(32)	31	46	(274)	(284)
Deferred taxes	—	—	47	47	—	—
	$ 93	$ (93)	$ 181	$ 212	$ (235)	$ (109)

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 14. Employee Retirement Benefits — (Continued)

The accumulated benefit obligation for all defined benefit pension plans was $2,009 million and $2,246 million at the 2008 and 2007 measurement dates. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for employee retirement plans with accumulated benefit obligations in excess of plan assets were $1,950 million, $1,846 million and $1,372 million, respectively, for 2008 and $1,693 million, $1,605 million and $1,323 million, respectively, for 2007.

Components of the net change in "Accumulated other comprehensive income (loss)" related to the Company's retirement, health care and life insurance benefit plans on the Company's consolidated statements of shareholders' deficit for the years ended December 31, 2008 and 2007 are as follows:

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans			
	2008	2007	2008	2007	2008	2007
	(Dollars in Millions)					
Actuarial loss/(gain) arising during the period	$ 178	$ (57)	$ 45	$ (129)	$ (126)	$ (48)
Prior service cost/(credit) arising during the period	5	(19)	7	1	(97)	—
Reclassification to Net loss	2	9	(82)	2	97	83
	$ 185	$ (67)	$ (30)	$ (126)	$ (126)	$ 35

Amounts included in "Accumulated other comprehensive income" as of December 31, 2008 that are expected to be realized in 2009 are as follows:

	Retirement Plans		Health Care and Life Insurance Benefits
	U.S. Plans	Non-U.S. Plans	
	(Dollars in Millions)		
Actuarial (gain)/loss	$ 3	$ —	$ 7
Prior service cost/(credit)	(3)	4	(26)
	$ —	$ 4	$ (19)

Assumptions used by the Company in determining its benefit obligations as of December 31, 2008 and 2007 are summarized in the following table.

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans			
Weighted Average Assumptions	2008	2007	2008	2007	2008	2007
Discount rate	6.10%	6.25%	6.05%	5.70%	6.00%	6.05%
Expected rate of return on assets	8.10%	8.25%	6.65%	6.80%	—	—
Rate of increase in compensation	3.25%	3.75%	3.15%	3.30%	—	—
Initial health care cost trend rate					8.33%	9.00%
Ultimate health care cost trend rate					5.00%	5.00%
Year ultimate health care cost trend rate reached					2014	2013

NOTE 14. Employee Retirement Benefits — (Continued)

Contributions

During January 2009, the Company reached an agreement with the Pension Benefit Guaranty Corporation ("PBGC") pursuant to U.S. federal pension law provisions that permit the PBGC to seek protection when a plant closing results in termination of employment for more than 20 percent of employees covered by a pension plan (the "PBGC Agreement"). In connection with the multi-year improvement plan the Company closed its Connersville, Indiana and Bedford, Indiana facilities, which resulted in the separation of all active participants in the respective pension plan. Under the PBGC Agreement, the Company agreed to accelerate payment of a $10.5 million cash contribution, provide a $15 million letter of credit and provide for a guarantee by certain affiliates of certain contingent pension obligations of up to $30 million.

The Company expects to make contributions to its U.S. retirement plans and postretirement employee health care and life insurance plans of $36 million and $29 million, respectively, during 2009. Contributions to non-U.S. retirement plans are expected to be $30 million during 2009. The Company's expected 2009 contributions may be revised.

Pursuant to certain agreements initially completed in connection with the ACH Transactions, the Company was reimbursed by Ford for $22 million of the $54 million contribution required in connection with the October 2008 settlement of UK pension obligations for employees that transferred from Visteon to Ford during the years 2005 through 2007.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the Company plans; expected receipts from the Medicare Prescription Drug Act subsidy are also included below:

	Pension Benefits		Retiree Health and Life	
	U.S.	Non-U.S.	Gross Payments	Medicare Subsidy Receipts
	(Dollars in Millions)			
2009	$ 78	$ 42	$ 30	$ 1
2010	70	43	30	1
2011	70	44	31	1
2012	70	46	31	1
2013	70	48	31	1
Years 2014 — 2018	354	268	140	6

During 2008 the Company's Medicare subsidy receipts were approximately $400,000.

NOTE 14. Employee Retirement Benefits — (Continued)

Plan Assets and Investment Strategy

Substantially all of the Company's pension assets are managed by outside investment managers and held in trust by third-party custodians. The selection and oversight of these outside service providers is the responsibility of the Investment Committees and their advisors. The selection of specific securities is at the discretion of the investment manager and is subject to the provisions set forth by written investment management agreements and related policy guidelines regarding permissible investments, risk management practices and the use of derivative securities. Investment in debt or equity securities related to the Company or any of its affiliates is prohibited. Derivative securities may be used by investment managers as efficient substitutes for traditional securities, to reduce portfolio risks or to hedge identifiable economic exposures. The use of derivative securities to create economic leverage to engage in unrelated speculation is expressly prohibited.

The primary objective of the pension funds is to pay the plans' benefit and expense obligations when due. Given the relatively long horizon of these obligations and their sensitivity to interest rates, the investment strategy is intended to improve the funded status of its U.S. and non-U.S. plans over time while maintaining a prudent level of risk. Risk is managed primarily by diversifying each plan's target asset allocation across equity, fixed income securities and alternative investment strategies, and then maintaining the allocation within a specified range of its target. In addition, diversification across various investment subcategories within each plan is also maintained within specified ranges. The Company's retirement plan asset allocation at December 31, 2008 and 2007 and target allocation for 2009 are as follows:

	U.S.			Non-U.S.		
	Target Allocation	Percentage of Plan Assets		Target Allocation	Percentage of Plan Assets	
	2009	2008	2007	2009	2008	2007
Equity securities	40%	25%	68%	31%	25%	44%
Fixed income	30	42	32	59	66	56
Alternative strategies	30	25	—	7	6	—
Cash	—	8	—	3	3	—
	100%	100%	100%	100%	100%	100%

Alternative strategies include investments in Global Asset Allocation ("GAA") and Hedge Fund of Funds ("HFF"). GAA managers primarily invest in equity, fixed income and cash instruments, with the ability to change the allocation mix based on market conditions while remaining within their specific strategy guidelines. HFF managers are investment funds that hold a portfolio of Hedge Funds rather than investing directly in shares, bonds or other securities. The objective of these investments is to reduce portfolio risk through diversification.

The expected long-term rate of return for pension assets has been chosen based on various inputs, including returns projected by various external sources for the different asset classes held by and to be held by the Company's trusts and its targeted asset allocation. These projections incorporate both historical returns and forward looking views regarding capital market returns, inflation and other variables. The current U.S. cash allocation is related to the timing of rebalancing the portfolio back to its target allocation.

NOTE 15. Stock-Based Compensation

During the years ended December 31, 2008 and 2007, the Company recorded benefits of approximately $12 million and $11 million, respectively, due to a decrease in the market value of the Company's common stock. The Company recorded compensation expense including the cumulative effect of a change in accounting, for various stock-based compensation awards issued pursuant to the plans described below in the amount of $58 million for the year ended December 31, 2006. No related income tax benefits were recorded during the years ended December 31, 2008, 2007 and 2006. During 2008, the Company received no cash from the exercise of share-based compensation instruments and paid $8 million to settle share-based compensation instruments.

Stock-Based Compensation Plans

The Visteon Corporation 2004 Incentive Compensation Plan ("2004 Incentive Plan") as approved by shareholders, is administered by the Organization and Compensation Committee of the Board of Directors and provides for the grant of incentive and nonqualified stock options, stock appreciation rights ("SARs"), performance stock rights, restricted stock awards ("RSAs"), restricted stock units ("RSUs") and stock and various other rights based on common stock. The maximum number of shares of common stock that may be subject to awards under the 2004 Incentive Plan is approximately 22 million shares. During the year ended December 31, 2008, the Company granted approximately 3 million RSUs, 4 million SARs, 100,000 RSAs and 100,000 stock options under the 2004 Incentive Plan. At December 31, 2008, there were approximately 4 million shares of common stock available for grant under the 2004 Incentive Plan. Effective June 14, 2007, the 2004 Incentive Plan was amended to allow the Company to utilize net exercise settlement of stock options. Under a net exercise provision, an option holder is permitted to exercise an option without paying any cash. Instead, the option holder "pays" the exercise price by forfeiting shares subject to the option, based on the value of the underlying shares.

The Visteon Corporation Employees Equity Incentive Plan ("EEIP") as approved by shareholders is administered by the Organization and Compensation Committee of the Board of Directors and provides for the grant of nonqualified stock options, restricted stock awards and various other rights based on common stock. The maximum number of shares of common stock that may be subject to awards under the EEIP is approximately 7 million shares. During the year ended December 31, 2008, the Company granted approximately 1 million RSAs under the EEIP. At December 31, 2008, there were approximately 1 million shares of common stock available for grant under the EEIP.

The Visteon Corporation Non-Employee Director Stock Unit Plan provides for the automatic annual grant of RSUs to non-employee directors. RSUs awarded under the Non-Employee Director Stock Unit Plan vest immediately but are settled after the participant terminates service as a non-employee director of the Company.

Stock-Based Compensation Awards

The Company's stock-based compensation awards take the form of stock options, SARs, RSAs and RSUs.

- Stock options and SARs granted under the aforementioned plans have an exercise price equal to the average of the highest and lowest prices at which the Company's common stock was traded on the New York Stock Exchange on the date of grant, and become exercisable on a ratable basis over the vesting period. Stock options and SARs granted prior to January 1, 2004, expire 10 years after the grant date. Stock options and SARs granted after December 31, 2003 and prior to January 1, 2007 expire five years following the grant date. Stock options and SARs granted after December 31, 2006 expire seven years following the grant date.

NOTE 15. Stock-Based Compensation — (Continued)

Stock options are settled in shares of the Company's common stock upon exercise and are recorded in the Company's consolidated balance sheets under the caption "Additional paid-in capital." SARs are settled in cash and result in the recognition of a liability representing the vested portion of the obligation. This liability is recorded in the Company's consolidated balance sheets under the caption "Accrued employee liabilities" and was less than $1 million as of December 31, 2008 and approximately $10 million as of December 31, 2007.

- RSAs and RSUs granted under the aforementioned plans vest after a designated period of time ("time-based"), which is generally one to five years, or upon the achievement of certain performance goals ("performance-based") following the completion of a performance period, which is generally two or three years. RSAs are settled in shares of the Company's common stock upon the lapse of restrictions on the underlying shares. Accordingly, such amount is recorded in the Company's consolidated balance sheets under the caption "Shareholders' deficit — Other." RSUs awarded under the 2004 Incentive Plan are settled in cash and result in the recognition of a liability representing the vested portion of the obligation. As of December 31, 2007 approximately $8 million and $6 million were recorded in the Company's consolidated balance sheets under the caption "Accrued employee liabilities" and "Other non-current liabilities", respectively. As of December 31, 2008 such amounts were less than $1 million.

Upon exercise of stock-based compensation awards settled in shares of Company stock, the Company's policy is to deliver such shares on a net-settled basis utilizing available treasury shares, purchasing treasury shares or newly issuing shares in accordance with the terms of approved stock-based compensation agreements. In December 2007, the Company's board of directors authorized a share repurchase program of up to two million shares of Company common stock, which may be repurchased over the following 24 months to fund ongoing employee compensation and benefit plan obligations. Purchases under the program will be funded from Visteon's existing cash balance. Repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable federal securities laws. The timing, amount, manner and price of repurchases, if any, will be determined by Visteon, at its discretion, and will depend upon, among other things, the stock price, economic and market conditions and such other factors as Visteon considers appropriate. The program may be extended, suspended or discontinued at any time, without notice.

Fair Value Estimation Methodology and Assumptions

The fair value of RSAs is based on the average of the highest and lowest prices at which the Company's common stock was traded on the New York Stock Exchange on the date of grant and the fair value of RSUs is based on the period-ending market price of the Company's common stock, while the fair value of stock options is determined at the date of grant using the Black-Scholes option pricing model and the fair value of SARs is determined at each period-end using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires management to make various assumptions including the expected term, expected volatility, risk-free interest rate and dividend yield. The expected term represents the period of time that stock-based compensation awards granted are expected to be outstanding and is estimated based on considerations including the vesting period, contractual term and anticipated employee exercise patterns. Expected volatility is based on the historical volatility of the Company's stock over the expected term of the award and ranged from 82.06% to 220.52% for SARs at December 31, 2008. The risk-free rate is based on the U.S. Treasury yield curve in relation to the contractual life of the stock-based compensation instrument. The dividend yield assumption is based on historical patterns and future expectations for Company dividends.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 15. Stock-Based Compensation — (Continued)

Weighted average assumptions used to estimate the fair value of stock-based compensation awards as of December 31, are as follows:

	SARs			Stock Options*		
	2008	2007	2006	2008	2007	2006
Expected term (in years)	2.02	2.76	2.75	5.63	4-6	4
Expected volatility	100.14%	62.3%	59.0%	53.75%	59.0%	57.0%
Risk-free interest rate	1.02%	3.22%	4.72%	2.72%	4.55%-4.70%	5.1%
Expected dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* *Assumptions at grant date*

Stock Appreciation Rights and Stock Options

The following is a summary of the range of exercise prices for stock options and SARs that are currently outstanding and that are currently exercisable at December 31, 2008:

	Stock Options and SARs Outstanding			Stock Options and SARs Exercisable	
	Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
	(In thousands)	(In Years)		(In thousands)	
$ 0.71 - $ 7.00	13,098	3.5	$ 5.18	9,110	$ 5.74
$ 7.01 - $12.00	6,530	3.5	$ 9.31	4,174	$ 9.49
$12.01 - $17.00	3,472	2.4	$ 13.44	3,472	$ 13.44
$17.01 - $22.00	1,796	2.3	$ 17.46	1,796	$ 17.46
	24,896			18,552	

The intrinsic value of stock options and SARs outstanding and exercisable was zero at December 31, 2008 and 2007. The intrinsic value of stock options and SARs was $34 million and $10 million, respectively, at December 31, 2006. The weighted average fair value of SARs granted was $0.06, $1.65 and $5.25 at December 31, 2008, 2007 and 2006, respectively. The weighted average fair value of stock options granted was $1.97, $4.90 and $2.79 at December 31, 2008, 2007 and 2006, respectively.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 15. Stock-Based Compensation — (Continued)

As of December 31, 2008, there was approximately $2 million and $65,000 of total unrecognized compensation cost related to non-vested stock options and SARs, respectively, granted under the Company's stock-based compensation plans. That cost is expected to be recognized over a weighted average period of approximately one year. A summary of activity, including award grants, exercises and forfeitures is provided below for stock options and SARs.

	Stock Options	Weighted Average Exercise Price	SARs	Weighted Average Exercise Price
	(In thousands)		(In thousands)	
Outstanding at December 31, 2005	15,014	$ 10.68	6,103	$ 7.43
Granted	41	$ 5.79	4,719	$ 4.78
Exercised	(873)	$ 6.62	(434)	$ 6.25
Forfeited or expired	(1,217)	$ 12.41	(1,118)	$ 6.46
Outstanding at December 31, 2006	12,965	$ 10.77	9,270	$ 6.30
Granted	1,976	$ 8.98	3,151	$ 8.94
Exercised	(965)	$ 6.51	(1,219)	$ 5.68
Forfeited or expired	(1,048)	$ 10.86	(1,237)	$ 6.50
Outstanding at December 31, 2007	12,928	$ 10.80	9,965	$ 7.19
Granted	100	$ 3.63	4,266	$ 3.64
Exercised	—	$ —	—	$ —
Forfeited or expired	(1,029)	$ 11.83	(1,334)	$ 6.65
Outstanding at December 31, 2008	11,999	$ 10.70	12,897	$ 6.07
Less: Outstanding but not exercisable at December 31, 2008	802		5,542	
Exercisable at December 31, 2008	11,197	$ 10.82	7,355	$ 6.63

Restricted Stock Units and Restricted Stock Awards

The weighted average grant date fair value of RSUs granted was $0.11, $8.79 and $4.90 for the periods ended December 31, 2008, 2007 and 2006, respectively. The weighted average grant date fair value of RSAs was $3.41, $7.75 and $5.85 for the periods ended December 31, 2008, 2007 and 2006, respectively. The total fair value of RSAs vested during the periods ended December 31, 2008, 2007 and 2006 was approximately $132,000, $10,000 and $10 million, respectively. As of December 31, 2008, there was approximately $2 million and $500,000 of total unrecognized compensation cost related to non-vested RSAs and RSUs, respectively, granted under the Company's stock-based compensation plans. That cost is expected to be recognized over a weighted average period of approximately two years. A summary of activity, including award grants, vesting and forfeitures is provided below for RSAs and RSUs.

NOTE 15. Stock-Based Compensation — (Continued)

	RSAs	RSUs	Weighted Average Grant Date Fair Value
		(In thousands)	
Non-vested at December 31, 2005	2,217	5,599	$ 7.89
Granted	25	2,192	$ 4.90
Vested	(2,098)	(324)	$ 7.36
Forfeited	(19)	(804)	$ 6.70
Non-vested at December 31, 2006	125	6,663	$ 7.23
Granted	90	1,219	$ 8.73
Vested	(3)	(2,262)	$ 9.76
Forfeited	(120)	(1,047)	$ 7.45
Non-vested at December 31, 2007	92	4,573	$ 6.42
Granted	1,305	3,326	$ 3.60
Vested	(35)	(3,335)	$ 5.61
Forfeited	(182)	(418)	$ 5.18
Non-vested at December 31, 2008	1,180	4,146	$ 4.60

NOTE 16. Income Taxes

Income tax provision

Loss before income taxes, minority interests, discontinued operations, change in accounting and extraordinary item, excluding equity in net income of non-consolidated affiliates and the components of provision for income taxes are shown below:

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
U.S.	$ (440)	$ (384)	$ (292)
Non-U.S.	(132)	52	170
Total loss before income taxes	$ (572)	$ (332)	$ (122)
Current tax provision (benefit)			
U.S. federal	$ (4)	$ —	$ —
Non-U.S.	96	93	118
U.S. state and local	1	—	(1)
Total current	93	93	117
Deferred tax provision (benefit)			
U.S. federal	—	(73)	(68)
Non-U.S.	22	(4)	(24)
U.S. state and local	1	4	—
Total deferred	23	(73)	(92)
Total provision for income taxes	$ 116	$ 20	$ 25

NOTE 16. Income Taxes — (Continued)

A summary of the differences between the provision for income taxes calculated at the U.S. statutory tax rate of 35% and the consolidated provision for income taxes is shown below:

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
Loss before income taxes, minority interests, discontinued operations, change in accounting and extraordinary item, excluding equity in net income of non-consolidated affiliates, multiplied by the U.S. statutory rate of 35%	$ (200)	$ (116)	$ (43)
Effect of:			
Impact of foreign operations, including withholding taxes	(5)	(34)	(23)
State and local income taxes	(14)	(16)	(8)
Tax benefits allocated to loss from continuing operations	—	(91)	(68)
U.S. research tax credits	(3)	(8)	(10)
Tax reserve adjustments	12	72	8
Tax on intragroup transfer of affiliate	—	34	—
U.S. divestiture of foreign non-consolidated affiliate	—	—	(5)
Change in valuation allowance	316	160	178
Mexican tax law change	—	18	—
Medicare subsidy	1	1	(5)
Other	9	—	1
Provision for income taxes	$ 116	$ 20	$ 25

The Company's 2008 income tax provision includes income tax expense of $110 million related to certain countries where the Company is profitable, accrued withholding taxes and the inability to record a tax benefit for pre-tax losses in the U.S. and certain foreign countries to the extent not offset by other categories of income. The 2008 income tax provision also includes $12 million for the net increase in unrecognized tax benefits resulting from positions taken in tax returns filed during the year, as well as those expected to be taken in future tax returns, including interest and penalties. Additionally, the Company recorded approximately $6 million of income tax benefit related to favorable tax law changes in 2008, including U.S. legislation enacted in July 2008 which allowed the Company to record certain U.S. research tax credits previously subject to limitation as refundable.

The Company's 2007 income tax provision includes income tax expense of $50 million related to certain countries where the Company is profitable, accrued withholding taxes, and the inability to record a tax benefit for pre-tax losses in the U.S. and certain foreign countries to the extent not offset by other categories of income. The 2007 income tax provision also includes $72 million for an increase in unrecognized tax benefits resulting from positions taken in tax returns filed during the year, as well as those expected to be taken in future tax returns, including interest and penalties. Additionally, the Company recorded approximately $18 million of income tax expense related to significant tax law changes in Mexico enacted in the fourth quarter of 2007. These expense items were offset by an $11 million benefit due to favorable tax law changes in Portugal also enacted in the fourth quarter of 2007.

NOTE 16. Income Taxes — (Continued)

SFAS 109 generally requires that the amount of tax expense or benefit allocated to continuing operations be determined without regard to the tax effects of other categories of income or loss, such as other comprehensive income. However, an exception to the general rule is provided when there is a pre-tax loss from continuing operations and pre-tax income from other categories in the current year. In such instances, income from other categories must offset the current loss from operations, the tax benefit of such offset being reflected in continuing operations even when a valuation allowance has been established against the deferred tax assets. In instances where a valuation allowance is established against current year operating losses, income from other sources, including other comprehensive income, is considered when determining whether sufficient future taxable income exists to realize the deferred tax assets. In 2007, net pre-tax income from other categories of income or loss, in particular, pre-tax other comprehensive income primarily attributable to foreign currency exchange rates and the re-measurement of pension and OPEB in the U.S., Germany and the UK, offset approximately $270 million of pre-tax operating losses, reducing the Company's current year valuation allowance resulting in a benefit of $91 million allocated to the current year loss from continuing operations as a component of the deferred income tax provision.

In December 2007 Visteon redeemed its ownership interest in a newly formed Korean company in exchange for approximately $292 million as part of a legal restructuring of its climate control operations in Asia with Halla Climate Control Corporation. As part of this restructuring, the Company concluded that a portion of HCCC's earnings were permanently reinvested under Accounting Principles Board Opinion No. 23 "Accounting for Income Taxes-Special Areas" and recorded a $30 million income tax benefit related to the reduction of previously established withholding tax accruals, partially offset by $12 million of income tax expense related to a taxable gain from the restructuring.

The Company's 2006 provision of $25 million reflects a $68 million benefit related to offsetting U.S. pretax operating losses against U.S. pretax other comprehensive income, as well as income tax expense related to those countries where the Company is profitable, accrued withholding taxes, certain non-recurring and other discrete tax items, the inability to record a tax benefit for pretax losses in certain foreign countries and pretax losses in the U.S. not offset by U.S. pretax other comprehensive income as described above. Non-recurring and other discrete tax items recorded in 2006 resulted in a net benefit of $21 million. This includes a $14 million benefit recorded in the second quarter of 2006 related to the restoration of deferred tax assets associated with the Company's operations in Brazil, a benefit of $15 million related to reducing the Company's dividend withholding taxes accrued for the unremitted earnings of Spain and the Czech Republic as a result of a legal entity restructuring that was completed in the fourth quarter of 2006, offset by a net $8 million in provisions recorded primarily to increase income tax reserves for prior year tax exposures in various foreign jurisdictions.

Deferred income taxes and related valuation allowances

Deferred income taxes are provided for temporary differences between amounts of assets and liabilities for financial reporting purposes and the basis of such assets and liabilities as measured by tax laws and regulations, as well as net operating loss, tax credit and other carryforwards. Additionally, deferred taxes have been provided for the net effect of repatriating earnings from consolidated and unconsolidated foreign affiliates, except for approximately $220 million of Korean earnings considered permanently reinvested under Accounting Principles Board Opinion No. 23 "Accounting for Income Taxes-Special Areas". If these earnings were repatriated, additional withholding tax expense of approximately $25 million would have been incurred.

NOTE 16. Income Taxes — (Continued)

SFAS 109 requires that deferred tax assets be reduced by a valuation allowance if, based on all available evidence, both positive and negative, it is considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. Significant management judgment is required in determining the Company's valuation allowance against its deferred tax assets, and in making its assessment, the evidence considered includes historical and projected financial performance, as well as the nature, frequency and severity of recent losses along with any other pertinent information.

During the fourth quarter of 2008 the Company concluded, based on the weight of available evidence, that the deferred tax assets associated with its Visteon Sistemas operations located in Brazil required a full valuation allowance which resulted in a charge to income tax expense of $22 million. Going forward, the need to maintain valuation allowances against deferred tax assets in the U.S. and other affected countries will cause variability in the Company's effective tax rate. The Company will maintain full valuation allowances against deferred tax assets in the U.S. and applicable foreign countries, which include the UK and Germany, until sufficient positive evidence exists to reduce or eliminate them. At December 31, 2008 the Company has recorded net deferred tax assets, net of valuation allowances, of approximately $33 million in certain foreign jurisdictions, the realization of which is dependent on generating sufficient taxable income in future periods. While the Company believes it is more likely than not that these deferred tax assets will be realized, failure to achieve its taxable income targets which considers, among other sources, future reversals of existing taxable temporary differences (including FIN 48 liabilities), would likely result in an increase in the valuation allowance in the applicable period.

The components of deferred income tax assets and liabilities are as follows:

	December 31	
	2008	2007
	(Dollars in Millions)	
Deferred tax assets		
Employee benefit plans	$ 337	$ 387
Capitalized expenditures for tax reporting	128	165
Net operating losses and carryforwards	1,746	1,703
All other	256	289
Subtotal	2,467	2,544
Valuation allowance	(2,079)	(2,102)
Total deferred tax assets	$ 388	$ 442
Deferred tax liabilities		
Depreciation and amortization	$ 130	$ 83
All other	337	421
Total deferred tax liabilities	467	504
Net deferred tax liabilities	$ 79	$ 62

At December 31, 2008 and 2007, net short-term deferred tax liabilities in the amount of $3 million and $1 million, respectively, were included in "Other current liabilities" on the consolidated balance sheets.

NOTE 16. Income Taxes — (Continued)

At December 31, 2008, the Company had available tax-effected non-U.S. net operating loss and other carryforwards of $353 million, which have carryforward periods ranging from 5 years to indefinite. The Company had available tax-effected U.S. net operating loss and capital loss carryforwards of $710 million at December 31, 2008, which will expire at various dates between 2009 and 2028. U.S. foreign tax credit carryforwards are $565 million at December 31, 2008. These credits will begin to expire in 2011. U.S. research tax credits carryforwards are $118 million at December 31, 2008. These credits will begin to expire in 2020. The availability of the Company's federal net operating loss carryforward and other federal income tax attributes may be eliminated or significantly limited if a change of ownership of Visteon, within the meaning of Section 382 of the Internal Revenue Code, were to occur.

As of the end of 2008, valuation allowances totaling $2,079 million have been recorded against the Company's deferred tax assets. Of this amount, $1,726 million relates to the Company's deferred tax assets in the U.S., including amounts related to foreign affiliates that are treated as pass-through entities for U.S. tax purposes, and $353 million relates to net operating loss carryforwards and other deferred tax assets in certain foreign jurisdictions, where recovery of the carryforwards or assets is unlikely.

Unrecognized Tax Benefits

Effective January 1, 2007, the Company adopted FASB Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109," which establishes a single model to address accounting for uncertain tax positions and clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 did not have a material impact on the Company's consolidated financial statements.

The Company's gross unrecognized tax benefits at December 31, 2008 were $238 million and the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate were approximately $119 million. The gross unrecognized tax benefit differs from that which would impact the effective tax rate due to uncertain tax positions embedded in other deferred tax attributes carrying a full valuation allowance. Since the uncertainty is expected to be resolved while a full valuation allowance is maintained, these uncertain tax positions will not impact the effective tax rate in current or future periods. In connection with the adoption of FIN 48 and beginning January 1, 2007, the Company classified all interest and penalties as income tax expense. Prior to the adoption of FIN 48, the Company's policy was to record interest and penalties related to income tax contingencies as a component of income before taxes. Estimated interest and penalties related to the underpayment of income taxes totaled $2 million and $14 million for the twelve-months ended December 31, 2008 and 2007, respectively. Accrued interest and penalties were $36 million and $34 million as of December 31, 2008 and 2007, respectively.

NOTE 16. Income Taxes — (Continued)

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2008	2007
	(Dollars in Millions)	
Beginning balance, January 1	$ 229	$ 147
Tax positions related to current year		
Additions	39	77
Tax positions related to prior years		
Additions	7	14
Reductions	(13)	(13)
Settlements with tax authorities	—	—
Lapses in statute of limitations	(8)	(4)
Effect of exchange rate changes	(16)	8
Ending balance, December 31	$ 238	$ 229

The Company and its subsidiaries have operations in every major geographic region of the world and are subject to income taxes in the U.S. and numerous foreign jurisdictions. Accordingly, the Company files tax returns and is subject to examination by taxing authorities throughout the world, including such significant jurisdictions as Korea, India, Portugal, Spain, Czech Republic, Hungary, Mexico, Canada, China, Brazil, Germany and the United States. With few exceptions, the Company is no longer subject to U.S. federal tax examinations for years before 2004 or state and local, or non-U.S. income tax examinations for years before 2000.

It is reasonably possible that the amount of the Company's unrecognized tax benefits may change within the next twelve months as a result of settlement of ongoing audits, for changes in judgment as new information becomes available related to positions both already taken and those expected to be taken in tax returns, primarily related to transfer pricing-related initiatives, or from the closure of tax statutes. Given the number of years, jurisdictions and positions subject to examination, the Company is unable to estimate the full range of possible adjustments to the balance of unrecognized tax benefits. However, the Company believes it is reasonably possible it will reduce the amount of its existing unrecognized tax benefits impacting the effective tax rate by $5 to $10 million due to the lapse of statute of limitations. Further, substantially all of the Company's unrecognized tax benefits relate to uncertain tax positions that are not currently under review by taxing authorities and therefore, the Company is unable to specify the future periods in which it may be obligated to settle such amounts.

NOTE 17. Shareholders' Deficit

In conjunction with the October 1, 2005 ACH Transactions, the Company granted warrants to Ford for the purchase of 25 million shares of the Company's common stock at an exercise price of $6.90. The warrants allow for either cash or share settlement at the sole discretion of the Company, were exercisable at any time after October 1, 2006 and before the expiration date on October 1, 2013. The warrants were valued at $127 million using a Black-Scholes pricing model, adjusted for the estimated impact on fair value of the restrictions relating to the warrants, and are recorded as permanent equity in the Company's consolidated balance sheets.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 17. Shareholders' Deficit — (Continued)

On May 17, 2007, Visteon entered into a letter agreement (the "Letter Agreement") with LB I Group, Inc., an affiliate of Lehman Brothers ("Lehman"), and Ford, pursuant to which, among other things, the Company consented to the transfer by Ford of the warrant to purchase 25 million shares of Visteon common stock and waived a provision of the Stockholder Agreement, dated as of October 1, 2005, between Visteon and Ford, that would have prohibited such transfer. The Letter Agreement also restricts Lehman's ability to enter into certain hedging transactions in respect of the shares underlying the Warrant for the first two years following such transfer. In addition, the warrant was modified so that that it will not be exercisable (except in the event of a change of control of Visteon) or transferable until May 17, 2009.

Accumulated other comprehensive income is comprised of the following:

	December 31	
	2008	2007
	(Dollars in Millions)	
Foreign currency translation adjustments	$ 208	$ 297
Pension and other postretirement benefit adjustments, net of tax	(39)	(10)
Unrealized losses on derivatives	(12)	(12)
Total accumulated other comprehensive income	$ 157	$ 275

Treasury stock is carried at an average cost basis, is purchased for employee benefit plans, and consists of approximately 500,000 shares at December 31, 2008.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 18. Loss Per Share

Basic net loss per share of common stock is calculated by dividing reported net loss by the average number of shares of common stock outstanding during the applicable period, adjusted for restricted stock.

	December 31		
	2008	2007	2006
	(Dollars in Millions, Except Per Share Amounts)		
Numerator:			
Net loss from continuing operations before change in accounting and extraordinary item	$ (681)	$ (348)	$ (145)
Loss from discontinued operations, net of tax	—	24	22
Net loss before change in accounting and extraordinary item	(681)	(372)	(167)
Cumulative effect of change in accounting, net of tax	—	—	(4)
Net loss before extraordinary item	(681)	(372)	(171)
Extraordinary item, net of tax	—	—	8
Net loss	$ (681)	$ (372)	$ (163)
Denominator:			
Average common stock outstanding	130.4	129.5	128.4
Less: Average restricted stock outstanding	(1.0)	(0.1)	(0.5)
Basic shares	129.4	129.4	127.9
Net dilutive effect of restricted stock and stock options	—	—	—
Diluted shares	129.4	129.4	127.9
Basic and Diluted per Share Data:			
Basic and diluted loss per share from continuing operations before change in accounting and extraordinary item	$ (5.26)	$ (2.69)	$ (1.13)
Loss from discontinued operations, net of tax	—	0.18	0.17
Basic and diluted loss per share before change in accounting and extraordinary item	(5.26)	(2.87)	(1.30)
Cumulative effect of change in accounting, net of tax	—	—	(0.03)
Basic and diluted loss per share before extraordinary item	(5.26)	(2.87)	(1.33)
Extraordinary item, net of tax	—	—	0.06
Basic and diluted loss per share	$ (5.26)	$ (2.87)	$ (1.27)

Options to purchase 12 million shares of common stock at exercise prices ranging from $21.47 per share to $3.63 per share and warrants to purchase 25 million shares were outstanding for 2008 but were not included in the computation of diluted loss per share as inclusion of such items would be anti-dilutive. The options expire at various dates between 2009 and 2015. In addition, for 2007 and 2006, potential common stock of approximately 2.9 million shares and 2.4 million shares, respectively, are excluded from the calculation of diluted loss per share because the effect of including them would have been anti-dilutive.

NOTE 19. Fair Value Measurements

In September 2006, the FASB issued SFAS 157, "Fair Value Measurements." SFAS 157 establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value and provides specific disclosure requirements based on the hierarchy.

Fair Value Hierarchy

SFAS 157 requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs. The various levels of the SFAS 157 fair value hierarchy are described as follows:

- Level 1 — Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.
- Level 2 — Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- Level 3 — Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

SFAS 157 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The following table presents the Company's fair value hierarchy for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2008:

	Other Observable Inputs (Level 2) (Dollars in Millions)
Assets	
Foreign currency instruments	$ 15
Interest rate swaps	17
Total	$ 32
Liabilities	
Foreign currency instruments	$ 11

Valuation Methods

Interest rate swaps and foreign currency hedge instruments — These financial instruments are valued under an income approach using industry-standard models that consider various assumptions, including time value, volatility factors, current market and contractual prices for the underlying and non-performance risk. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

The carrying amounts of all other financial instruments approximate their fair values because of the relatively short-term maturity of these instruments.

NOTE 20. Financial Instruments

The Company follows Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," in accounting for financial instruments. Under SFAS 133, the criteria used to determine whether hedge accounting treatment is appropriate are the designation of the hedge to an underlying exposure, reduction of overall risk and a highly effective relationship between the hedging instrument and the hedged item or transaction.

Where possible, the Company uses derivative financial instruments to reduce exposure to adverse fluctuations in interest rates and foreign currency exchange rates in connection with its risk management policies. The Company monitors its exposure to interest rate risk principally in relation to fixed-rate and variable-rate debt. Accordingly, the Company has entered into certain fixed-for-variable and variable-for-fixed interest rate swap agreements to manage such interest rate exposures. Additionally, the Company monitors its exposure to the risk that net cash inflows resulting from sales outside the country of manufacturing origin will be adversely affected by changes in foreign currency exchange rates. Accordingly, the Company enters into forward exchange contracts and purchase foreign currency options to hedge certain portions of forecasted cash flows denominated in foreign currencies.

At inception, the Company formally designates and documents the financial instrument as a hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. The Company formally assesses, at the inception and at least quarterly thereafter, whether the financial instruments that are used in hedging transactions are effective at offsetting changes in either the fair value or cash flows of the related underlying exposure. Because of the high degree of effectiveness between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the fair values or cash flows of the underlying exposures being hedged. Any ineffective portion of a financial instrument's change in fair value is immediately recognized in earnings. Derivatives not designated as a hedge are adjusted to fair value through operating results. The Company's policy specifically prohibits the use of derivatives for speculative purposes.

The Company recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value. The fair values of derivatives used to hedge the Company's risks fluctuate over time, generally in relation to the fair values or cash flows of the underlying hedged transactions or exposures. The accounting for changes in fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship. At the inception of the hedging relationship, the Company must designate the instrument as a fair value hedge, a cash flow hedge or a hedge of a net investment in a foreign operation. This designation is based upon the exposure being hedged.

Fair Value Hedges

As of December 31, 2008 and 2007, respectively, the Company had interest rate swaps designated as hedges of the fair value of a portion of the 8.25% notes due August 1, 2010 ($125 million) and a portion of the 7.00% notes due March 10, 2014 ($225 million). These interest rate swaps effectively convert the designated portions of these notes from fixed interest rate to variable interest rate instruments in connection with the Company's risk management policies. The Company estimates the fair value of these interest rate swaps based on quoted market prices.

NOTE 20. Financial Instruments — (Continued)

The notional amount of these interest rate swaps was $350 million at December 31, 2008 and 2007. The fair market value of the interest rate swaps was an asset of $25 million and a liability of $2 million at December 31, 2008 and 2007, respectively. The effect of marking these contracts to market has been recorded in the Company's consolidated balance sheets as a direct adjustment to the underlying debt. The adjustment does not affect the results of operations unless the contract is terminated, in which case the resulting cash flow is offset by a valuation adjustment of the underlying debt and is amortized to interest expense over the remaining life of the debt. During 2008, 2007 and 2006, there was no ineffectiveness related to these interest rate swaps.

Cash Flow Hedges

Derivative instruments that are designated and qualify as cash flow hedges of forecasted transactions are reflected as other assets or liabilities in the Company's consolidated balance sheets. Changes in the fair value of cash flow hedges are initially recorded as a component of "Other comprehensive loss" and reclassified to the consolidated statement of operations when the hedged transactions affect results of operations. At this time, a gain or loss on the cash flow hedge is recognized representing the excess of the cumulative change in the present value of future cash flows of the hedged item. Any ineffective portion of a cash flow hedge is immediately recognized in earnings. The maximum length of time over which the Company hedges the variability in future cash flows for forecasted transactions excluding those forecasted transactions related to the payment of variable interest on existing debt is up to one year from the date of the forecasted transaction. The maximum length of time over which the Company hedges forecasted transactions related to the payment of variable interest on existing debt is the term of the underlying debt.

As of December 31, 2008 and 2007, the Company had interest rate swaps designated as hedges of forecasted cash flows related to future interest payments for a portion of the $1 billion seven-year term loan due June 13, 2013 ($200 million). These interest rate swaps effectively convert the designated portion of the seven-year term loan from a variable rate instrument to a fixed rate instrument in connection with the Company's risk management policies. The Company recorded less than $1 million and $1 million of ineffectiveness related to these interest rate swaps for the years ended December 31, 2008 and 2007, respectively. The notional amount of these interest rate swaps was $200 million at December 31, 2008 and 2007. The fair market value of the interest rate swaps was a liability of $8 million and $7 million at December 31, 2008 and 2007, respectively.

As of December 31, 2008 and 2007, the net fair value of foreign currency instruments which are designated as hedges of forecasted cash flows related to the sale of products in countries other than the manufacturing source, foreign currency denominated supplier payments, debt and other payables or subsidiary dividends were an asset of $4 million and a liability of $1 million, respectively. The notional amounts of foreign currency instruments in equivalent U.S. dollars were $355 million and $515 million at December 31, 2008 and 2007, respectively. The fair value of foreign currency instruments was estimated using current market rates provided by outside quotation services.

The net gain recognized in earnings related to cash flow hedges during the year ended December 31, 2008 was $6 million; the net gain realized in December 31, 2007 and 2006 was less than $1 million and $4 million, respectively. Such amounts are recorded in the Company's consolidated statements of operations under the classification "Cost of sales." Within the next 12 months, the Company expects to reclassify approximately $1 million on a pre-tax basis from other comprehensive loss to results from operations as the anticipated underlying transactions occur.

NOTE 20. Financial Instruments — (Continued)

Other

The notional amounts of derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of the Company's exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, foreign currency exchange rates or other financial indices.

Concentrations of Credit Risk

Financial instruments, including cash equivalents, marketable securities, derivative contracts and accounts receivable, expose the Company to counterparty credit risk for non-performance. The Company's counterparties for cash equivalents, marketable securities and derivative contracts are banks and financial institutions that meet the Company's requirement of high credit standing. The Company's counterparties for derivative contracts are substantial investment and commercial banks with significant experience using such derivatives. The Company manages its credit risk through policies requiring minimum credit standing and limiting credit exposure to any one counterparty, and through monitoring counterparty credit risks. The Company's concentration of credit risk related to derivative contracts at December 31, 2008 was not significant.

With the exception of the customers below, the Company's credit risk with any individual customer does not exceed ten percent of total accounts receivable at December 31:

	December 31	
	2008	2007
Ford and affiliates	18%	18%
PSA Peugeot Citroën	16%	11%
Hyundai Motor Company	13%	13%
Hyundai Mobis Company	10%	7%

Management periodically performs credit evaluations of its customers and generally does not require collateral.

NOTE 21. Commitments and Contingencies

Information Technology Agreement

Prior to January 2003 and since the Company's separation from Ford, Ford had provided the Company with and charged the Company for many of the Company's information technology needs. In January 2003, the Company entered into a 10-year outsourcing agreement with International Business Machines ("IBM") pursuant to which the Company 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. During 2006, the Company and IBM modified this agreement, resulting in certain changes to the service delivery model and related service charges. The service charges under the outsourcing agreement are expected to aggregate approximately $350 million during the remaining term of the agreement, subject to changes based on the Company's actual consumption of services to meet its then current business needs. The outsourcing agreement may also be terminated for the Company's business convenience under the agreement for a scheduled termination fee. Associated expenses were approximately $100 million in 2008 and approximately $200 million in both 2007 and 2006.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 21. Commitments and Contingencies — (Continued)

Operating Leases

At December 31, 2008, the Company had the following minimum rental commitments under non-cancelable operating leases: 2009 — $49 million; 2010 — $37 million; 2011 — $28 million; 2012 — $37 million; 2013 — $14 million; thereafter — $18 million. Rent expense was $81 million in 2008, $80 million in 2007 and $70 million in 2006.

Debt

Debt, including capital lease obligations, at December 31, 2008, included maturities as follows: 2009 — $2,697 million; 2010 — $60 million; 2011 — $3 million; 2012 — $1 million; 2013 — $1 million.

Guarantees

The Company has guaranteed approximately $90 million for lease payments and $8 million of debt capacity related to its subsidiaries. The Company has also guaranteed certain Tier 2 supplier and other third-party obligations of up to $2 million to ensure the continued supply of essential parts. In connection with the January 2009 PBGC Agreement, the Company agreed to provide a guarantee by certain affiliates of certain contingent pension obligations of up to $30 million.

Litigation and Claims

On March 31, 2009, Visteon UK Limited, a company organized under the laws of England and Wales and an indirect, wholly-owned subsidiary of the Company (the "UK Debtor"), filed for administration (the "UK Administration") under the United Kingdom Insolvency Act of 1986 with the High Court of Justice, Chancery division in London, England. The UK Administration does not include the Company or any of the Company's other subsidiaries. The UK Administration is discussed in Note 24, "Subsequent Event."

Product Warranty and Recall

Amounts accrued for product warranty and recall claims are based on management's best estimates of the amounts that will ultimately be required to settle such items. The Company's estimates for product warranty and recall obligations are developed with support from its sales, engineering, quality and legal functions and include due consideration of contractual arrangements, past experience, current claims and related information, production changes, industry and regulatory developments and various other considerations. The Company can provide no assurances that it will not experience material claims in the future or that it will not incur significant costs to defend or settle such claims beyond the amounts accrued or beyond what the Company may recover from its suppliers. The following table provides a reconciliation of changes in the product warranty and recall claims liability for the selected periods:

	December 31	
	2008	2007
	(Dollars in Millions)	
Beginning balance	$ 108	$ 105
Accruals for products shipped	43	48
Changes in estimates	3	(16)
Settlements	(54)	(29)
Ending balance	$ 100	$ 108

NOTE 21. Commitments and Contingencies — (Continued)

Environmental Matters

Costs related to environmental assessments and remediation efforts at operating facilities, previously owned or operated facilities, and Superfund or other waste site locations are accrued when it is probable that a liability has been incurred and the amount of that liability can be reasonably estimated. Estimated costs are recorded at undiscounted amounts, based on experience and assessments, and are regularly evaluated. The liabilities are recorded in “Other current liabilities” and “Other long-term liabilities” in the consolidated balance sheets.

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. The Company is also subject to environmental laws requiring the investigation and cleanup of environmental contamination at properties it presently owns or operates and at third-party disposal or treatment facilities to which these sites send or arranged to send hazardous waste.

At the time of spin-off, the Company and Ford agreed on a division of liability for, and responsibility for management and remediation of, environmental claims existing at that time, and, further, that the Company would assume all liabilities for existing and future claims relating to sites that were transferred to it and its operation of those sites, including off-site disposal, except as otherwise specifically retained by Ford in the Master Transfer Agreement. In connection with the ACH Transactions, Ford agreed to re-assume these liabilities to the extent they arise from the ownership or operation prior to the spin-off of the locations transferred to ACH (excluding any increase in costs attributable to the exacerbation of such liability by the Company or its affiliates).

The Company is aware of contamination at some of its properties and relating to various third-party Superfund sites at which the Company or its predecessor has been named as a potentially responsible party. The Company is in various stages of investigation and cleanup at these sites. At December 31, 2008, the Company had recorded a reserve of approximately $5 million for this environmental investigation and cleanup. However, estimating liabilities for environmental investigation and cleanup is complex and dependent upon a number of factors beyond the Company’s control and which may change dramatically. Accordingly, although the Company believes its reserve is adequate based on current information, the Company cannot provide any assurance that its ultimate environmental investigation and cleanup costs and liabilities will not exceed the amount of its current reserve.

Other Contingent Matters

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

NOTE 21. Commitments and Contingencies — (Continued)

Contingencies are subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves have been established by the Company for matters discussed in the immediately foregoing paragraph where losses are deemed probable and reasonably estimable. It is possible, however, that some of the matters discussed in the foregoing paragraph could be decided unfavorably to the Company and could require the Company to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated at December 31, 2008 and that are in excess of established reserves. The Company does not reasonably expect, except as otherwise described herein, based on its analysis, that any adverse outcome from such matters would have a material effect on the Company's financial condition, results of operations or cash flows, although such an outcome is possible.

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

NOTE 22. Segment Information

Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information," requires the Company to disclose certain financial and descriptive information about its reportable segments. Reportable segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision-maker, or a decision-making group, in deciding the allocation of resources and in assessing performance.

The Company's operating structure is comprised of the following: Climate, Electronics, Interiors and Other. These global product groups have financial and operating responsibility over the design, development and manufacture of the Company's product portfolio. Within each of the global product groups, certain facilities manufacture a broader range of the Company's total product line offering and are not limited to the primary product line. Regional customer groups are responsible for the marketing, sales and service of the Company's product portfolio to its customer base. Certain functions such as procurement, information technology and other administrative activities are managed on a global basis with regional deployment. In addition to these global product groups, the Company also operates Visteon Services, a centralized administrative function to monitor and facilitate transactions primarily with ACH for the costs of leased employees and other services provided by the Company.

The Company's chief operating decision making group, comprised of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluates the performance of the Company's segments primarily based on net sales, before elimination of inter-company shipments, gross margin and operating assets. Gross margin is defined as total sales less costs to manufacture and product development and engineering expenses. Operating assets include inventories and property and equipment utilized in the manufacture of the segments' products.

The Company's reportable segments as of December 31, 2008 are as follows:

Climate — The Company's Climate product group includes facilities that primarily manufacture climate air handling modules, powertrain cooling modules, heat exchangers, compressors, fluid transport and engine induction systems. Climate accounted for approximately 30%, 28%, and 26% of the Company's total net sales, excluding ACH and intra-product group eliminations, in 2008, 2007 and 2006, respectively.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 22. Segment Information — (Continued)

Electronics — The Company's Electronics product group includes facilities that primarily manufacture audio systems, infotainment systems, driver information systems, powertrain and feature control modules, climate controls, electronic control modules and lighting. Electronics accounted for approximately 33%, 31% and 30% of the Company's total net sales, excluding ACH and intra-product group eliminations, in 2008, 2007 and 2006, respectively.

Interiors — The Company's Interiors product group includes facilities that primarily manufacture instrument panels, cockpit modules, door trim and floor consoles. Interiors accounted for approximately 28%, 27% and 26% of the Company's total net sales, excluding ACH and intra-product group eliminations, in 2008, 2007 and 2006, respectively.

Other — The Company's Other product group includes facilities that primarily manufacture fuel products, powertrain products, as well as parts sold and distributed to the automotive aftermarket. Other accounted for approximately 5%, 10% and 14% of the Company's total net sales, excluding ACH and intra-product group eliminations, in 2008, 2007 and 2006, respectively.

Services — The Company's Services operations provide various transition services in support of divestiture transactions, principally related to the ACH Transactions. The Company supplies leased personnel and transition services as required by certain agreements entered into by the Company with ACH as a part of the ACH Transactions and amended in 2008. Pursuant to the Master Services Agreement and the Amended Salaried Employee Lease Agreement the Company, has agreed to provide ACH with certain information technology, personnel and other services to enable ACH to conduct its business. Services to ACH are provided at a rate approximately equal to the Company's cost until such time the services are no longer required by ACH or the expiration of the related agreement. In addition to services provided to ACH, the Company provided certain transition services related to the Chassis Divestiture through October 2008.

The accounting policies for the reportable segments are the same as those described in the Note 2 "Summary of Significant Accounting Policies" to the Company's consolidated financial statements. Key financial measures reviewed by the Company's chief operating decision makers are as follows:

	Net Sales Year Ended December 31			Gross Margin Year Ended December 31		
	2008	2007	2006	2008	2007	2006
	(Dollars in Millions)					
Climate	$ 2,994	$ 3,370	$ 3,123	$ 207	$ 233	$ 170
Electronics	3,251	3,646	3,514	193	276	373
Interiors	2,748	3,183	3,059	27	75	65
Other	505	1,178	1,658	29	3	68
Eliminations	(421)	(656)	(648)	—	—	—
Total Products	9,077	10,721	10,706	456	587	676
Services	467	554	550	3	6	5
Total Segments	9,544	11,275	11,256	459	593	681
Reconciling Items						
Corporate	—	—	—	—	(20)	72
Total consolidated	$ 9,544	$ 11,275	$ 11,256	$ 459	$ 573	$ 753

The above amounts include product sales of $3,095 million to Ford Motor Company and $1,983 million to Hyundai/Kia for the year ended December 31, 2008.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 22. Segment Information — (Continued)

Segment Operating Assets

	Inventories, Net Year Ended December 31			Property and Equipment, Net Year Ended December 31		
	2008	2007	2006	2008	2007	2006
Climate	$ 166	$ 197	$ 161	$ 813	$ 947	$ 962
Electronics	131	154	154	626	758	796
Interiors	43	59	66	298	533	484
Other	14	85	139	5	57	253
Total Products	354	495	520	1,742	2,295	2,495
Reconciling Items						
Corporate	—	—	—	420	498	539
Total consolidated	$ 354	$ 495	$ 520	$ 2,162	$ 2,793	$ 3,034

Segment Expenditures

	Depreciation and Amortization Year Ended December 31			Capital Expenditures Year Ended December 31		
	2008	2007	2006	2008	2007	2006
Climate	$ 129	$ 151	$ 129	$ 133	$ 147	$ 174
Electronics	135	129	109	68	89	78
Interiors	61	64	49	63	88	66
Other	11	27	45	1	13	55
Total Products	336	371	332	265	337	373
Reconciling Items						
Corporate	80	101	98	29	39	—
Total consolidated	$ 416	$ 472	$ 430	$ 294	$ 376	$ 373

Reconciling Items and Reclassifications

Certain adjustments are necessary to reconcile segment financial information to the Company's consolidated amounts. Corporate reconciling items are related to the Company's technical centers, corporate headquarters and other administrative and support functions.

Segment information as of December 31, 2007 has been reclassified to reflect the Company's Mobile Electronics and Philippines operations in the Electronics and Interiors product groups, respectively. These operations were previously reflected in the Other product group and have been reclassified consistent with the Company's current management reporting structure. Additionally, segment information as of December 31, 2006 has been reclassified to reflect the alignment of the Company's South American operations with their respective global product groups during the first quarter of 2007.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 22. Segment Information — (Continued)

Financial Information by Geographic Region

	Net Sales Year Ended December 31			Net Property and Equipment December 31	
	2008	2007	2006	2008	2007
			(Dollars in Millions)		
Geographic region:					
United States	$ 3,262	$ 4,070	$ 4,471	$ 719	$ 931
Mexico	75	55	247	66	69
Canada	66	102	96	23	35
Intra-region eliminations	(71)	(68)	(94)	—	—
North America	3,332	4,159	4,720	808	1,035
Germany	274	490	699	43	63
France	799	853	864	150	245
United Kingdom	401	529	460	17	50
Portugal	487	543	554	115	136
Spain	570	658	672	73	122
Czech Republic	602	608	466	225	250
Hungary	469	416	277	78	94
Other Europe	250	258	211	72	45
Intra-region eliminations	(159)	(231)	(211)	—	—
Europe	3,693	4,124	3,992	773	1,005
Korea	2,077	2,204	1,810	308	443
China	282	231	231	91	87
India	238	260	257	57	68
Japan	224	236	226	18	16
Other Asia	223	217	159	35	49
Intra-region eliminations	(162)	(159)	(184)	—	—
Asia	2,882	2,989	2,499	509	663
South America	474	528	522	72	90
Intra-region eliminations	(837)	(525)	(477)	—	—
	$ 9,544	$ 11,275	$ 11,256	$ 2,162	$ 2,793

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

NOTE 23. Summary Quarterly Financial Data (Unaudited)

The following tables present summary quarterly financial data.

	2008				2007			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in Millions, Except Per Share Amounts)							
Net sales	$ 2,862	$ 2,909	$ 2,120	$ 1,653	$ 2,889	$ 2,975	$ 2,547	$ 2,864
Gross margin	195	231	43	(10)	117	155	99	202
Loss from continuing operations	(105)	(42)	(188)	(346)	(136)	(60)	(109)	(43)
Loss from discontinued operations, net of tax	—	—	—	—	17	7	—	—
Net loss	(105)	(42)	(188)	(346)	(153)	(67)	(109)	(43)
Per Share Data								
Loss from continuing operations								
Basic	$ (0.81)	$ (0.32)	$ (1.45)	$ (2.67)	$ (1.06)	$ (0.46)	$ (0.84)	$ (0.33)
Diluted	$ (0.81)	$ (0.32)	$ (1.45)	$ (2.67)	$ (1.06)	$ (0.46)	$ (0.84)	$ (0.33)
Loss from discontinued operations, net of tax								
Basic	$ —	$ —	$ —	$ —	$ 0.13	$ 0.06	$ —	$ —
Diluted	$ —	$ —	$ —	$ —	$ 0.13	$ 0.06	$ —	$ —
Net loss per share								
Basic	$ (0.81)	$ (0.32)	$ (1.45)	$ (2.67)	$ (1.19)	$ (0.52)	$ (0.84)	$ (0.33)
Diluted	$ (0.81)	$ (0.32)	$ (1.45)	$ (2.67)	$ (1.19)	$ (0.52)	$ (0.84)	$ (0.33)

2008 Quarterly Financial Data

During the fourth quarter of 2008, the Company's financial results were negatively impacted by a significant reduction to OEM production levels resulting from the economic downturn, as described in Note 1 "Description of the Business and Basis of Presentation". The Company also recorded a $200 million impairment charge in the fourth quarter of 2008, as described in Note 4 "Asset Impairments and Loss on Divestitures."

2007 Quarterly Financial Data

During 2007, the Company recorded income tax benefits of $91 million related to offsetting pre-tax operating losses against current year pre-tax income from other categories of income or loss, in particular, pre-tax other comprehensive income primarily attributable to foreign currency exchange rates and the re-measurement of pension and OPEB in the U.S., Germany and the UK. Of this amount, $37 million was recorded during the fourth quarter of 2007.

NOTE 24. Subsequent Event

On March 31, 2009, Visteon UK Limited, a company organized under the laws of England and Wales and an indirect, wholly-owned subsidiary of the Company, filed for administration under the United Kingdom Insolvency Act of 1986 with the High Court of Justice, Chancery division in London, England. The UK Administration does not include the Company or any of the Company's other subsidiaries. The UK Administration was initiated in response to continuing operating losses of the UK Debtor and mounting labor costs and their related demand on the Company's cash flows. Under the UK Administration, the UK Debtor will likely be run down. The UK Debtor has operations in Enfield, UK, Basildon, UK, and Belfast, UK and recorded sales of $250 million for the year ended December 31, 2008. The UK Debtor had total assets of $153 million as of December 31, 2008.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in periodic reports filed with the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of December 31, 2008, an evaluation was performed under the supervision and with the participation of the Company's management, including its Chief Executive and Financial Officers, of the effectiveness of the design and operation of disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2008.

Internal Control over Financial Reporting

Management's report on internal control over financial reporting is presented in Item 8 of this Annual Report on Form 10-K along with the attestation report of PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, on the effectiveness of internal control over financial reporting as of December 31, 2008.

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2008 that have materially effected, or are reasonably likely to materially effect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Waivers and Amendments to Senior Secured Credit Facilities

Effective March 31, 2009, the Company entered into limited waivers and amendments to the following agreements:

- The Amended and Restated Credit Agreement, dated as of April 10, 2007 (as amended, supplemented or otherwise modified, the "Term Credit Agreement"), among the Company, certain of its subsidiaries, the lenders party thereto, Credit Suisse Securities (USA) LLC and Sumitomo Mitsui Banking Corporation, as co-documentation agents, Citicorp USA, Inc., as syndication agent, JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. as joint lead arrangers and joint bookrunners;
- The Credit Agreement, dated as of August 14, 2006 (as amended, supplemented or otherwise modified, the "ABL Credit Agreement"), among the Company, certain of its subsidiaries, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent; and
- The Master Receivables Purchase & Servicing Agreement, dated as of August 14, 2006 and as amended and restated as of October 29, 2008 (the "Securitization Agreement"), by and among Visteon UK Limited, Visteon Deutschland GmbH, Visteon Sistemas Interiores Espana S.L.U., Cadiz Electronica S.A.U., Visteon Portuguesa Limited, VC Receivables Financing Corporation Limited, Visteon Electronics Corporation, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank, N.A., Citibank International Plc, Citicorp USA, Inc., and the Company and the related securitization agreements.

Pursuant to the Limited Waiver ("Term Waiver") to the Term Credit Agreement, the potential default relating to the inclusion of an explanatory paragraph in the report of the Company's independent registered public accounting firm indicating substantial doubt about the Company's ability to continue as a going concern (the "Going-Concern Default") is waived until May 30, 2009, and the Company is required to complete certain collateral disclosure and perfection matters within certain periods following effectiveness or the Term Waiver may be terminated prior to May 30, 2009 and certain other Events of Default may occur. The Company also entered into a letter agreement, effective as of March 31, 2009 (the "Ad Hoc Committee Letter Agreement"), with the Ad Hoc Committee, which requires, among other things, that the Company and it subsidiaries to provide access to management, as well as certain analysis and reports to the Ad Hoc Committee. The agreement also requires the Company and its subsidiaries in North America and Europe to maintain a balance of cash and cash equivalents of at least $335.1 million on a consolidated basis, and requires the Company and its subsidiaries in North America to maintain a balance of cash and cash equivalents of at least $193.5 million on a consolidated basis. The Ad Hoc Committee Letter Agreement provides that the failure to comply with any of its terms will cause termination of the Term Waiver prior to May 30, 2009 and certain other Defaults or Events of Default may occur.

Pursuant to the Fourth Amendment and Limited Waiver to the Credit Agreement and Amendment to Security Agreement (the "ABL Waiver"), the Going-Concern Default is waived until May 30, 2009, and the Company is required to complete certain collateral disclosure and perfection matters within certain periods following effectiveness or the ABL Waiver may be terminated at the discretion of the Administrative Agent. The ABL Waiver also makes several amendments to the ABL Credit Agreement, including:

- Increasing the interest rate applicable to borrowing and commitment fees payable thereunder;
- Eliminating the availability of swingline loans and overadvances;
- Restricting future borrowings or the issuance of any new letters of credit if such borrowing or letter of credit would cause the amount of the Company's cash and cash equivalents in the U.S. to exceed $100 million, excluding amounts held in certain designated collateral accounts;
- Requiring the Company to maintain cash and cash equivalents in a certain designated deposit or securities account in amount that at least equals the amount borrowed plus letters of credit issued under the ABL Credit Agreement; and
- Ensuring that only a certain amount of cash and cash equivalents are held in accounts that are not subject to control agreements securing outstanding amounts under the ABL Credit Agreement.

Pursuant to the Conditional Waiver (the "Securitization Waiver") to the Securitization Agreement, the Going-Concern Default is waived until June 29, 2009. The Securitization Waiver also makes several amendments to the Securitization Agreement, including:

- Decreasing the variable funding facility limit to $200 million;
- Increasing the borrowing rates and commitment fees payable thereunder;
- Increasing certain reserves;
- Requiring notification to customers by Visteon of the sales of certain receivables and re-direction of customer payments to special purpose segregated accounts;
- Increasing the frequency of borrowing base and other reporting and settlement periods;
- Giving the agent discretion to access receivables collections; and
- Requiring further amendments from May 31, 2009 that would require customers whose receivable have been sold under the program to make payment thereon directly to the lenders.

2009 Incentive Plan Awards

On March 27, 2009, the Organization and Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company approved the performance criteria and relative weighting of each criterion that will be used to determine awards to eligible employees pursuant to the annual incentive program for the 2009 fiscal year (the "2009 Annual Incentive") and the long-term incentive program for the 2009-2011 performance period (the "2009-2011 Long-Term Incentive"), each in accordance with the terms of the 2004 Incentive Plan.

Pursuant to the 2009 Annual Incentive, certain executives are eligible to receive a cash bonus to be payable in 2010 based on the Company's financial performance relative to a target free cash flow metric (cash from operations minus capital expenditures, subject to certain adjustments) and a target product quality metric (defects per million as measured by the Company's OEM customers). 75% of each eligible employee's award will be based on the free cash flow metric, with a target free cash flow of negative $89 million, and 25% will be based on the product quality metric, with a target of 20 defective parts per million. The following table sets forth the 2009 Annual Incentive opportunity for the principal executive and financial officers as well as those current executive officers of the Company that were the "named executive officers" in the Company's 2008 proxy statement (the "Named Executives"):

Name and Position	Target 2008 Annual Incentive Award as a Percentage of Base Salary(1)
Donald J. Stebbins	
Chairman, President and Chief Executive Officer	115%
William G. Quigley III	
Executive Vice President and Chief Financial Officer	65%
John Donofrio	
Senior Vice President and General Counsel	60%

(1) Payments will be based on the base salary of the recipient as of December 31, 2009. Final payments may be adjusted based on the recipient's individual performance with respect to individual objectives, with a maximum payout of 200% of the award opportunity.

Pursuant to the 2009-2011 Long-Term Incentive, executives are eligible to receive a cash bonus to be payable in 2012 based on the achievement of three successive annual performance metrics. The final bonus amount payable following the conclusion of the three-year performance period is based upon the number of annual metrics achieved, with the achievement of each annual metric representing one-third of the total target award. For the first year of the 2009-2011 Long-Term Incentive, the opportunity will be based on the Company's financial performance relative to a target free cash flow metric (cash from operations minus capital expenditures, subject to certain adjustments) and a target EBITDAR metric (earnings before interest, taxes, depreciation and amortization, subject to certain adjustments). 50% of each eligible employee's award will be based on the free cash flow metric, with a target free cash flow of negative $89 million for 2009 and 50% will be based on the EBITDAR metric, with a target EBITDAR of $85 million for 2009. The Compensation Committee has the discretion to modify or adjust the metrics to take into account the disposition of businesses and/or facilities, currency fluctuations and other factors. Except under certain circumstances such as retirement or involuntary termination, an executive must be employed in good standing with the Company at the conclusion of the three-year performance period to be entitled to a bonus payment.

The following table sets forth the total 2009-2011 Long-Term Incentive opportunity for the Named Executives:

Name and Position	Target 2009-2011 Long-Term Incentive Award as a Percentage of Base Salary(1)
Donald J. Stebbins	
Chairman, President and Chief Executive Officer	375%
William G. Quigley III	
Executive Vice President and Chief Financial Officer	250%
John Donofrio	
Senior Vice President and General Counsel	150%

(1) Cash payments will be based on the base salary of the recipient as of December 31 of the fiscal year preceding payment.

2007-2009 Long-Term Incentive Performance Cash Metrics for 2009

In early 2007, the Compensation Committee awarded performance cash opportunities under the 2007-2009 Long-Term Incentive program, which are payable in 2010. Half of this bonus opportunity is based on the achievement of three successive annual “Restructuring” metrics, with the other half based on the achievement of three successive annual “Grow the Business” metrics. The final bonus amount payable following the conclusion of the three-year performance period is based upon the number of annual metrics achieved, with the achievement of each annual metric representing one-third of the total target award. On March 27, 2009, the Compensation Committee approved metrics for the third year of this program. Namely, the Restructuring metric will be based on the accomplishment of a reduction in total administrative and engineering staff costs in 2009 of at least 21.9% compared to 2008, and the Grow the Business metric will be based on a achieving incremental consolidated and unconsolidated new business wins and gross re-wins of at least $1 billion in 2009. The Compensation Committee has the discretion to modify or adjust the metrics to take into account the disposition of businesses and/or facilities, currency fluctuations and other factors. Except under certain circumstances such as retirement or involuntary termination, an executive must be employed in good standing with the Company at the conclusion of the three-year performance period to be entitled to a bonus payment.

2008-2010 Long-Term Incentive Performance Cash Metrics for 2009

In early 2008, the Compensation Committee awarded performance cash opportunities under the 2008-2010 Long-Term Incentive program, which are payable in 2011. The final bonus amount payable following the conclusion of the three-year performance period is based upon the number of annual metrics achieved, with the achievement of each annual metric representing one-third of the total target award. On March 27, 2009, the Compensation Committee approved the metric for the second year of this program. Namely, the Company must achieve a reduction in total administrative and engineering staff costs in 2009 of at least 21.9% compared to 2008. The Compensation Committee has the discretion to modify or adjust the metrics to take into account the disposition of businesses and/or facilities, currency fluctuations and other factors. Except under certain circumstances such as retirement or involuntary termination, an executive must be employed in good standing with the Company at the conclusion of the three-year performance period to be entitled to a bonus payment.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except as set forth herein, the information required by Item 10 regarding its directors is incorporated by reference from the information under the captions “Item 1. Election of Directors,” “Corporate Governance — Committees” and “Section 16(a) Beneficial Ownership Reporting Compliance” in its 2009 Proxy Statement. The information required by Item 10 regarding its executive officers appears as Item 4A under Part I of this Annual Report on Form 10-K.

The Company has adopted a code of ethics, as such phrase is defined in Item 406 of Regulation S-K, that applies to all directors, officers and employees of the Company and its subsidiaries, including the Chairman and Chief Executive Officer, the Executive Vice President and Chief Financial Officer and the Vice President and Chief Accounting Officer. The code, entitled “Ethics and Integrity Policy,” is available on the Company’s website at www.visteon.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the information under Item 9B under Part II of this Annual Report on Form 10-K and under the captions “Compensation Committee Report,” “Executive Compensation” and “Director Compensation” in its 2009 Proxy Statement.

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

Except as set forth herein, the information required by Item 12 is incorporated by reference from the information under the caption “Stock Ownership” in its 2009 Proxy Statement.

The following table summarizes information as of December 31, 2008 relating to its equity compensation plans pursuant to which grants of stock options, stock appreciation rights, stock rights, restricted stock, restricted stock units and other rights to acquire shares of its common stock may be made from time to time.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)(1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column(a)) (c)(2)
Equity compensation plans approved by security holders	15,543,519	$ 8.77	5,232,914
Equity compensation plans not approved by security holders	—		—
Total	15,543,519	$ 8.77	5,232,914

(1) Excludes 1,180,693 unvested shares of restricted common stock issued pursuant to the Visteon Corporation 2004 Incentive Plan and the Visteon Corporation Employees Equity Incentive Plan. Also excludes stock appreciation rights and restricted stock units issued pursuant to the Visteon Corporation 2004 Incentive Plan and Employees Equity Incentive Plan that by their terms may only be settled in cash.

(2) Excludes an indefinite number of deferred stock units that may be awarded under the Visteon Corporation Non-Employee Director Stock Unit Plan, which units may be settled in cash or shares of the Company’s common stock. Such Plan provides for an annual, automatic grant of stock units worth $70,000 to each non-employee director of the Company. There is no maximum number of securities that may be issued under this Plan, however, the Plan will terminate on May 12, 2014 unless earlier terminated by the Board of Directors. This Plan was approved by stockholders on May 10, 2006.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference from the information under the captions “Corporate Governance — Director Independence” and “Transactions with Related Persons” in its 2009 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is incorporated by reference from the information under the captions “Audit Fees” and “Audit Committee Pre-Approval Process and Policies” in its 2009 Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULE

(a) The following documents are filed as part of this report:

1. Financial Statements

See “Index to Consolidated Financial Statements” in Part II, Item 8 hereof.

2. Financial Statement Schedules

Schedule I — Condensed Financial Information of the Parent Company

Schedule II — Valuation and Qualifying Accounts

All other financial statement schedules are omitted because they are not required or applicable under instructions contained in Regulation S-X or because the information called for is shown in the financial statements and notes thereto.

3. Exhibits

(b) The exhibits listed on the “Exhibit Index” on pages 144— 150 are filed with this Annual Report on Form 10-K or incorporated by reference as set forth therein.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

CONDENSED STATEMENTS OF OPERATIONS

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
Net sales	$ 984	$ 1,249	$ 1,316
Cost of sales	1,353	1,661	1,746
Other expenses	682	872	828
Equity in net income of consolidated subsidiaries and non-consolidated affiliates	368	826	1,021
Loss from continuing operations before income taxes	(683)	(458)	(237)
Benefit for income taxes	(2)	(86)	(74)
Net loss	$ (681)	$ (372)	$ (163)

See accompanying notes to condensed financial information of the parent company.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

CONDENSED BALANCE SHEETS

	December 31	
	2008	2007
	(Dollars in Millions)	
ASSETS		
Cash and equivalents	$ 646	$ 1,173
Due from consolidated subsidiaries	5,916	4,391
Accounts receivable, net	112	137
Inventories, net	24	45
Equity in net assets of subsidiaries and affiliates	8,544	8,406
Property and equipment, net	204	280
Other assets	39	77
Total assets	$ 15,485	$ 14,509
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Debt, including debt in default	$ 2,464	$ 2,516
Due to consolidated subsidiaries	13,035	11,086
Other liabilities	873	997
Shareholders' deficit Preferred stock (par value $1.00, 50 million shares authorized, none outstanding)	—	—
Common stock (par value $1.00, 500 million shares authorized, 131 million shares issued, 131 million and 130 million shares outstanding, respectively)	131	131
Stock warrants	127	127
Additional paid in capital	3,407	3,406
Accumulated other comprehensive income and other	152	262
Accumulated deficit	(4,704)	(4,016)
Total shareholders' deficit	(887)	(90)
Total liabilities and shareholders' deficit	$ 15,485	$ 14,509

See accompanying notes to condensed financial information of the parent company.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

CONDENSED STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	2008	2007	2006
	(Dollars in Millions)		
Net cash (used by) provided from operating activities	$ (398)	$ 376	$ (383)
Investing Activities			
Capital expenditures	(45)	(66)	(27)
Other, including proceeds from asset disposals	22	1	(1)
Cash used by investing activities	(23)	(65)	(28)
Financing Activities			
Other short-term debt, net	—	—	(347)
Proceeds from issuance of other debt, net of issuance costs	260	496	1,329
Repurchase of unsecured debt securities	(337)	—	(141)
Principal payments on other debt	(7)	(7)	(358)
Other, including book overdrafts	(22)	(14)	1
Net cash (used by) provided from financing activities	(106)	475	484
Net increase in cash and equivalents	(527)	786	73
Cash and equivalents at beginning of year	1,173	387	314
Cash and equivalents at end of year	$ 646	$ 1,173	$ 387
Supplemental cash flow information:			
Cash dividends received from consolidated subsidiaries	$ 353	$ 3	$ 14
Cash dividends received from non-consolidated affiliates	$ —	$ —	$ —

See accompanying notes to condensed financial information of the parent company.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

NOTES TO CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Note 1. Basis of Presentation

The accompanying condensed financial statements include the accounts of Visteon Corporation (the "Parent Company") and, on an equity basis its subsidiaries and affiliates. These financial statements should be read in conjunction with the consolidated financial statements and the accompanying notes thereto of Visteon Corporation and Subsidiaries (the "Company").

Basis of Presentation

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"), consistently applied and on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Pursuant to affirmative covenants contained in the agreements associated with the Company's senior secured facilities and European Securitization (the "Facilities"), the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into amendments and waivers (the "Waivers") with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully discussed in Item 9B "Other Information" of this Annual Report on Form 10-K.

The Company is exploring various strategic and financing alternatives and has retained legal and financial advisors to assist in this regard. The Company has commenced discussions with lenders under the Facilities, including an ad hoc committee of lenders under its senior secured term loan (the "Ad Hoc Committee"), regarding the restructuring of the Company's capital structure. Additionally, the Company has commenced discussions with certain of its major customers to address its liquidity and capital requirements. Any such restructuring may affect the terms of the Facilities, other debt and common stock and may be affected through negotiated modifications to the related agreements or through other forms of restructurings, including under court supervision pursuant to a voluntary bankruptcy filing under Chapter 11 of the U.S. Bankruptcy Code. There can be no assurance that an agreement regarding any such restructuring will be obtained on acceptable terms with the necessary parties or at all. If an acceptable agreement is not obtained, an event of default under the Facilities would occur as of the expiration of the Waivers, excluding any extensions thereof, and the lenders would have the right to accelerate the obligations thereunder. Acceleration of the Company's obligations under the Facilities would constitute an event of default under the senior unsecured notes and would likely result in the acceleration of these obligations as well. In any such event, the Company may be required to seek protection under Chapter 11 of the U.S. Bankruptcy Code.

The aforementioned resulted in the current classification of substantially all of the Company's long-term debt as current liabilities in the Company's consolidated balance sheet as of December 31, 2008.

Visteon's ability to continue operating as a going concern is, among other things, dependent on the success of discussions with the lenders under the Facilities, including the Ad Hoc Committee. The Company's financial statements do not include any adjustments related to assets or liabilities that may be necessary should the Company not be able to continue as a going concern.

Reclassifications: Certain prior year amounts have been reclassified to conform to current year presentation.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

NOTES TO CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Other Liabilities: Pension liabilities and other postretirement employee benefits of $280 and $144, respectively for 2008 and $106 and $151, respectively for 2007 are included in "Other liabilities."

Note 2. Debt

Pursuant to affirmative covenants under the Facilities, the Company is required to provide audited annual financial statements within a prescribed period of time after the end of each fiscal year without a "going concern" audit report or like qualification or exception. On March 31, 2009, the Company's independent registered public accounting firm included an explanatory paragraph in its audit report on the Company's 2008 consolidated financial statements indicating substantial doubt about the Company's ability to continue as a going concern. The receipt of such an explanatory statement constitutes a default under the Facilities. On March 31, 2009, the Company entered into Waivers with the lenders under the Facilities, which provide for waivers of such defaults for limited periods of time, as more fully discussed in Item 9B "Other Information" of this Annual Report on Form 10-K.

These events have resulted in the classification of substantially all long-term debt as a current liability in accordance with the requirements of Statement of Financial Accounting Standards No. 78, "Classification of Obligations that are Callable by the Creditor" and FASB Emerging Issues Task Force No. Issue No. 86-30, "Classification of Obligations When a Violation Is Waived by the Creditor".

Parent Company short and long-term debt consisted of the following:

	Maturity	Weighted Average Interest Rate		Book Value	
		2008	2007	2008	2007
		(Dollars in Millions)			
Short-term debt					
Debt in default		7.5%	—	$ 2,455	$ —
Current portion of long-term debt		7.6%	7.6%	4	6
Total short-term debt				2,459	6
Long-term debt					
8.25% notes due August 1, 2010	2010	—	8.4%	—	553
Term loan due June 13, 2013	2013	—	8.5%	—	1,000
Term loan due December 13, 2013	2013	—	8.6%	—	500
7.00% notes due March 10, 2014	2014	—	7.7%	—	449
12.25% notes due December 31, 2016	2016	—	—	—	—
Other	2010-2012	7.6%	7.6%	5	8
Total long-term debt				5	2,510
Total debt				$ 2,464	$ 2,516

Aggregate annual maturities of debt, including capital lease obligations at December 31, 2008, were as follows (in millions): 2009 — $2,459 million; 2010 — $3 million; 2011 — $1 million; 2012 — $1 million.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

NOTES TO CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Note 3. Subsequent Event

On March 31, 2009, Visteon UK Limited, a company organized under the laws of England and Wales and an indirect, wholly-owned subsidiary of the Company (the "UK Debtor"), filed for administration (the "UK Administration") under the United Kingdom Insolvency Act of 1986 with the High Court of Justice, Chancery division in London, England. The UK Administration does not include the Company or any of the Company's other subsidiaries. The UK Administration was initiated in response to continuing operating losses of the UK Debtor and mounting labor costs and their related demand on the Company's cash flows. Under the UK Administration, the UK Debtor will likely be run down. The UK Debtor has operations in Enfield, UK, Basildon, UK, and Belfast, UK and recorded sales of $250 million for the year ended December 31, 2008. The UK Debtor had total assets of $153 million as of December 31, 2008.

VISTEON CORPORATION AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	(Benefits)/ Charges to Income	Deductions(a)	Other(b)	Balance at End of Year
			(Dollars in Millions)		
Year Ended December 31, 2008:					
Allowance for doubtful accounts	$ 18	$ 1	$ —	$ 18	$ 37
Valuation allowance for deferred taxes	2,102	316	—	(339)	2,079
Year Ended December 31, 2007:					
Allowance for doubtful accounts	$ 44	$ (19)	$ (7)	$ —	$ 18
Valuation allowance for deferred taxes	2,103	160	—	(161)	2,102
Year Ended December 31, 2006:					
Allowance for doubtful accounts	$ 77	$ 4	$ (20)	$ (17)	$ 44
Valuation allowance for deferred taxes	1,961	178	—	(36)	2,103

(a) Deductions represent uncollectible accounts charged off.

(b) *Valuation allowance for deferred taxes*

Represents adjustments recorded through other comprehensive income, exchange and includes other adjustments such as adjustments related to the Company's U.S. residual tax liability on assumed repatriation of foreign earnings, various tax return true-up adjustments and adjustments related to deferred tax attributes adjusted for uncertain tax positions carrying a full valuation allowance, all of which impact deferred taxes and the related valuation allowances. In 2008, other also includes the transfer of certain U.K. tax attributes carrying a full valuation allowance to Linamar Corporation in connection with the Swansea Divestiture in the third quarter of 2008.

Allowance for doubtful accounts

Other represents a reduction of allowance amounts upon entering into the European securitization agreement in 2006, as those receivables were recorded at fair value. The European securitization amendment in October 2008 whereby the Transferor was consolidated in accordance with the requirements of FIN 46(R), resulted an increase of the allowance for doubtful accounts.

EXHIBIT INDEX

Exhibit Number	Exhibit Name
3.1	Amended and Restated Certificate of Incorporation of Visteon Corporation ("Visteon") is incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K of Visteon dated May 22, 2007.
3.2	Amended and Restated By-laws of Visteon as in effect on the date hereof is incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K of Visteon dated May 22, 2007.
4.1	Amended and Restated Indenture dated as of March 10, 2004 between Visteon and J.P. Morgan Trust Company, as Trustee.
4.2	Supplemental Indenture dated as of March 10, 2004 between Visteon and J.P. Morgan Trust Company, as Trustee.
4.3	Form of Common Stock Certificate of Visteon is incorporated herein by reference to Exhibit 4.1 to Amendment No. 1 to the Registration Statement on Form 10 of Visteon dated May 19, 2000.
4.4	Warrant to purchase 25 million shares of common stock of Visteon, dated as of May 17, 2007, is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon dated May 18, 2007.
4.5	Form of Stockholder Agreement, dated as of October 1, 2005, between Visteon and Ford Motor Company ("Ford") is incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
4.6	Letter Agreement, dated as of May 17, 2007, among Visteon, LB I Group, Inc. and Ford Motor Company is incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of Visteon dated May 18, 2007.
4.7	Term sheet dated July 31, 2000 establishing the terms of Visteon's 8.25% Notes due August 1, 2010 and 7.00% Notes due March 10, 2014 is incorporated herein by reference to Exhibit 4.7 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.
4.8	Second Supplemental Indenture, dated as of June 18, 2008, between Visteon, the guarantors party thereto and The Bank of New York Trust Company, N.A., as Trustee, (including a form of Note) is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon dated June 24, 2008.
10.1	Master Transfer Agreement dated as of March 30, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.2 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.2	Master Separation Agreement dated as of June 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Registration Statement on Form S-1 of Visteon dated June 6, 2000 (File No. 333-38388).
10.3	Amended and Restated Employee Transition Agreement dated as of April 1, 2000, as amended and restated as of December 19, 2003, between Visteon and Ford.
10.3.1	Amendment Number Two, effective as of October 1, 2005, to Amended and Restated Employee Transition Agreement, dated as of April 1, 2000 and restated as of December 19, 2003, between Visteon and Ford is incorporated herein by reference to Exhibit 10.15 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.4	Tax Sharing Agreement dated as of June 1, 2000 between Visteon and Ford is incorporated herein by reference to Exhibit 10.8 to the Registration Statement on Form S-1 of Visteon dated June 2, 2000 (File No. 333-38388).
10.5	Visteon Corporation 2004 Incentive Plan, as amended through March 12, 2009.*
10.5.1	Form of Terms and Conditions of Nonqualified Stock Options is incorporated herein by reference to Exhibit 10.5.2 to the Quarterly Report on Form 10-Q of Visteon dated November 8, 2007.*
10.5.2	Form of Terms and Conditions of Restricted Stock Grants is incorporated herein by reference to Exhibit 10.5.2 to the Quarterly Report on Form 10-Q of Visteon dated May 9, 2007.*
10.5.3	Form of Terms and Conditions of Restricted Stock Units is incorporated herein by reference to Exhibit 10.5.3 to the Quarterly Report on Form 10-Q of Visteon dated May 9, 2007.*

Exhibit Number	Exhibit Name
10.5.4	Form of Terms and Conditions of Stock Appreciation Rights is incorporated herein by reference to Exhibit 10.5.4 to the Quarterly Report on Form 10-Q of Visteon dated May 9, 2007.*
10.5.5	Form of Terms and Conditions of Stock Appreciation Rights (stock or cash settled) is incorporated herein by reference to Exhibit 10.5.6 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.5.6	Form of Terms and Conditions of Restricted Stock Units (stock or cash settled) is incorporated herein by reference to Exhibit 10.5.7 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*
10.6	Form of Amended and Restated Three Year Executive Officer Change in Control Agreement is incorporated herein by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of Visteon dated October 30, 2008.*
10.6.1	Schedule identifying substantially identical agreements to Revised Change in Control Agreement constituting Exhibit 10.6 and Amendment to Revised Change of Control Agreement constituting Exhibit 10.6.1 hereto entered into by Visteon with Messrs. Johnston, Stebbins, Donofrio, and Quigley and Ms. Stephenson, is incorporated herein by reference to Exhibit 10.6.2 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2007.*
10.7	Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, as amended effective June 12, 2008, is incorporated herein by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 2008.*
10.7.1	Amendments to the Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, dated as of March 27, 2009.*
10.8	Visteon Corporation Restricted Stock Plan for Non-Employee Directors.*
10.8.1	Amendments to the Visteon Corporation Restricted Stock Plan for Non-Employee Directors, effective as of January 1, 2005 is incorporated herein by reference to Exhibit 10.15.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.8.2	Amendment to the Visteon Corporation Restricted Stock Plan for Non-Employee Directors, effective as of May 10, 2006, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated May 12, 2006.*
10.9	Visteon Corporation Deferred Compensation Plan, as amended and restated effective January 1, 2009.*
10.10	Employment Agreement dated as of December 7, 2004 between Visteon and William G. Quigley III is incorporated herein by reference to Exhibit 10.17 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2005.*
10.11	Visteon Corporation Pension Parity Plan, as amended and restated effective January 1, 2009.*
10.12	Visteon Corporation Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2009.*
10.13	Amended and Restated Employment Agreement, effective as of March 1, 2007, between Visteon and Michael F. Johnston is incorporated herein by reference to Exhibit 10.13 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2006.*
10.14	Visteon Corporation Executive Separation Allowance Plan, as amended and restated effective January 1, 2009.*
10.15	Trust Agreement dated as of February 7, 2003 between Visteon and The Northern Trust Company establishing a grantor trust for purposes of paying amounts to certain directors and executive officers under the plans constituting Exhibits 10.6, 10.6.1, 10.7, 10.7.1, 10.9, 10.9.1, 10.11, 10.11.1, 10.12, 10.12.1, 10.12.2, 10.14 and 10.14.1 hereto is incorporated herein by reference to Exhibit 10.15 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.*

Exhibit Number	Exhibit Name
10.16	Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.17 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.16.1	First Amendment to Credit Agreement and Consent, dated as of November 27, 2006, to the Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated December 1, 2006.
10.16.2	Second Amendment to Credit Agreement and Consent, dated as of April 10, 2007, to the Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated April 16, 2007.
10.16.3	Third Amendment to Credit Agreement, dated as of March 12, 2008, to the Credit Agreement, dated as of August 14, 2006, among Visteon, certain subsidiaries of Visteon, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, NA, Sumitomo Mitsui Banking Corporation, New York, and Wachovia Capital Finance Corporation (Central), as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.16.3 to the Quarterly Report on Form 10-Q of Visteon dated April 30, 2008.
10.17	Amended and Restated Credit Agreement, dated as of April 10, 2007, among Visteon, the several banks and other financial institutions or entities from time to time party thereto, Credit Suisse Securities (USA) LLC and Sumitomo Mitsui Banking Corporation, as co-documentation agents, Citicorp USA, Inc., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent, is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated April 16, 2007.
10.18	Hourly Employee Conversion Agreement dated as of December 22, 2003 between Visteon and Ford.
10.19	Letter Agreement, effective as of May 23, 2005, between Visteon and Mr. Donald J. Stebbins is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated May 23, 2005.*
10.20	Visteon Corporation Non-Employee Director Stock Unit Plan, as amended effective June 12, 2008, is incorporated herein by reference to Exhibit 10.20 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 2008.*
10.20.1	Amendments to the Visteon Corporation Non-Employee Director Stock Unit Plan, dated as of March 27, 2009.*
10.21	Change in Control Agreement, as amended and restated as of October 3, 2008, between Mr. T. Gohl and Visteon.*
10.22	Visteon Executive Severance Plan, as amended and restated as December 15, 2008.*
10.23	Form of Executive Retiree Health Care Agreement is incorporated herein by reference to Exhibit 10.28 to the Current Report on Form 8-K of Visteon dated December 9, 2004.*

Exhibit Number	Exhibit Name
10.23.1	Schedule identifying substantially identical agreements to Executive Retiree Health Care Agreement constituting Exhibit 10.23 hereto entered into by Visteon with Messrs. Johnston and Stebbins and Ms. D. Stephenson is incorporated herein by reference to Exhibit 10.25.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2007.*
10.24	Contribution Agreement, dated as of September 12, 2005, between Visteon and VHF Holdings, Inc. is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
10.25	Visteon “A” Transaction Agreement, dated as of September 12, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
10.26	Visteon “B” Purchase Agreement, dated as of September 12, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated September 16, 2005.
10.27	Escrow Agreement, dated as of October 1, 2005, among Visteon, Ford and Deutsche Bank Trust Company Americas, as escrow agent, is incorporated herein by reference to Exhibit 10.11 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.27.1	Amendment, dated as of August 14, 2008, to the Escrow Agreement, dated as of October 1, 2005, among Ford, Visteon and Deutsche Bank Trust Company Americas is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated August 20, 2008
10.28	Amended and Rested Reimbursement Agreement, dated as of August 14, 2008, between Visteon and Ford is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated August 20, 2008.
10.29	Master Services Agreement, dated as of September 30, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.29.1	Third Amendment, dated as of August 14, 2008, to the Master Services Agreement, dated as of September 30, 2005, as amended, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated August 20, 2008.
10.30	Visteon Hourly Employee Lease Agreement, effective as of October 1, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.30.1	Amendment No. 1, dated as of November 16, 2006, to Visteon Hourly Employee Lease Agreement, effective as of October 1, 2005, between Visteon and Automotive Components Holdings, LLC.
10.30.2	Letter Agreement, dated as of February 20, 2008, to Visteon Hourly Employee Lease Agreement, effective as of October 1, 2005, between Visteon and Automotive Components Holdings, LLC.
10.31	Visteon Hourly Employee Conversion Agreement, dated effective as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.9 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.32	Visteon Salaried Employee Lease Agreement, effective as of October 1, 2005, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.32.1	Amendment to Salaried Employee Lease Agreement and Payment Acceleration Agreement, dated as of March 30, 2006, among Visteon, Ford Motor Company and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.46.1 to the Quarterly Report on Form 10-Q of Visteon dated May 10, 2006.

Exhibit Number	Exhibit Name
10.32.2	Amendment, dated as of August 14, 2008, to the Visteon Salaried Employee Lease Agreement, dated as of October 1, 2005, as amended, between Visteon and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated August 20, 2008
10.33	Visteon Salaried Employee Lease Agreement (Rawsonville/Sterling), dated as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.8 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.34	Visteon Salaried Employee Transition Agreement, dated effective as of October 1, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.10 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.34.1	Amendment Number One to Visteon Salaried Employee Transition Agreement, effective as of March 1, 2006, between Visteon and Ford is incorporated herein by reference to Exhibit 10.36.1 to the Quarterly Report on Form 10-Q of Visteon dated August 8, 2006.
10.34.2	Amendment Number Two to Visteon Salaried Employee Transition Agreement, effective as of January 1, 2008, between Visteon and Ford.
10.35	Purchase and Supply Agreement, dated as of September 30, 2005, between Visteon (as seller) and Automotive Components Holdings, LLC (as buyer) is incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon dated October 6, 2005.†
10.36	Purchase and Supply Agreement, dated as of September 30, 2005, between Automotive Components Holdings, LLC (as seller) and Visteon (as buyer) is incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of Visteon dated October 6, 2005.†
10.37	Purchase and Supply Agreement, dated as of October 1, 2005, between Visteon (as seller) and Ford (as buyer) is incorporated herein by reference to Exhibit 10.13 to the Current Report on Form 8-K of Visteon dated October 6, 2005.†
10.38	Intellectual Property Contribution Agreement, dated as of September 30, 2005, among Visteon, Visteon Global Technologies, Inc., Automotive Components Holdings, Inc. and Automotive Components Holdings, LLC is incorporated herein by reference to Exhibit 10.6 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.38.1	Amendment to Intellectual Property Contribution Agreement, dated as of December 11, 2006, among Visteon, Visteon Global Technologies, Inc., Automotive Components Holdings, Inc. and Automotive Components Holdings, LLC, is incorporated herein by reference to Exhibit 10.40.1 to the Annual Report on Form 10-K of Visteon for the period ended December 31, 2006.
10.38.2	Fourth Amendment, dated as of August 14, 2008, to the Intellectual Property Contribution Agreement, dated as of October 1, 2005, as amended, among Visteon, Visteon Global Technologies, Inc., Automotive Components Holdings, LLC and Automotive Components Holdings, Inc. is incorporated herein by reference to Exhibit 10.5 to the Current Report on Form 8-K of Visteon dated August 20, 2008
10.39	Software License and Contribution Agreement, dated as of September 30, 2005, among Visteon, Visteon Global Technologies, Inc. and Automotive Components Holdings, Inc. is incorporated herein by reference to Exhibit 10.7 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.40	Intellectual Property License Agreement, dated as of October 1, 2005, among Visteon, Visteon Global Technologies, Inc. and Ford is incorporated herein by reference to Exhibit 10.14 to the Current Report on Form 8-K of Visteon dated October 6, 2005.
10.41	Master Agreement, dated as of September 12, 2005, between Visteon and Ford is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated September 16, 2005.

Exhibit Number	Exhibit Name
10.42	Form of Master Receivables Purchase & Servicing Agreement, dated as of August 14, 2006 and as amended and restated as of October 29, 2008, by and among Visteon UK Limited, Visteon Deutschland GmbH, Visteon Sistemas Interiores Espana S.L.U., Cadiz Electronica S.A.U., Visteon Portuguesa Limited, VC Receivables Financing Corporation Limited, Visteon Electronics Corporation, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank, N.A., Citibank International Plc, Citicorp USA, Inc., and Visteon.
10.43	Variable Funding Agreement, dated as of August 14, 2006, by and among Visteon UK Limited, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank International PLC, and certain financial institutions listed therein, is incorporated herein by reference to Exhibit 10.45 to the Quarterly Report on Form 10-Q of Visteon dated November 7, 2006.
10.44	Form Subordinated VLN Facility Agreement, dated as of August 14, 2006 and as amended and restated as of October 29, 2008, by and among Visteon Netherlands Finance B.V., Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., and Citibank International PLC.
10.45	Form of Master Definitions and Framework Deed, dated as of August 14, 2006 and as amended and restated as of October 29, 2008, by and among Visteon, Visteon Netherlands Finance B.V., Visteon UK Limited, Visteon Deutschland GmbH, Visteon Systemes Interieurs S.A.S., Visteon Ardennes Industries S.A.S., Visteon Sistemas Interiores Espana S.L.U., Cadiz Electronica S.A.U., Visteon Portuguesa Limited, VC Receivables Financing Corporation Limited, Visteon Electronics Corporation, Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., Citibank, N.A., Citibank International PLC, Citicorp USA, Inc., Wilmington Trust SP Services (Dublin) Limited, and certain financial institutions and other entities listed therein.
10.46	Share Purchase Agreement, dated as of July 7, 2008, among Visteon UK Limited, Linamar UK Holdings Inc. and Visteon Swansea Limited is incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon dated July 11, 2008.
10.47	Limited Waiver, dated as of March 31, 2009, among Visteon, JPMorgan Chase Bank, N.A., and certain lenders party thereto.
10.48	Letter agreement, dated as of March 31, 2009, among Visteon and certain members of an ad hoc steering committee of lenders.
10.49	Fourth Amendment and Limited Waiver to Credit Agreement and Amendment to Security Agreement, dated as of March 31, 2009, among Visteon, certain of its subsidiaries, certain lenders party thereto, and JPMorgan Chase Bank, N.A.
10.50	Visteon Securitisation Programme — Conditional Waiver, dated as of March 30, 2009, among Citibank International Plc, Citicorp USA, Inc., Visteon Financial Centre P.L.C., The Law Debenture Trust Corporation P.L.C., France Titrisation, BNP Paribas Securities Services, certain lenders party thereto, Visteon, Visteon Netherlands Finance B.V., Visteon Electronics Corporation, Visteon Deutschland GmbH, Visteon Systemes Interieurs S.A.S., Visteon Ardennes Industries S.A.S., Visteon Sistemas Interiores Espana S.L.U., Cadiz Electronica S.A.U., Visteon Portuguesa Limited, and VC Receivables Financing Corporation Limited.
12.1	Statement re: Computation of Ratios.
14.1	Visteon Corporation — Ethics and Integrity Policy (code of business conduct and ethics) is incorporated herein by reference to Exhibit 14.1 to the Quarterly Report on Form 10-Q of Visteon dated July 30, 2008.
21.1	Subsidiaries of Visteon.
23.1	Consent of Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP.
24.1	Powers of Attorney relating to execution of this Annual Report on Form 10-K.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer dated March 31, 2009.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer dated March 31, 2009.

Exhibit Number	Exhibit Name
32.1	Section 1350 Certification of Chief Executive Officer dated March 31, 2009.
32.2	Section 1350 Certification of Chief Financial Officer dated March 31, 2009.

† Portions of these exhibits have been redacted pursuant to confidential treatment requests filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. The redacted material was filed separately with the Securities and Exchange Commission.

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

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

SIGNATURES

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

VISTEON CORPORATION

By: /s/ DONALD J. STEBBINS
Donald J. Stebbins

Date: March 31, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on March 31, 2009, by the following persons on behalf of Visteon Corporation and in the capacities indicated.

Signature	Title
/s/ Donald J. Stebbins Donald J. Stebbins	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ William G. Quigley III William G. Quigley III	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Michael J. Widgren Michael J. Widgren	Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)
/s/ William H. Gray, III* William H. Gray, III	Director
/s/ Steven K. Hamp* Steven K. Hamp	Director
/s/ Patricia L. Higgins* Patricia L. Higgins	Director
/s/ Karl J. Krapek* Karl J. Krapek	Director
/s/ Alex J. Mandl* Alex J. Mandl	Director
/s/ Charles L. Schaffer* Charles L. Schaffer	Director
/s/ Richard J. Taggart* Richard J. Taggart	Director
/s/ James D. Thornton* James D. Thornton	Director
/s/ Kenneth B. Woodrow* Kenneth B. Woodrow	Director

*By: /s/ William G. Quigley III
William G. Quigley III
Attorney-in-Fact

EXHIBIT 4.1

VISTEON CORPORATION

AND

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,

TRUSTEE

AMENDED AND RESTATED INDENTURE

DATED AS OF MARCH 10, 2004

DEBT SECURITIES

TABLE OF CONTENTS

CROSS-REFERENCE TABLE*

SECTION OF TRUST INDENTURE ACT OF 1939, AS AMENDED	SECTION OF AMENDED AND RESTATED INDENTURE
310(a)(1), (2) and (5)	7.09
310(a)(3) and (4)	Not applicable
310(b)	7.08
310(c)	Not applicable
311(a) and (b)	7.13
311(c)	Not applicable
312(a)	5.01 and 5.02(a)
312(b) and (c)	5.02(b) and (c)
313(a), (b) and (c)	5.04(a)
313(d)	5.04(b)
314(a)	4.05 and 5.03
314(b)	Not applicable
314(c)(1) and (2)	14.04
314(c)(3)	Not applicable
314(d)	Not applicable
314(e)	14.04
315(a), (c) and (d)	7.01
315(b)	6.07
315(e)	6.08
316(a)(1)	6.06
316(a)(2)	Omitted
316(a) last sentence	8.04
316(b)	6.04
316(c)	9.02
317(a)	6.02
317(b)	4.03
318(a)	14.06

* This Cross Reference Table does not constitute part of the Amended and Restated Indenture and shall not have any bearing upon the interpretation of any of its terms or provisions.

THIS AMENDED AND RESTATED INDENTURE, dated as of the 10th day of March, 2004 between VISTEON CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter sometimes called the "Corporation"), party of the first part, and J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, a banking association duly incorporated and existing under the laws of the United States of America, as trustee hereunder (hereinafter sometimes called the "Trustee," which term shall include any successor trustee appointed pursuant to Article Seven), amends and restates the Indenture dated as of June 23, 2000 between the Corporation and the Trustee.

WITNESSETH:

WHEREAS, the Corporation deems it necessary or appropriate to issue from time to time for its lawful purposes securities (hereinafter called the "Securities" or, in the singular, "Security") evidencing its unsecured indebtedness and has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Securities in one or more series, unlimited as to principal amount, to bear such rates of interest, to mature at such time or times and to have such other provisions as shall be established as hereinafter provided; and

WHEREAS, the Corporation represents that all acts by it necessary to constitute these presents a valid indenture and agreement according to its terms have been done and performed, and the execution of this Indenture has in all respects been duly authorized by the Corporation, and the Corporation, in the exercise of legal rights and power in it vested, is executing this Indenture;

NOW, THEREFORE: In order to declare the terms and conditions upon which the Securities are authenticated, issued and received, and in consideration of the premises, of the purchase and acceptance of the Securities by the Holders thereof and of the sum of one dollar to it duly paid by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Securities, as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01 DEFINITIONS. The terms defined in this Section (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933, as amended, shall have the meanings (except as herein otherwise expressly provided or unless the context otherwise clearly requires) assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole, including the Exhibits to this instrument, and not to any particular Article, Section or other subdivision. Certain terms used wholly or principally within an Article of this Indenture may be defined in that Article.

ADDITIONAL AMOUNTS. The term "Additional Amounts" shall mean any additional amounts which are required by a Security or by or pursuant to a Board Resolution under circumstances specified therein, to be paid by the Corporation in respect of certain taxes, assessments or governmental charges imposed on certain Holders of Securities and which are owing to such Holders of Securities.

AUTHORIZED NEWSPAPER. The term "Authorized Newspaper" shall mean a newspaper in an official language of the country of publication of general circulation in the place in connection with which the term is used. If it shall be impracticable in the opinion of the Trustee to make any publication of any notice required hereby in an Authorized Newspaper, any publication or other notice in lieu thereof which is made or given with the approval of the Trustee shall constitute a sufficient publication of such notice.

BOARD OF DIRECTORS. The term "Board of Directors" shall mean the Board of Directors of the Corporation or the Executive Committee or Securities Pricing Committee of the Corporation or any committee established by the Board of Directors.

BOARD RESOLUTION. The term "Board Resolution" shall mean a resolution certified by the Secretary or an Assistant Secretary of the Corporation to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

BUSINESS DAY. The term "Business Day" shall mean, with respect to any Security, a day (other than a Saturday or Sunday) that in the city (or in any of the cities, of more than one) in which amounts are payable as specified on the face of the form of such Security, is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close.

CORPORATE TRUST OFFICE. The term "Corporate Trust Office" means the office of the Trustee in Tempe, Arizona, at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 660 South Mill, Fourth Floor, Attention: Institutional Trust Services, Tempe, Arizona 85281, provided that for purposes of Section 4.02, the Corporate Trust Office shall mean the office of the Trustee located at 4 New York Plaza, 18th Floor, New York, New York 10004.

CORPORATION. The term "Corporation" shall mean the person named as the "Corporation" in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Corporation" shall mean such successor corporation.

CORPORATION ORDER. The term "Corporation Order" shall mean any request, order or confirmation to the Trustee signed by a person designated pursuant to Section 2.03, which may be transmitted by telex, by telecopy or in writing.

COUPON. The term "Coupon" shall mean any interest coupon appertaining to a Security.

COUPON SECURITY. The term "Coupon Security" shall mean any Security authenticated and delivered with one or more Coupons appertaining thereto.

CURRENCY. The term "Currency" means dollars or foreign currency.

DEPOSITORY. The term "Depository" shall mean, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository by the Corporation pursuant to Section 2.01 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the Securities of that series.

EVENT OF DEFAULT. The term "Event of Default" shall mean any event specified as such in Section 6.01.

GLOBAL SECURITY. The term "Global Security" shall mean a Registered Security or an Unregistered Security evidencing all or part of a series of Securities issued to the Depository for such series in accordance with Section 2.03.

HOLDER. The terms "Holder," "Holder of Securities," "Securityholder" or other similar terms, shall mean (a) in the case of any Registered Security, the person in whose name at the time such Security is registered on the registration books kept for that purpose in accordance with the terms hereof, and (b) in the case of any Unregistered Security, the bearer of such Security.

INDENTURE. The term "Indenture" shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

INTEREST PAYMENT DATE. The term "Interest Payment Date" when used with respect to any Security, means the stated maturity of an installment of interest on such Security.

ISSUE DATE. The term "Issue Date" shall mean, with respect to any Security, whether evidenced by a Registered Security or an Unregistered Security, the date such Security is authenticated pursuant to Section 2.03.

MATURITY DATE. The term "Maturity Date" when used with respect to any Security, shall mean the stated maturity of the Security.

OFFICERS' CERTIFICATE. The term "Officers' Certificate" shall mean a certificate signed on behalf of the Corporation (and without personal liability), and complying with Section 14.04, by the Chairman of the Board of Directors or the President or any Vice President or the Treasurer and by the Secretary or any Assistant Secretary or, if the other signatory is other than the Treasurer, any Assistant Treasurer of the Corporation.

OPINION OF COUNSEL. The term "Opinion of Counsel" shall mean an opinion in writing, complying with Section 14.04, signed by legal counsel who may be an employee of or counsel to the Corporation or who may be other counsel acceptable to the Trustee.

ORIGINAL ISSUE DISCOUNT SECURITIES. The term "Original Issue Discount Securities" shall mean any Securities that are initially sold at a discount from the principal amount thereof and that provide upon an Event of Default for declaration of an amount less than the principal amount thereof to be due and payable upon acceleration thereof.

OUTSTANDING. The term "outstanding" when used with reference to Securities, shall, subject to the provisions of Section 8.01, Section 8.04 and Section 8.06, mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Corporation) or shall have been set aside and segregated in trust by the Corporation (if the Corporation shall act as its own Paying Agent), provided, that if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article Three, or provisions satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities in lieu of and in substitution for which other Securities shall have been authenticated and delivered pursuant to the terms of Article Two, unless proof satisfactory to the Trustee is presented that any such Securities are held by bona fide Holders in due course.

PAYING AGENT. The term "Paying Agent" shall mean initially J.P. Morgan Trust Company, National Association. and, subsequently, any other paying agent appointed by the Corporation from time to time in respect of the Securities.

PERSON. The term "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company trust or other entity, unincorporated organization or government or any agency or political subdivision thereof.

PLACE OF PAYMENT. The term "Place of Payment," when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest, if any, (and Additional Amounts, if any) on the Securities of that series are payable.

REGISTERED SECURITY. The term "Registered Security" shall mean any Security registered on the Security registration books of the Corporation.

REGULAR RECORD DATE. The term "Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Sections 2.01 and 2.04.

RESPONSIBLE OFFICER. The term "responsible officer" when used with respect to the Trustee shall mean any officer assigned by the Trustee to administer its corporate trust matters.

SECURITY REGISTER AND SECURITY REGISTRAR. The term "Security Register" and "Security Registrar" shall have the respective meanings specified in Section 2.05.

SIGNIFICANT SUBSIDIARY. The term "Significant Subsidiary" shall mean any Subsidiary of the Corporation that, at any time, has at least 5% of the consolidated revenues of the Corporation and its Subsidiaries at such time as reflected in the most recent annual audited consolidated financial Statements of the Corporation.

SUBSIDIARY. The term "Subsidiary" shall mean any corporation or other entity of which at least a majority of the outstanding stock or other beneficial interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other governing body of such corporation or other entity (irrespective of whether or not at the time stock or other beneficial interests of another class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time owned by the Corporation, or by one or more Subsidiaries, or by the Corporation and one or more Subsidiaries.

TRUST INDENTURE ACT OF 1939. The term "Trust Indenture Act of 1939" shall mean the Trust Indenture Act of 1939, as amended.

UNITED STATES. The term "United States" shall mean the United States of America (including the states thereof and the District of Columbia) and its possessions (including the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

UNREGISTERED SECURITY. The term "Unregistered Security" shall mean any Security other than a Registered Security.

U.S. DOLLAR. The term "U.S. Dollar" or "$" means a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts.

SECTION 1.02 NOTICE TO SECURITYHOLDERS. Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of Securities of any event, such notice shall be sufficiently given if in writing and mailed, first class, postage prepaid, to each Holder at such Holder's address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for such notice.

Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Security shall affect the sufficiency of such notice with respect to other Holders of Securities.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be

made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Securities shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

ARTICLE II.

ISSUE, EXECUTION, REGISTRATION AND EXCHANGE OF SECURITIES.

SECTION 2.01 AMOUNT UNLIMITED; ISSUABLE IN SERIES. The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution, and set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

(1) the designation of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.05, 2.06, 2.07, 3.02 or 10.04);

(3) the date or dates on which the principal of the Securities of the series is payable, or the manner of determining the maturity date or dates;

(4) the rate or rates, which may be fixed or variable, at which the Securities of the series shall bear interest, if any, and if the rate or rates are variable, the manner of calculation thereof, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and, in the case of Registered Securities, the Regular Record Date for the determination of Holders of such Securities to whom interest is payable on any Interest Payment Date;

(5) the place or places (in addition to such place or places specified in this Indenture) where the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on Securities of the series shall be payable and where Securities of the series may be surrendered for exchange, when Securities of the series that are convertible or exchangeable may be surrendered for conversion or exchange;

(6) the right, if any, of the Corporation to redeem the Securities of the series, in whole or in part, at its option and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed pursuant to any sinking fund or otherwise;

(7) the obligation, if any, of the Corporation to redeem, purchase or repay Securities of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(8) if other than U.S. Dollars, the currency or currencies, including Euros, in which the Securities of the series shall be denominated and in which payments of principal of (premium, if any), interest, if any, and Additional Amounts, if any, payable with respect to such Securities shall or may be payable; the manner in which such currency or currencies will be determined; and if the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on the Securities of such series are to be payable, at the election of the Corporation or a Holder thereof, in a currency or currencies, other than that or those in which the Securities are stated to be payable, the currency or currencies in which payment of the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on Securities of such series as to which such election is made shall be payable, and the periods within which and the terms and conditions upon which such election is to be made;

(9) if the amount of principal of and interest on the Securities of the series may be determined with reference to an index based on a currency or currencies other than that in which the Securities of the series are denominated, the manner in which such amounts shall be determined;

(10) the denominations in which Securities of the series shall be issuable, if other than U.S. $1,000 or integral multiples thereof, with respect to Registered Securities, and denominations of U.S. $1,000 and U.S. $5,000 for Unregistered Securities;

(11) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof or which the Trustee shall be entitled to claim pursuant to Section 6.02;

(12) whether the Securities of the series will be issuable as Registered Securities or Unregistered Securities (with or without Coupons), or both, any restrictions applicable to the offer, sale or delivery of Unregistered Securities and, if other than as provided for in Section 2.05, the terms upon which Unregistered Securities of the series may be exchanged for Registered Securities of such series and vice versa; and whether the Securities of the series shall be issued in whole or in part in the form of one or more Global Securities and, in such case, the Depository for such Global Security or Securities and whether any Global Securities of the series are to be issuable initially in temporary form and whether any Global Securities of the series are to be issuable in definitive form with or without Coupons and, if so, whether beneficial owners of interests in any such definitive Global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination, and the circumstances under which and the place or places where any such exchanges may occur, if other than in the manner provided in Section 2.05;

(13) whether and under what circumstances the Corporation will pay Additional Amounts on the Securities of the series in respect of any tax, assessment or

governmental charge withheld or deducted and, if so, whether the Corporation will have the option to redeem such Securities rather than pay such Additional Amounts;

(14) the provisions, if any, for the defeasance of the Securities of the series;

(15) if the Securities of such series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and terms of such certificates, documents or conditions;

(16) except as otherwise provided herein, any trustees, depositories, authenticating or paying agents, transfer agents, registrars or any other agents with respect to the Securities of such series;

(17) the percentage of their principal amount at which the Securities are issued, if less than 100%;

(18) any securities exchanges on which the Securities will be listed;

(19) whether the Securities will be convertible into or exchangeable for any securities of any Person and, if so, the terms and conditions of the conversion or exchange;

(20) if the Securities of the series are to be issued upon the exercise of warrants, the time, manner and place for such Securities to be authenticated and delivered; and

(21) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series shall be substantially identical except (i) as to denomination, (ii) that Securities of any series may be issuable as either Registered Securities or Unregistered Securities and (iii) as may otherwise be provided in or pursuant to such Board Resolution and set forth in such Officers' Certificate or in any such indenture supplemental hereto. Not all Securities of any one series need be issued at the same time, and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Corporation and delivered to the Trustee at the same time as or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 2.02 FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION. The Trustee's certificate of authentication shall be in the following form:

{FORM OF J.P. MORGAN TRUST COMPANY, N.A.'S
CERTIFICATE OF AUTHENTICATION}

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

J.P. Morgan Trust Company, National Association, as Trustee,

By: _____
Authorized Signatory

SECTION 2.03 FORM, EXECUTION, AUTHENTICATION, DELIVERY AND DATING OF SECURITIES. The Securities of each series and the Coupons, if any, to be attached thereto, shall be in the forms approved from time to time by or pursuant to a Board Resolution, or established in one or more indentures supplemental hereto, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange on which the Securities may be listed, or to conform to usage.

Each Security and Coupon shall be executed on behalf of the Corporation by its Chairman of the Board of Directors or the President or any Vice President or its Treasurer or any Assistant Treasurer and the Secretary or any Assistant Secretary, or, if the other signatory is other than the Treasurer or any Assistant Treasurer, any assistant Treasurer, under its Corporate seal. Such signatures may be the manual or facsimile signatures of the present or any future such officers. The seal of the Corporation may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Securities.

Each Security and Coupon bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Security, or the Security to which such Coupon appertains. At any time and from time to time after the execution and delivery of this Indenture, the Corporation may deliver Securities of any series executed by the Corporation and, in the case of Coupon Securities, having attached thereto appropriate Coupons, to the Trustee for authentication, together with a Corporation Order for the authentication and delivery of such Securities, and the Trustee in accordance with such Corporation Order shall authenticate and deliver such Securities. If the form or terms of the Securities or Coupons of the series have been established in or pursuant to one or more Board Resolutions as permitted by this Section and Section 2.01, in authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) if the form of such Securities or Coupons has been established by or pursuant to Board Resolution as permitted by Section 2.01, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 2.01, that such terms have been established in conformity with the provisions of this Indenture; and

(c) that each such Security and Coupon, when authenticated and delivered by the Trustee and issued by the Corporation in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Corporation, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles, whether applied in a proceeding at law or in equity. If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and the Indenture or otherwise in a manner that is not reasonably acceptable to the Trustee.

Every Registered Security shall be dated the date of its authentication. Each Unregistered Security shall be dated as provided in or pursuant to the Board Resolution or supplemental indenture referred to in Section 2.01 or, if no such terms are specified, the date of its original issuance.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been duly authenticated and delivered hereunder but never issued and sold by the Corporation, and the Corporation shall deliver such Security to the Trustee for cancellation as provided in Section 2.08 together with a written statement (which need not comply with Section 14.04 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Corporation, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

If the Corporation shall establish pursuant to Section 2.01 that the Securities of a series are to be issued in whole or in part in the form of a Global Security, then the Corporation shall execute and the Trustee shall in accordance with this Section and the Corporation Order with respect to such series authenticate and deliver the Global Security that (i) shall represent and shall be denominated in an aggregate amount equal to the aggregate principal amount of outstanding Securities of such series to be represented by the Global Security, (ii) shall be registered, if in registered form, in the name of the Depository for such Global Security or the

nominee of such Depository, and (iii) shall be delivered by the Trustee to such Depository or pursuant to such Depository's instructions.

Each Depository designated pursuant to Section 2.01 for a Global Security in registered form must, at the time of its designation and at all times while it serves as Depository, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation.

SECTION 2.04 DENOMINATIONS; RECORD DATE. The Securities shall be issuable as Registered Securities or Unregistered Securities in such denominations as may be specified as contemplated in Section 2.01. In the absence of any such specification with respect to any series, such Securities shall be issuable in the denomination contemplated by Section 2.01.

The term "record date" as used with respect to an Interest Payment Date (except a date for payment of defaulted interest) shall mean such day or days as shall be specified in the terms of the Registered Securities of any particular series as contemplated by Section 2.01; provided, however, that in the absence of any such provisions with respect to any series, such term shall mean (1) the last day of the calendar month next preceding such Interest Payment Date if such Interest Payment Date is the fifteenth day of a calendar month; or (2) the fifteenth day of a calendar month next preceding such Interest Payment Date if such Interest Payment Date is the first day of the calendar month.

The person in whose name any Registered Security is registered at the close of business on the Regular Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable and Additional Amounts, if any, payable on such Interest Payment Date notwithstanding the cancellation of such Registered Security upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent the Corporation shall default in the payment of the interest and Additional Amounts, if any, due on such Interest Payment Date, such defaulted interest and Additional Amounts, if any, shall be paid to the persons in whose names outstanding Registered Securities are registered on a subsequent record date established by notice given by mail by or on behalf of the Corporation to the Holders of Securities of the series in default not less than fifteen days preceding such subsequent record date, such record date to be not less than five days preceding the date of payment of such defaulted interest.

SECTION 2.05 EXCHANGE AND REGISTRATION OF TRANSFER OF SECURITIES. Registered securities of any series may be exchanged for a like aggregate principal amount of Registered Securities of other authorized denominations of such series. Registered Securities to be exchanged shall be surrendered at the office or agency to be designated and maintained by the Corporation for such purpose in the Borough of Manhattan, The City of New York, in accordance with the provisions of Section 4.02, and the Corporation shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Registered Security or Registered Securities that the Holder making the exchange shall have been entitled to receive.

If the Securities of any series are issued in both registered and unregistered form, except as otherwise specified pursuant to Section 2.01, at the option of the Holder thereof, Unregistered Securities of any series may be exchanged for Registered Securities of such series of any

authorized denominations and of a like aggregate principal amount, upon surrender of such Unregistered Securities to be exchanged at the agency of the Corporation that shall be maintained for such purpose in accordance with Section 4.02, with, in the case of Unregistered Securities that are Coupon Securities, all unmatured Coupons and all matured Coupons in default thereto appertaining. At the option of the Holder thereof, if Unregistered Securities of any series are issued in more than one authorized denomination, except as otherwise specified pursuant to Section 2.01, such Unregistered Securities may be exchanged for Unregistered Securities of such series of other authorized denominations and of a like aggregate principal amount, upon surrender of such Unregistered Securities to be exchanged at the agency of the Corporation that shall be maintained for such purpose in accordance with Section 4.02 or as specified pursuant to Section 2.01, with, in the case of Unregistered Securities that are Coupon Securities, all unmatured Coupons and all matured Coupons in default thereto appertaining. Unless otherwise specified pursuant to Section 2.01, Registered Securities of any series may not be exchanged for Unregistered Securities of such series. Whenever any Securities are so surrendered for exchange the Corporation shall execute, and the Trustee shall authenticate and deliver, the Securities that the Holder making the exchange is entitled to receive.

The Corporation or its designated agent (the "Security Registrar") shall keep, at such office or agency, a Security Register (the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Corporation shall register Securities and shall register the transfer of Registered Securities as provided in this Article Two. The Security Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the Security Register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Registered Security of a particular series at such office or agency, the Corporation shall execute and the Corporation or the Security Registrar shall register and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Registered Securities of such series for an equal aggregate principal amount.

Unregistered Securities (except for any temporary bearer Securities) and Coupons shall be transferable by delivery.

All Securities presented for registration of transfer or for exchange, redemption or payment, as the case may be, shall (if so required by the Corporation or the Trustee) be duly endorsed by, or be accompanied by, a written instrument or instruments of transfer in form satisfactory to the Corporation and the Trustee duly executed by the Holder or his, her or its attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Registered Securities, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

The Corporation shall not be required to exchange or register a transfer of (a) any Registered Securities of any series for a period of fifteen days next preceding any selection of Registered Securities of such series to be redeemed, or (b) any Security of any such series selected for redemption except in the case of any such series to be redeemed in part, the portion thereof not to be so redeemed.

Notwithstanding anything herein or in the terms of any series of Securities to the contrary, neither the Corporation nor the Trustee (which shall rely on an Officers' Certificate and an Opinion of Counsel) shall be required to exchange any Unregistered Security for a Registered Security if such exchange would result in adverse Federal income tax consequences to the Corporation (including the inability of the Corporation to deduct from its income, as computed for Federal income tax purposes, the interest payable on any Securities) under then applicable United States Federal income tax laws.

SECTION 2.06 TEMPORARY SECURITIES. Pending the preparation of definitive Securities of any series, the Corporation may execute and on receipt of a Corporation Order the Trustee shall authenticate and deliver temporary Securities of such series (printed or lithographed). Temporary Securities of any series shall be issuable in any authorized denominations, and in the form approved from time to time by or pursuant to a Board Resolution but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Corporation. Every temporary Security shall be executed by the Corporation and authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unnecessary delay the Corporation shall execute and furnish definitive Securities of such series and thereupon any or all temporary Registered Securities of such series may be surrendered in exchange therefor without charge at the office or agency to be designated and maintained by the Corporation for such purpose in the Borough of Manhattan, The City of New York, in accordance with the provisions of Section 4.02 and in the case of Unregistered Securities at any agency maintained by the Corporation for such purpose as specified pursuant to Section 2.01, and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and in the case of such Securities that are Coupon Securities, having attached thereto the appropriate Coupons. Until so exchanged the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series. The provisions of this Section 2.06 are subject to any restrictions or limitations on the issue and delivery of temporary unregistered Securities of any series that may be established pursuant to Section 2.01 (including any provision that Unregistered Securities of such series initially be issued in the form of a single global Unregistered Security to be delivered to a depositary or agency of the Corporation located outside the United States and the procedures pursuant to which definitive Unregistered Securities of such series would be issued in exchange for such temporary global Unregistered Security).

SECTION 2.07 MUTILATED, DESTROYED, LOST OR STOLEN SECURITIES. In case any temporary or definitive Security of any series or, in the case of a Coupon Security, any Coupon appertaining thereto, shall become mutilated or be destroyed, lost or stolen, the Corporation in the case of a mutilated Security or Coupon shall, and in the case of a lost, stolen or destroyed Security or Coupon may, in its discretion, execute, and upon receipt of a Corporation Order the Trustee shall authenticate and deliver, a new Security of the same series as the mutilated, destroyed, lost or stolen Security or, in the case of a Coupon Security, a new Coupon Security of the same series as the mutilated, destroyed, lost or stolen Coupon Security or, in the case of a Coupon, a new Coupon of the same series as the Coupon Security to which such mutilated, destroyed, lost or stolen Coupon appertains, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Security, or in lieu of and in substitution for the Security so

destroyed, lost or stolen or in exchange for the Coupon Security to which such mutilated, destroyed, lost or stolen Coupon appertains, with all appurtenant Coupons not destroyed, lost or stolen. In every case the applicant for a substituted Security or Coupon shall furnish to the Corporation and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Corporation and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security or Coupon, as the case may be, and of the ownership thereof. Upon the issuance of any substituted Security or Coupon, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith and in addition a further sum not exceeding ten dollars for each Security so issued in substitution. In case any Security or Coupon which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Corporation may, instead of issuing a substituted Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Security or Coupon) if the applicant for such payment shall furnish the corporation and the Trustee with such security or indemnity as they may require to save them harmless and, in case of destruction, loss or theft, evidence to the satisfaction of the Corporation and the Trustee of the destruction, loss or theft of such Security or Coupon and of the ownership thereof.

Every substituted Security with, in the case of any such Security that is a Coupon Security, its Coupons, issued pursuant to the provisions of this Section by virtue of the fact that any Security or Coupon is destroyed, lost or stolen shall, with respect to such Security or Coupon, constitute an additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Security or Coupon shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities, and the Coupons appertaining thereto, duly issued hereunder.

All Securities and any Coupons appertaining thereto shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities and Coupons appertaining thereto and shall, to the extent permitted by law, preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.08 CANCELLATION. All Securities surrendered for payment, redemption, exchange or registration of transfer, and all Coupons surrendered for payment as the case may be, shall, if surrendered to the Corporation or any agent of the Corporation or of the Trustee, be delivered to the Trustee and promptly cancelled by it or, if surrendered to the Trustee, be cancelled by it, and no Securities or Coupons, shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Securities and Coupons and deliver a certificate of destruction to the Corporation.

SECTION 2.09 COMPUTATION OF INTEREST. Except as otherwise specified as contemplated by Section 2.01 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.10 SECURITIES IN GLOBAL FORM. If Securities of a series are issuable in global form, as specified as contemplated by Section 2.01, then, notwithstanding clause (9) of Section 2.01 and the provisions of Section 2.04, such Global Security shall represent such of the outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Corporation Order to be delivered to the Trustee pursuant to Section 2.03 or Section 2.06. Subject to the provisions of Section 2.03 and, if applicable, Section 2.06, the Trustee shall deliver and redeliver any Security in definitive global bearer form in the manner and upon written instructions given by the Person or Persons specified therein or in the applicable Corporation Order. If a Corporation Order pursuant to Section 2.03 or 2.06 has been, or simultaneously is, delivered, any instructions by the Corporation with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 14.04 and need not be accompanied by an opinion of Counsel. The beneficial owner of a Security represented by a definitive Global Security in bearer form may, upon no less than 30 days written notice to the Trustee, given by the beneficial owner through a Depository, exchange its interest in such definitive Global Security for a definitive bearer Security or Securities, or a definitive Registered Security or Securities, of any authorized denomination, subject to the rules and regulations of such Depository and its members. No individual definitive bearer Security will be delivered in or to the United States.

The provisions of the last sentence of the third to the last paragraph of Section 2.03 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Corporation and the Corporation delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 14.04 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby together with the written statement contemplated by the last sentence of the third to the last paragraph of Section 2.03.

Unless otherwise specified as contemplated by Section 2.01, payment of principal of, and any premium and any interest on, any Security in definitive global form shall be made to the Person or Persons specified therein.

SECTION 2.11 MEDIUM-TERM SECURITIES. Notwithstanding any contrary provision herein, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Corporation Order, Officers' Certificate, supplemental indenture or Opinion of Counsel otherwise required pursuant to Sections 2.01, 2.03, 2.06, and 14.04 at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

An Officers' Certificate or supplemental indenture, delivered pursuant to this Section 2.11 in the circumstances set forth in the preceding paragraph may provide that Securities which are the subject thereof will be authenticated and delivered by the Trustee on original issue from

time to time upon the written order of persons designated in such Officers' Certificate or supplemental indenture and that such persons are authorized to determine, consistent with such Officers' Certificate or any applicable supplemental indenture such terms and conditions of said Securities as are specified in such Officers' Certificate or supplemental indenture, provided that the foregoing procedure is acceptable to the Trustee.

SECTION 2.12 CUSIP NUMBERS. The Corporation, in issuing the Securities, may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Corporation will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE III.

REDEMPTION OF SECURITIES.

SECTION 3.01 REDEMPTION OF SECURITIES; APPLICABILITY OF ARTICLE. Redemption of Securities of any series as permitted or required by the terms thereof shall be made in accordance with such terms and this Article; provided, however, that if any provision of any series of Securities shall conflict with any provision of this Article, the provision of such series of Securities shall govern.

The notice date for a redemption of Securities shall mean the date on which notice of such redemption is given in accordance with the provisions of Section 3.02 hereof.

SECTION 3.02 NOTICE OF REDEMPTION; SELECTION OF SECURITIES. The election of the Corporation to redeem any Securities shall be evidenced by an Officers' Certificate. In case the Corporation shall desire to exercise the right to redeem all, or, as the case may be, any part, of a series of Securities pursuant to the terms and provisions applicable to such series, it shall fix a date for redemption and shall mail a notice of such redemption at least thirty and not more than sixty days prior to the date fixed for redemption to the Holders of the Securities of such series that are Registered Securities to be redeemed as a whole or in part, at their last addresses as the same appear on the Security Register. Such mailing shall be by prepaid first class mail. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder shall have received such notice. In any case, failure to give notice by mail, or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

Notice of redemption to the Holders of Unregistered Securities to be redeemed as a whole or in part, who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, shall be given by mailing notice of such redemption, by first class mail, postage prepaid, at least thirty days and not more than sixty days prior to the date fixed for redemption, to such Holders at such addresses as were so furnished to the Trustee

(and, in the case of any such notice given by the Corporation, the Trustee shall make such information available to the Corporation for such purpose). Notice of redemption to any other Holder of an Unregistered Security of such series shall be published in an Authorized Newspaper in the Borough of Manhattan, The City of New York and in an Authorized Newspaper in London (and, if required by Section 4.04, in an Authorized Newspaper in Luxembourg), in each case, once in each of two successive calendar weeks, the first publication to be not less than thirty nor more than sixty days prior to the date fixed for redemption. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder shall have received such notice. In any case, failure to give notice by mail, or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

Each such notice of redemption shall specify the provisions of such Securities under which such redemption is made, that the conditions precedent, if any, to such redemption have occurred, shall describe the same and the date fixed for redemption, the redemption price at which such Securities are to be redeemed, the Place of Payment, that payment will be made upon presentation and surrender of such Securities and, in the case of Coupon Securities, of all Coupons appertaining thereto maturing after the date fixed for redemption, that interest and Additional Amounts, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest, if any, thereon or on the portions thereof to be redeemed will cease to accrue. If fewer than all of the Securities of a series are to be redeemed any notice of redemption published in an Authorized Newspaper shall specify the numbers of the Securities to be redeemed and, if applicable, the CUSIP Numbers thereof. In case any Security is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that upon surrender of such Security, a new Security or Securities in principal amount equal to the unredeemed portion thereof will be issued of the same series.

At least one Business Day prior to the redemption date specified in the notice of redemption given for Unregistered Securities as provided in this Section and on or prior to the redemption date specified in the notice of redemption given for all Securities other than Unregistered Securities, the Corporation will deposit in trust with the Trustee or with one or more Paying Agents an amount of money sufficient to redeem on the redemption date all the Securities or portions of Securities so called for redemption at the appropriate redemption price, together with interest, if any, and Additional Amounts, if any, accrued to the date fixed for redemption. The Corporation will give the Trustee notice of each redemption at least forty-five days prior to the date fixed for redemption (unless a shorter notice is acceptable to the Trustee) as to the aggregate principal amount of Securities to be redeemed.

If fewer than all of the Securities of a series are to be redeemed, the Trustee shall select, pro rata or by lot or in such other manner as it shall deem reasonable and fair, the numbers of the Securities to be redeemed in whole or in part.

SECTION 3.03 PAYMENT OF SECURITIES CALLED FOR REDEMPTION. If notice of redemption has been given as above provided, the Securities or portions of Securities with respect to which such notice has been given shall become due and payable on the date and at the Place of Payment

stated in such notice at the applicable redemption price, together with interest, if any, and Additional Amounts, if any, accrued to the date fixed for redemption, and on and after said date (unless the Corporation shall default in the payment of such Securities at the redemption price, together with interest, if any, and Additional Amounts, if any, accrued to said date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue. On presentation and surrender of such Securities subject to redemption at said Place of Payment in said notice specified, the said Securities or the specified portions thereof shall be paid and redeemed by the Corporation at the applicable redemption price, together with interest, if any, and Additional Amounts, if any, accrued thereon to the date fixed for redemption. Interest, if any, and Additional Amounts, if any, maturing on or prior to the date fixed for redemption shall continue to be payable (but without interest thereon unless the Corporation shall default in payment thereof) in the case of Coupon Securities to the bearers of the Coupons for such interest upon surrender thereof, and in the case of Registered Securities to the Holders thereof registered as such on the Security Register on the relevant record date subject to the terms and provisions of Section 2.04. At the option of the Corporation payment may be made by check to (or to the order of) the Holders of the Securities or other persons entitled thereto against presentation and surrender of such Securities.

If any Coupon Security surrendered for redemption shall not be accompanied by all appurtenant Coupons maturing after the date fixed for redemption, the surrender of such missing Coupon or Coupons may be waived by the Corporation and the Trustee, if there be furnished to each of them such security or indemnity as they may require to save each of them harmless.

Upon presentation of any Security redeemed in part only, the Corporation shall execute, and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Corporation, a new Security or Securities, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Security so presented of the same series.

ARTICLE IV.

PARTICULAR COVENANTS OF THE CORPORATION.

SECTION 4.01 PAYMENT OF PRINCIPAL, PREMIUM, INTEREST AND ADDITIONAL AMOUNTS. The Corporation shall duly and punctually pay or cause to be paid the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on each of the Securities at the place, at the respective times and in the manner provided in the terms of the Securities and in this Indenture. The interest on Coupon Securities (together with any Additional Amounts) shall be payable only upon presentation and surrender of the several Coupons for such interest installments as are evidenced thereby as they severally mature. The interest, if any, on any temporary bearer securities (together with any Additional Amounts) shall be paid, as to the installments of interest evidenced by Coupons attached thereto, if any, only upon presentation and surrender thereof, and, as to the other installments of interest, if any, only upon presentation of such Securities for notation thereon of the payment of such interest. The interest on Registered Securities (together with any Additional Amounts) shall be payable only to the Holders thereof and at the option of the Corporation may be paid by (i) mailing checks for such interest payable to or upon the order of such Holders at their last addresses as they appear on the Security Register for such Securities or (ii) in the case of Holders of U.S. $10,000,000 or more in

aggregate principal amount of such Registered Securities, by wire transfer of immediately available funds, but only if the Trustee has received wire transfer instructions in writing not less than 15 days prior to the applicable Interest Payment Date.

SECTION 4.02 OFFICES FOR NOTICES AND PAYMENTS, ETC. As long as any of the Securities of a series remain outstanding, the Corporation shall designate and maintain, in the Borough of Manhattan, The City of New York, an office or agency where the Registered Securities of such series may be presented for registration of transfer and for exchange as provided in this Indenture, an office or agency where notices and demands to or upon the Corporation in respect of the Securities of such series or of this Indenture may be served, and an office or agency where the Securities of such series may be presented for payment. The Corporation shall give to the Trustee notice of the location of each such office or agency and of any change in the location thereof. In case the Corporation shall fail to maintain any such office or agency in the Borough of Manhattan, The City of New York, or shall fail to give such notice of the location or of any change in the location thereof, presentations may be made and notices and demands may be served at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, and the Corporation hereby appoints the Trustee as its agent to receive all such presentations, notices and demands.

If Unregistered Securities of any series are outstanding, the Corporation shall maintain or cause the Trustee to maintain one or more agencies in a city or cities located outside the United States (including any city in which such an agency is required to be maintained under the rules of any securities exchange on which the Securities of such series are listed) where such Unregistered Securities, and Coupons, if any, appertaining thereto may be presented for payment. No payment on any Unregistered Security or Coupon will be made upon presentation of such Unregistered Security or Coupon at an agency of the Corporation within the United States nor will any payment be made by transfer to an account in, or by mail to an address in, the United States, except, at the option of the Corporation, if the Corporation shall have determined that, pursuant to applicable United States laws and regulations then in effect such payment can be made without adverse tax consequences to the Corporation. Notwithstanding the foregoing, payments in U.S. Dollars with respect to Unregistered Securities of any series and Coupons appertaining thereto that are payable in U.S. Dollars may be made at an agency of the Corporation maintained in the Borough of Manhattan, The City of New York if such payment in U.S. Dollars at each agency maintained by the Corporation outside the United States for payment on such Unregistered Securities is illegal or is effectively precluded by exchange controls or other similar restrictions.

The Corporation hereby initially designates J.P. Morgan Trust Company, National Association, located at its Corporate Trust Office, as the Security Registrar and as the office or agency of the Corporation in the Borough of Manhattan, The City of New York, where the Securities may be presented for payment and, in the case of Registered Securities, for registration of transfer and for exchange as in this Indenture provided and where notices and demands to or upon the Corporation in respect of the Securities of any series or of this Indenture may be served.

SECTION 4.03 PROVISIONS AS TO PAYING AGENT.

(a) Whenever the Corporation shall appoint a paying agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section:

(1) that it will hold sums held by it as such agent for the payment of the principal of (and premium, if any), interest, if any, or Additional Amounts, if any, on the Securities of such series in trust for the benefit of the Holders of the Securities of such series, or Coupons appertaining thereto, as the case may be, entitled thereto and will notify the Trustee of the receipt of sums to be so held,

(2) that it will give the Trustee notice of any failure by the Corporation (or by any other obligor on the Securities of such series) to make a payment of the principal of (or premium, if any), interest, if any, or Additional Amounts, if any, on the Securities of such series when the same shall be due and payable, and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent.

(b) If the Corporation shall act as its own paying agent, it will, on or before each due date of the principal of (and premium, if any), interest, if any, or Additional Amounts, if any, on the Securities of any series set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such series entitled thereto a sum sufficient to pay such principal (and premium if any), interest, if any, or Additional Amounts, if any, so becoming due. The Corporation will promptly notify the Trustee of any failure to take such action.

(c) Anything in this Section to the contrary notwithstanding, the Corporation may, at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for such series by it or any paying agent hereunder as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

(d) Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 12.04 and 12.05.

SECTION 4.04 LUXEMBOURG PUBLICATIONS. In the event of the publication of any notice pursuant to Section 3.02, 6.07, 7.10, 7.11, 9.02, 10.02, or 12.05, the party making such publication shall also, to the extent that notice is required so to be given to Holders of Securities of a series by applicable Luxembourg law or stock exchange regulation, make a similar publication the same number of times in Luxembourg.

SECTION 4.05 STATEMENT BY OFFICERS AS TO DEFAULT. The Corporation shall deliver to the Trustee, on or before a date not more than four months after the end of each fiscal year of the

Corporation (which, on the date of execution hereof, ends on December 31) ending after the date hereof, commencing with the fiscal year ended in 2000, an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Corporation is in default in the performance or observance of any of the terms, provisions and conditions of this Indenture to be performed or observed by it and, if the Corporation shall be in default, specifying all such defaults and the nature thereof of which they may have knowledge.

SECTION 4.06 LIMITATIONS ON LIENS. For the benefit of the Securities, the Corporation shall not, nor shall it permit any Manufacturing Subsidiary to, issue or assume any Debt secured by a Mortgage upon any Domestic Manufacturing Property of the Corporation or of any Manufacturing Subsidiary or upon any shares of stock or indebtedness of any Manufacturing Subsidiary (whether such Domestic Manufacturing Property, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance or assumption of any such Debt that the Securities (together with, if the Corporation shall so determine, any other indebtedness of the Corporation or such Manufacturing Subsidiary ranking equally with the Securities and then existing or thereafter created) shall be secured equally and ratably with such Debt, unless the aggregate amount of Debt issued or assumed and so secured by Mortgages, together with (i) all other Debt of the Corporation and its Manufacturing Subsidiaries which (if originally issued or assumed at such time) would otherwise be subject to the foregoing restrictions, but not including Debt permitted to be secured under clauses (i) through (v) of the immediately following paragraph and not including Permitted Receivables Financings, and (ii) all Attributable Debt of the Company and its Manufacturing Subsidiaries in respect of sale and lease-back transactions, does not at the time exceed 15% of Consolidated Net Tangible Assets as shown on the audited consolidated financial statements for the most recently completed fiscal year.

The above restrictions shall not apply to: (i) Mortgages on property, shares of stock or indebtedness of any entity existing at the time (a) such entity becomes a Manufacturing Subsidiary or (b) of a sale, lease or other disposition of all or substantially all of the properties of the entity to the Corporation or a Manufacturing Subsidiary; (ii) Mortgages on property existing at the time of acquisition of such property by the Corporation or a Manufacturing Subsidiary, or Mortgages to secure the payment of all or any part of the purchase price of such property upon the acquisition of such property by the Corporation or a Manufacturing Subsidiary or to secure any Debt incurred prior to, at the time of, or within 180 days after, the later of the date of acquisition of such property and the date such property is placed in service, for the purpose of financing all or any part of the purchase price thereof, or Mortgages to secure any Debt incurred for the purpose of financing the cost to the Corporation or a Manufacturing Subsidiary of improvements to such acquired property; (iii) Mortgages securing Debt of a Manufacturing Subsidiary owing to the Corporation or to another Subsidiary; (iv) Mortgages on property of the Corporation or a Manufacturing Subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country, or any political subdivision thereof, in connection with financing arrangements between the Corporation or a Manufacturing Subsidiary and any of the foregoing governmental bodies or agencies, to the extent that Mortgages are required by the governmental programs under which those financing arrangements are made, to secure partial, progress, advance or other payments pursuant to any

contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Mortgages or (v) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part, of any Mortgage referred to in the foregoing clauses (i) to (v), inclusively; provided however, that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement and that such extension, renewal or replacement shall be limited to all or a part of the property that secured the Mortgage so extended, renewed or replaced (plus improvements on such property).

SECTION 4.07 LIMITATION ON SALE AND LEASE-BACK. For the benefit of the Holders of the Securities, the Corporation shall not, nor shall it permit any Manufacturing Subsidiary to, enter into any arrangement with any person providing for the leasing by the Corporation or any Manufacturing Subsidiary of any Domestic Manufacturing Property owned by the Corporation or by any Manufacturing Subsidiary on the date that the Securities are originally issued (except for temporary leases for a term of not more than three years and except for leases between the Corporation and a Manufacturing Subsidiary or between Manufacturing Subsidiaries), which property has been or is to be sold or transferred by the Corporation or such Manufacturing Subsidiary to such person, unless either (i) the Corporation or such Manufacturing Subsidiary would be entitled, pursuant to the provisions of the covenant on limitation on liens described in Section 4.06, to issue, assume, extend, renew or replace Debt secured by a Mortgage upon such Domestic Manufacturing Property equal in amount to the Attributable Debt in respect of such arrangement without equally and ratably securing the Securities; provided, however, that from and after the date on which such arrangement becomes effective the Attributable Debt in respect of such arrangement shall be deemed for all purposes under the covenant on limitation on liens described in Section 4.06 and this covenant on limitation on sale and lease-back to be Debt subject to the provisions of such covenant on limitation on liens (which provisions include the exceptions set forth in clauses (i) through (v) of such covenant), or (ii) the Corporation shall apply an amount in cash equal to the Attributable Debt in respect of such arrangement to the retirement (other than any mandatory retirement or by way of payment at maturity), within 180 days of the effective date of any such arrangement, of Debt of the Corporation or any Manufacturing Subsidiary (other than Debt owned by the Corporation or any Manufacturing Subsidiary) which by its terms matures at, or is extendible or renewable at the option of the obligor to, a date more than twelve months after the date of the creation of such Debt.

SECTION 4.08 DEFINITIONS APPLICABLE TO SECTIONS 4.06 AND 4.07. The following definitions shall be applicable to the covenants contained in Sections 4.06 and 4.07 hereof:

(a) "Attributable Debt" means, at the time of determination as to any lease, the present value (discounted at the actual rate, if stated, or, if no rate is stated, the implicit rate of interest of such lease transaction as determined by the Chairman, President, any Vice Chairman, any Vice President, the Treasurer or any Assistant Treasurer of the Corporation), calculated using the interval of scheduled rental payments under such lease, of the obligation of the lessee for net rental payments during the remaining term of such lease (excluding any subsequent renewal or other extension options held by the lessee). The term "net rental payments" means, with respect to any lease for any period, the sum of the rental and other payments required to be paid in such period by the lessee thereunder, but not including any amounts required to be paid by such lessee (whether or not designated as rental or additional

rental) on account of maintenance and repairs, insurance, taxes, assessments, water rates, indemnities or similar charges required to be paid by such lessee thereunder or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales, earnings or profits or of maintenance and repairs, insurance, taxes, assessments, water rates, indemnities or similar charges; provided, however, that, in the case of any lease which is terminable by the lessee upon the payment of a penalty in an amount which is less than the total discounted net rental payments required to be paid from the later of the first date upon which such lease may be so terminated and the date of the determination of net rental payments, "net rental payments" shall include the then current amount of such penalty from the later of such two dates, and shall exclude the rental payments relating to the remaining period of the lease commencing with the later of such two dates.

(b) "Consolidated Net Tangible Assets" means, as calculated in accordance with GAAP, at any date, all amounts that would be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Corporation and its consolidated Subsidiaries less (i) all current liabilities and (ii) goodwill, trade names, patents, unamortized debt discount, organization expenses and other like intangibles of the Corporation and its consolidated Subsidiaries.

(c) "Debt" means notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

(d) "Domestic Manufacturing Property" means any manufacturing plant or facility owned by the Corporation or any Manufacturing Subsidiary which is located within the continental United States of America and, in the opinion of the Board of Directors, is of material importance to the total business conducted by the Corporation and its consolidated affiliates as an entity.

(e) "GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by an successor entity as may be in general use by significant segments of the accounting professions, which are applicable to the circumstances as of the date of determination.

(f) "Manufacturing Subsidiary" means any Subsidiary (A) substantially all the property of which is located within the continental United States of America, (B) that owns a Domestic Manufacturing Property and (C) in which the Corporation's investment, direct or indirect and whether in the form of equity, debt, advances or otherwise, is in excess of U.S. $1 billion as shown on the books of the Corporation as of the end of the fiscal year immediately preceding the date of determination; provided, however, that "Manufacturing Subsidiary" shall not include any Subsidiary that is principally engaged in leasing or in financing installment receivables or otherwise providing financial or insurance services to the Corporation or others or that is principally engaged in financing the Corporation's operations outside the continental United States of America.

(g) "Mortgage" means any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

(h) "Non-Recourse Debt" means all Debt which, in accordance with GAAP, is not required to be recognized on a consolidated balance sheet of the Corporation as a liability.

(i) "Permitted Receivables Financings" means, at any date of determination, the aggregate amount of any Non-Recourse Debt outstanding on such date relating to securitizations or other similar off-balance sheet financings of accounts receivable of the Corporation or any of its Subsidiaries.

(j) "Subsidiary" means any corporation or other entity of which at least a majority of the outstanding stock or other beneficial interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other governing body of such corporation or other entity (irrespective of whether or not at the time stock or other beneficial interests of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by the Corporation, or by one or more Subsidiaries, or by the Corporation and one or more Subsidiaries.

ARTICLE V.

SECURITYHOLDER LISTS AND REPORTS BY THE CORPORATION AND THE TRUSTEE.

SECTION 5.01 SECURITYHOLDER LISTS. The Corporation covenants and agrees that it will furnish or cause to be furnished to the Trustee with respect to the Securities of each series:

(a) semiannually, not later than each Interest Payment Date (in the case of any series having semiannual Interest Payment Dates) or not later than the dates determined pursuant to Section 2.01 (in the case of any series not having semiannual Interest Payment Dates) a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of the Regular Record Date (or as of such other date as may be determined pursuant to Section 2.01 for such series) therefor, and

(b) at such other times as the Trustee may request in writing within thirty days after receipt by the Corporation of any such request, a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of Securities of a particular series specified by the Trustee as of a date not more than fifteen days prior to the time such information is furnished; provided, however, that if and so long as the Trustee shall be the Security Registrar any such list shall exclude names and addresses received by the Trustee in its capacity as Security Registrar, and if and so long as all of the Securities of any series are Registered Securities, such list shall not be required to be furnished.

SECTION 5.02 PRESERVATION AND DISCLOSURE OF LISTS.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders of each series of

Securities (i) contained in the most recent list furnished to it as provided in Section 5.01, (ii) received by the Trustee in its capacity as Security Registrar or Paying Agent, or (iii) filed with it within the preceding two years pursuant to Section 313(c) of the Trust Indenture Act of 1939. The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(b) In case three or more Holders of Securities (hereinafter referred to as "applicants") apply in writing to the Trustee and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Securities of a particular series (in which case the applicants must hold Securities of such series) or with Holders of all Securities with respect to their rights under this Indenture or under such Securities and it is accompanied by a copy of the form of proxy or other communication that such applicants propose to transmit, then the Trustee shall, within five business days after the receipt of such application, at its election, either:

(1) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section, or

(2) inform such applicants as to the approximate number of Holders of Securities of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of such series or all Securities, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section, a copy of the form of proxy or other communication that is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Securities and Exchange Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such series or all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for appearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, said Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every Holder of Securities, by receiving and holding the same, agrees with the Corporation and the Trustee that neither the Corporation nor the Trustee nor any agent of the Corporation or of the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with the provisions of subsection (b) of this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under said subsection (b).

SECTION 5.03 REPORTS BY THE CORPORATION. The Corporation covenants:

(a) to file with the Trustee within fifteen days after the Corporation is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as said Commission may from time to time by rules and regulations prescribe) which the Corporation may be required to file with said Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Corporation is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and said Commission, in accordance with rules and regulations prescribed from time to time by said Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) to file with the Trustee and the Securities and Exchange Commission, in accordance with the Trust Indenture Act of 1939 and with the rules and regulations prescribed from time to time by said Commission, such additional information, documents, and reports with respect to compliance by the Corporation with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations;

(c) to transmit by mail to all the Holders of Securities of each series, as the names and addresses of such Holders appear on the Security Register, within thirty days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Corporation with respect to each such series pursuant to subsections (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Securities and Exchange Commission;

(d) if Unregistered Securities of any series are outstanding, to file with the listing agent of the Corporation with respect to such series such documents and reports of the Corporation as may be required from time to time by the rules and regulations of any stock exchange on which such Unregistered Securities are listed.

SECTION 5.04 REPORTS BY THE TRUSTEE.

(a) On or before May 15, 2001 and on or before May 15 of each year thereafter, so long as any Securities of any series are outstanding hereunder, the Trustee shall transmit to the Holders of Securities of such series, in the manner provided by Section 313(c) of

the Trust Indenture Act of 1939, a brief report dated as of the preceding February 15, as may be required by Sections 313(a) and (b) of the Trust Indenture Act of 1939.

(b) A copy of each such report shall, at the time of such transmission to Holders of Securities of a particular series, be filed by the Trustee with each stock exchange upon which the Securities of such series are listed and also with the Securities and Exchange Commission. The Corporation agrees to notify the Trustee when and as the Securities of any series become listed on any stock exchange.

ARTICLE VI.

REMEDIES ON DEFAULT.

SECTION 6.01 EVENTS OF DEFAULT. In case one or more of the following Events of Default with respect to a particular series of Securities shall have occurred and be continuing, that is to say:

(a) default in the payment of the principal of (or premium, if any, on) any of the Securities of such series as and when the same shall become due and payable either at maturity, upon redemption, by declaration or otherwise, and continuance of such default for a period of five business days after written notice from the trustee; or

(b) default in the payment of any installment of interest, if any, or in the payment of any Additional Amounts upon any of the Securities of such series as and when the same shall become due and payable, and continuance of such default for a period of thirty days after written notice from the Trustee; or

(c) failure on the part of the Corporation duly to observe or perform any other of the covenants or agreements on the part of the Corporation applicable to such series of the Securities or contained in this Indenture for a period of ninety days after the date on which written notice of such failure, requiring the Corporation to remedy the same, shall have been given to the Corporation by the Trustee, or to the Corporation and the Trustee by the Holders of at least twenty-five percent in aggregate principal amount of the Securities of such series at the time outstanding; or

(d) default by the Corporation or any Significant Subsidiary in any payment of $25,000,000 or more of principal of or interest on any Debt or in the payment of $25,000,000 or more on account of any guarantee in respect of Debt, beyond any period of grace that may be provided in the instrument or agreement under which such Debt or guarantee was created.

(e) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Corporation in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Corporation or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and such decree or order shall remain unstayed, undismissed and unbonded and in effect for a period of ninety days; or

(f) the Corporation shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Corporation or for a substantial part of its property, or shall make any general assignment for the benefit of creditors; then if an Event of Default described in clause (a), (b), (c) or (d) shall have occurred and be continuing, and in each and every such case, unless the principal amount of all the Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than twenty-five percent in aggregate principal amount of the Securities of all series affected thereby then outstanding hereunder, by notice in writing to the Corporation (and to the Trustee if given by Holders of such Securities) may declare the principal amount of all the Securities (or, with respect to Original Issue Discount Securities, such lesser amount as may be specified in the terms of such Securities) of the series affected thereby to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, any provision of this Indenture or the Securities of such series to the contrary notwithstanding, or, if an Event of Default described in clause (e) or (f) shall have occurred and be continuing, and in each and every such case, either the Trustee or the Holders of not less than twenty- five percent in aggregate principal amount of all the Securities then outstanding hereunder (voting as one class), by notice in writing to the Corporation (and to the Trustee if given by Holders of securities), may declare the principal of all the Securities not already due and payable (or, with respect to Original Issue Discount Securities, such lesser amount as may be specified in the terms of such Securities) to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, any provision in this Indenture or in the Securities to the contrary notwithstanding. The foregoing provisions, however, are subject to the conditions that if, at any time after the principal of the Securities of any one or more or all series, as the case may be, shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Corporation shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest, if any, and all Additional Amounts, if any, due upon all the Securities of such series or of all the Securities, as the case may be, and the principal of (and premium, if any, on) all Securities of such series or of all the Securities, as the case may be (or, with respect to Original Issue Discount Securities, such lesser amount as may be specified in the terms of such Securities), which shall have become due otherwise than by acceleration (with interest, if any, upon such principal and premium, if any, and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest and Additional Amounts, if any, at the same rate as the rate of interest specified in the Securities of such series, as the case may be (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration of such series, as the case may be), to the date of such payment or deposit), and such amount as shall be payable to the Trustee pursuant to Section 7.06, and any and all defaults under the Indenture shall have been remedied, then and in every such case the Holders of a majority in aggregate principal amount of the Securities of such series (or of all the Securities, as the case may be) then outstanding, by written notice to the Corporation and to the Trustee, may waive all defaults with respect to that series or with respect to all Securities, as the case may be, and rescind and annul such declaration and its consequences; but no such waiver or rescission

and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon. If the principal of all Securities shall have been declared to be payable pursuant to this Section 6.01, in determining whether the Holders of a majority in aggregate principal amount thereof have waived all defaults and rescinded and annulled such declaration, all series of Securities shall be treated as a single class and the principal amount of Original Issue Discount Securities shall be deemed to be the amount declared payable under the terms applicable to such Original Issue Discount Securities.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission and annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Corporation, Trustee and the Holders of Securities, as the case may be, shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Corporation, the Trustee and the Holders of Securities, as the case may be, shall continue as though no such proceedings had been taken.

SECTION 6.02 PAYMENT OF SECURITIES ON DEFAULT; SUIT THEREFOR. The Corporation covenants that (1) in case default shall be made in the payment of any installment of interest, if any, on any of the Securities of any series or any Additional Amounts payable in respect of any of the Securities of any series, as and when the same shall become due and payable, and such default shall have continued for a period of thirty days or (2) in case default shall be made in the payment of the principal of (or premium, if any, on) any of the Securities of any series, as and when the same shall have become due and payable, whether upon maturity of such series or upon redemption or upon declaration or otherwise, then upon demand of the Trustee, the Corporation shall pay to the Trustee, for the benefit of the Holders of the Securities of such series, and the Coupons, if any, appertaining to such Securities, the whole amount that then shall have become due and payable on all such Securities of such series and such Coupons, for principal (and premium, if any) or interest, if any, or Additional Amounts, if any as the case may be, with interest upon the overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law) upon overdue installments of interest, if any, and Additional Amounts, if any, at the same rate as the rate of interest specified in the Securities of such series (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration); and, in addition thereto, such further amounts as shall be payable pursuant to Section 7.06.

In case the Corporation shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Corporation or other obligor upon such Securities and collect in the manner provided by law out of the property of the Corporation or other obligor upon such Securities wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Corporation or any other obligor upon Securities of any series under Title 11 of the United

States Code or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Corporation or such other obligor, or in case of any other judicial proceedings relative to the Corporation or such other obligor, or to the creditors or property of the Corporation or such other obligor, the Trustee, irrespective of whether the principal of the Securities of such series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal (or, with respect to Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series), and premium, if any, interest, if any, and Additional Amounts, if any, owing and unpaid in respect of the Securities of such series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee under Section 7.06 and of the Holders of the Securities and Coupons of such series allowed in any such judicial proceedings relative to the Corporation or other obligor upon the Securities of such series, or to the creditors or property of the Corporation or such other obligor, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Securityholders of such series and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Holders of the Securities and Coupons of such series to make payments to the Trustee and, in the event that the Trustee shall consent to the making of payments directly to the Securityholders of such series, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities or Coupons appertaining to such Securities, or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Securities or Coupons appertaining thereto.

In case of a default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 6.03 APPLICATION OF MONEYS COLLECTED BY TRUSTEE. Any moneys collected by the Trustee pursuant to Section 6.02 shall be applied in the following order, at the date or dates

fixed by the Trustee and, in case of the distribution of such moneys on account of principal (or premium, if any) or interest, if any, upon presentation of the several Securities and Coupons in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

FIRST: To the payment of the amounts payable to the Trustee pursuant to Section 7.06;

SECOND: In case the principal of the Securities in respect of which moneys have been collected shall not have become due, to the payment of interest, if any, and Additional Amounts, if any, on the Securities of such series in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest and Additional Amounts, if any, at the same rate as the rate of interest, if any, specified in the Securities of such series (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration), such payments to be made ratably to the persons entitled thereto, without discrimination or preference; and

THIRD: In case the principal of the Securities in respect of which moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Securities of such series for principal (and premium, if any), interest, if any, and Additional Amounts, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest, if any, and Additional Amounts, if any, at the same rate as the rate of interest specified in the Securities of such series (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration); and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal (and premium, if any), interest, if any, and Additional Amounts, if any, without preference or priority of principal (and premium, if any), over interest, if any, and Additional Amounts, if any, or of interest, if any, and Additional Amounts, if any, over principal (and premium, if any), or of any installment of interest, if any, or Additional Amounts, if any, over any other installment of interest, if any, or Additional Amounts, if any, or of any Security of such series over any other Security of such series, ratably to the aggregate of such principal (and premium, if any), and accrued and unpaid interest, if any, and Additional Amounts, if any.

SECTION 6.04 PROCEEDINGS BY SECURITYHOLDERS. No Holder of any Security of any series or of any Coupon appertaining thereto shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than twenty-five percent in aggregate principal amount of the Securities of such series then outstanding or, in the case of any Event of Default described in clause (d) or (e) of Section 6.01, twenty-five per cent in aggregate principal amount of all the Securities at the time outstanding (voting as one class) shall have made written request upon the Trustee to institute such action or proceedings in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may

require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for sixty days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.06; it being understood and intended and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities or Coupons appertaining to such Securities shall have any right in any manner whatever by virtue of or by availing himself, herself or itself of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder of Securities or Coupons appertaining to such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities and Coupons. For the protection and enforcement of the revisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, however, the right of any Holder of any Security to receive payment of the principal of (and premium, if any) and interest, if any, and Additional Amounts, if any, on such Security or Coupon, on or after the respective due dates expressed in such Security or Coupon, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder. With respect to Original Issue Discount Securities, principal shall mean such amount as shall be due and payable as may be specified in the terms of such Securities.

SECTION 6.05 REMEDIES CUMULATIVE AND CONTINUING. All powers and remedies given by this Article Six to the Trustee or to the Holders of Securities or Coupons shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders of Securities or Coupons, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Securities or Coupons to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article Six or by law to the Trustee or to the Holders of Securities or Coupons may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders of Securities or Coupons, as the case may be.

SECTION 6.06 DIRECTION OF PROCEEDINGS. The Holders of a majority in aggregate principal amount of the Securities of any or all series affected (voting as one class) at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that (i) such direction shall not be in conflict with any rule of law or with this Indenture, (ii) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction and (iii) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, determines that the action or proceedings so directed would be prejudicial to the Holders not joining in such direction or may not lawfully be taken or if the Trustee in good faith by its board of directors or

executive committee or a trust committee of directors or trustees and/or responsible officers shall determine that the action or proceedings so directed would involve the Trustee in personal liability.

Prior to any declaration accelerating the maturity of the Securities of any series, the holders of a majority in aggregate principal amount of the Securities of such series at the time outstanding may on behalf of the Holders of all of the Securities of such series waive any past default or Event of Default hereunder and its consequences, except a default in the payment of principal of (premium, if any) or interest, if any, or Additional Amounts, if any, on any Securities of such series or in respect of a covenant or provision hereof that may not be modified or amended without the consent of the Holders of each outstanding Security of such series affected. Upon any such waiver the Corporation, the Trustee and the Holders of the Securities of such series shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 6.06, said default or Event of Default shall for all purposes of the Securities of such series and this Indenture be deemed to have been cured and to be not continuing.

SECTION 6.07 NOTICE OF DEFAULTS. The Trustee shall, within ninety days after the occurrence of a default with respect to the Securities of any series, give notice of all defaults with respect to that series known to the Trustee (i) if any Unregistered Securities of that series are then outstanding, to the Holders thereof, by publication at least once in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), (ii) if any Unregistered Securities of that series are then outstanding, to all Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, by mailing such notice to such Holders at such addresses and (iii) to all Holders of then outstanding Registered Securities of that series, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register, unless in each case such defaults shall have been cured before the mailing or publication of such notice (the term "defaults" for the purpose of this Section being hereby defined to be the events specified in Sections 6.01(a), (b), (c), (d), (e) and (f) and any additional events specified in the terms of any series of Securities pursuant to Section 2.01, not including periods of grace, if any, provided for therein, and irrespective of the giving of written notice specified in Section 6.01(c) or in the terms of any Securities established pursuant to Section 2.01); and provided that, except in the case of default in the payment of the principal of (premium, if any), interest, if any, or Additional Amounts, if any, on any of the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities of such series.

SECTION 6.08 UNDERTAKING TO PAY COSTS. All parties to this Indenture agree, and each Holder of any Security by his, her or its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as

Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that, the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholders of any series, or group of such Securityholders, holding in the aggregate more than ten percent in aggregate principal amount of all Securities (voting as one class) or to any suit instituted by any Securityholders for the enforcement of the payment of the principal of (or premium, if any), interest, if any, or Additional Amounts, if any, on any Security on or after the due date expressed in such Security.

ARTICLE VII

CONCERNING THE TRUSTEE.

SECTION 7.01 DUTIES AND RESPONSIBILITIES OF TRUSTEE. The Trustee, prior to the occurrence of an Event of Default of a particular series and after the curing of all Events of Default of such series that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to a particular series has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it, by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to the occurrence of an Event of Default with respect to a particular series and after the curing of all Events of Default with respect to such series that may have occurred:

(1) the duties and obligations of the Trustee with respect to such series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of Securities pursuant to Section 6.06 relating to the time, method and place, of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

No provision of this Indenture shall be construed as requiring the Trustee to expend or risk its own funds or otherwise to incur any personal financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 7.02 RELIANCE ON DOCUMENTS, OPINIONS, ETC. Subject to the provisions of Section 7.01:

(a) the Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, Coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Corporation mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Corporation by the Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or the President or any Vice President or the Treasurer and by the Secretary or any Assistant Secretary or, if the other signatory is other than the Treasurer, any Assistant Treasurer (unless other evidence in respect thereof be herein specifically prescribed); and a Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or any Assistant Secretary of the Corporation;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, coupon or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or

matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the relevant books, records and premises of the Corporation, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, provided, however, that the Trustee shall be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder; and

(g) the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 7.03 NO RESPONSIBILITY FOR RECITALS, ETC. The recitals contained herein and in the Securities, other than the Trustee's certificate of authentication, shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities, provided that the Trustee shall not be relieved of its duty to authenticate Securities only as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Corporation of Securities or the proceeds thereof.

SECTION 7.04 OWNERSHIP OF SECURITIES OR COUPONS. The Trustee or any agent of the Corporation or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities or Coupons with the same rights it would have if it were not Trustee, or an agent of the Corporation or of the Trustee.

SECTION 7.05 MONEYS TO BE HELD IN TRUST. Subject to the provisions of Sections 12.04 and 12.05 hereof, all moneys received by the Trustee or any paying agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received by it hereunder except such as it may agree with the Corporation to pay thereon. So long as no Event of Default shall have occurred and be continuing, all interest allowed on any such moneys shall be paid from time to time upon the written order of the Corporation, signed by its Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or its President or any Vice President or its Treasurer or any Assistant Treasurer.

SECTION 7.06 COMPENSATION AND EXPENSES OF TRUSTEE. The Corporation covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation, and, except as otherwise expressly provided, the Corporation will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation, expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. If any property other than cash shall at any time be subject to the lien of this Indenture, the Trustee, if and to the extent authorized by a receivership or bankruptcy court of competent jurisdiction or by the supplemental instrument subjecting such

property to such lien, shall be entitled to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances hereon. The Corporation also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or reasonable expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Corporation under this Section to compensate the Trustee and to pay or reimburse the Trustee for reasonable expenses, disbursements and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities or Coupons.

SECTION 7.07 OFFICERS' CERTIFICATE AS EVIDENCE. Subject to the provisions of Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08 CONFLICTING INTEREST OF TRUSTEE. The Trustee shall comply with Section 310(b) of the Trust Indenture Act of 1939.

SECTION 7.09 ELIGIBILITY OF TRUSTEE. There shall at all times be a trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or of any State or Territory thereof or of the District of Columbia, which (a) is authorized under such laws to exercise corporate trust powers and (b) is subject to supervision or examination by Federal, State, Territorial or District of Columbia authority and (c) shall have at all times a combined capital and surplus of not less than U.S. $50 million. If such corporation publishes reports of condition at least annually, pursuant to law, or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation at any time shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section or Section 310(a)(5) of the Trust Indenture Act of 1939, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.10.

SECTION 7.10 RESIGNATION OR REMOVAL OF TRUSTEE.

(a) The Trustee, or any trustee or trustees hereafter appointed, may, upon sixty days written notice to the Corporation, at any time resign with respect to one or more or all series by giving written notice of resignation to the Corporation (i) if any Unregistered Securities of a series affected are then outstanding, by giving notice of such resignation to the Holders thereof, by publication at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), (ii) if any Unregistered

Securities of a series affected are then outstanding, by mailing notice of such resignation to the Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939 at such addresses as were so furnished to the Trustee and (iii) by mailing notice of such resignation to the Holders of then outstanding Registered Securities of each series affected at their addresses as they shall appear on the Security Register. Upon receiving such notice of resignation the Corporation shall promptly appoint a successor trustee with respect to the applicable series by written instrument, in duplicate, executed by order of the Board of Directors of the Corporation, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within thirty days after the mailing of such notice of resignation to the Securityholders, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 6.08, on behalf of himself, herself or itself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with Section 7.08 with respect to any series of Securities after written request therefor by the Corporation or by any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months, or

(ii) the Trustee shall cease to be eligible in accordance with the provision of Section 7.09 with respect to any series of Securities and shall fail to resign after written request therefor by the Corporation or by any such Securityholder, or

(iii) the Trustee shall become incapable of acting with respect to any series of Securities, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Corporation may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee with respect to such series by written instrument, in duplicate, executed by order of the Board of Directors of the Corporation, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.08, any Securityholder of such series who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, on behalf of himself, herself or itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities of all series (voting as one class) at the time outstanding may at any time remove the Trustee

with respect to Securities of all series and appoint a successor trustee with respect to the Securities of all series.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.11.

SECTION 7.11 ACCEPTANCE BY SUCCESSOR TRUSTEE. Any successor trustee appointed as provided in Section 7.10 shall execute, acknowledge and deliver to the Corporation and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, on the written request of the Corporation or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Corporation shall execute any and all instruments in writing in order more fully and certainly to vest in and confirm to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

In case of the appointment hereunder of a successor trustee with respect to the Securities of one or more (but not all) series, the Corporation, the predecessor Trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto that shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such trustee.

No successor trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09.

Upon acceptance of appointment by a successor trustee as provided in this Section, the Corporation shall give notice of the succession of such trustee hereunder (a) if any Unregistered Securities of a series affected are then outstanding, to the Holders thereof by publication of such notice at least once in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), (b) if any Unregistered Securities of a series affected are then outstanding, to the Holders thereof who have filed their names and

addresses with the Trustee pursuant to Section 313(c) of the Trust Indenture Act, by mailing such notice to such Holders at such addresses as were so furnished to the Trustee (and the Trustee shall make such information available to the Corporation for such purpose) and (c) to the Holders of Registered Securities of each series affected, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register. If the Corporation fails to mail such notice in the prescribed manner within ten days after the acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be so given at the expense of the Corporation.

SECTION 7.12 SUCCESSOR BY MERGER, ETC. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 7.13 LIMITATIONS ON RIGHTS OF TRUSTEE AS CREDITOR. The Trustee shall comply with Section 311(a) and Section 311(b) of the Trust Indenture Act of 1939.

ARTICLE VIII

CONCERNING THE SECURITYHOLDERS.

SECTION 8.01 ACTION BY SECURITYHOLDERS. Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Securities of any or all series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Securityholders in person or by agent or proxy appointed in writing, or (b) by the record of the Holders of Securities voting in favor thereof at any meeting of Securityholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Securityholders.

In determining whether the Holders of a specified percentage in aggregate principal amount of the Securities have taken any action (including the making of any demand or request, the waiving of any notice, consent or waiver or the taking of any other action), the principal amount of any Original Issue Discount Security that may be counted in making such determination and that shall be deemed to be outstanding for such purposes shall be equal to the amount of the principal thereof that could be declared to be due and payable upon an Event of Default pursuant to the terms of such Original Issue Discount Security at the time the taking of such action is evidence to the Trustee.

SECTION 8.02 PROOF OF EXECUTION BY SECURITYHOLDERS. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Securityholder or its agent or proxy shall be sufficient if made in the following manner:

(a) In the case of Holders of Unregistered Securities, the fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the person executing such instruments acknowledged to him the execution thereof or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute sufficient proof of the authority of the person executing the same. The fact of the holding by any Holder of a Security of any series, and the identifying number of such Security and the date of his holding the same, may be proved by the production of such Security or by a certificate executed by any trust company, bank, banker or recognized securities dealer wherever situated satisfactory to the Trustee, if such certificate shall be deemed by the Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a Security of such series bearing a specified identifying number was deposited with or exhibited to such trust company, bank, banker or recognized securities dealer by the person named in such certificate. Any such certificate may be issued in respect of one or more Securities of one or more series specified therein. The holding by the person named in any such certificate of any Securities of any series specified therein shall be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (1) another certificate bearing a later date issued in respect of the same Securities shall be produced, or (2) the Security of such series specified in such certificate shall be produced by some other person, or (3) the Security of such series specified in such certificates shall have ceased to be outstanding. Subject to Sections 7.01, 7.02 and 9.05, the fact and date of the execution of any such instrument and the amount and numbers of Securities of any series held by the person so executing such instrument and the amount and numbers of any Security or Securities for such series may also be proven in accordance with such reasonable rules and regulations as may be prescribed by the Trustee for such series or in any other manner that the Trustee for such series may deem sufficient.

(b) In the case of Registered Securities, the ownership of such Securities shall be proved by the Security Register or by a certificate of the Security Registrar.

SECTION 8.03 WHO ARE DEEMED ABSOLUTE OWNERS. The Corporation, the Trustee, any paying agent, any transfer agent and any Security Registrar may treat the Holder of any Unregistered Security and the Holder of any Coupon as the absolute owner of such Unregistered Security or Coupon (whether or not such Unregistered Security or Coupon shall be overdue) for the purpose of receiving payment thereof or on account thereof and for all other purposes and neither the Corporation, the Trustee, any paying agent, any transfer agent nor any Security Registrar shall be affected by any notice to the contrary. The Corporation, the Trustee, any paying agent, any transfer agent and any Security Registrar may, subject to Section 2.04 hereof, treat the person in whose name a Registered Security shall be registered upon the Security Register as the absolute owner of such Registered Security (whether or not such Registered Security shall be overdue) for the purpose of receiving payment thereof or on account thereof

and for all other purposes and neither the Corporation, the Trustee, any paying agent, any transfer agent nor any Security Registrar shall be affected by any notice to the contrary.

SECTION 8.04 CORPORATION-OWNED SECURITIES DISREGARDED. In determining whether the Holders of the required aggregate principal amount of Securities have concurred in any direction, consent or waiver under this Indenture, Securities that are owned by the Corporation or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Securities that the Trustee knows are so owned shall be disregarded. Securities so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05 REVOCATION OF CONSENTS; FUTURE SECURITYHOLDERS BOUND. At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action, any Holder of a Security the identifying number of which is shown by the evidence to be included in the Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Security issued in exchange or substitution therefor irrespective of whether or not any notation in regard thereto is made upon such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action shall be conclusively binding upon the Corporation, the Trustee and the Holders of all the Securities of each series intended to be affected thereby.

SECTION 8.06 SECURITIES IN A FOREIGN CURRENCY. Unless otherwise specified in an Officers' Certificate delivered pursuant to Section 2.01 of this Indenture or in an indenture supplemental hereto with respect to a particular series of Securities, on any day when for purposes of this Indenture any action may be taken by the Holders of a specified percentage in aggregate principal amount of two or more series of outstanding Securities and, at such time, there are outstanding Securities of at least one such series that are denominated in a coin or currency other than that of at least one other such series, then the principal amount of Securities of each such series (other than any such series denominated in U.S. Dollars) that shall be deemed to be outstanding for the purpose of taking such action shall be that amount of U.S. Dollars that could be obtained for such amount at the Market Exchange Rate. For purposes of this Section 8.06, "Market Exchange Rate" shall mean (i) for any conversion involving a Currency unit on the one hand and dollars or any foreign currency on the other, the exchange rate between the relevant Currency unit and dollars or such foreign currency, (ii) for any conversion of dollars into any foreign currency, the noon U.S. Dollar buying rate for such foreign currency for cable

transfers quoted in The City of New York on such day as certified for customs purposes by the Federal Reserve Bank of New York and (iii) for any conversion of one foreign currency into dollars or another foreign currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the dollars or foreign currency into which conversion is being made could be purchased with the foreign currency from which conversion is being made from major banks located in either New York City, London or any other principal market for dollars or such purchased foreign currency. In the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii) the Trustee shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City, London or other principal market for such Currency or Currency unit in question, or such other quotations as the Trustee shall deem appropriate. Unless otherwise specified by the Trustee, if there is more than one market for dealing in any Currency or Currency unit by reason of foreign exchange regulations or otherwise, the market to be used in respect of such Currency or Currency unit shall be that upon which a nonresident issuer of securities designated in such Currency or Currency unit would purchase such Currency or Currency unit in order to make payments in respect of such securities. The provisions of this paragraph shall apply in determining the equivalent number of votes that each Securityholder or proxy shall be entitled to pursuant to Section 9.05, in respect of Securities of a series denominated in a currency other than U.S. Dollars.

All decisions and determinations of the Corporation regarding the Market Exchange Rate shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Corporation and all Holders.

ARTICLE IX

SECURITYHOLDERS' MEETINGS.

SECTION 9.01 PURPOSES OF MEETINGS. A meeting of Securityholders of any or all series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

(1) to give any notice to the Corporation or to the Trustee, or to give any directions to the Trustee, or to waive any default hereunder and its consequences, or to take any other action authorized to be taken by Securityholders pursuant to any of the provisions of Article Six;

(2) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Securities of any or all series, as the case may be, under any other provision of this Indenture or under applicable law.

SECTION 9.02 CALL OF MEETINGS BY TRUSTEE. The Trustee may at any time call a meeting of Holders of Securities of any or all series to take any action specified in Section 9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, or in London, as the Trustee shall determine. Notice of every meeting of the Holders of Securities of any or all series, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given (i) if any Unregistered Securities of a series that may be affected by the action proposed to be taken at such meeting are then outstanding, to all Holders thereof, by publication at least twice in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least twice in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg) prior to the date fixed for the meeting, the first publication, in each case, to be not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting and the last publication to be not more than five days prior to the date fixed for the meeting, (ii) if any Unregistered Securities of a series that may be affected by the action proposed to be taken at such meeting are then outstanding, to all Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, by mailing such notice to such Holders at such addresses, not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting and (iii) to all Holders of then outstanding Registered Securities of each series that may be affected by the action proposed to be taken at such meeting, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register, not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting. Failure of any Holder or Holders to receive such notice, or any defect therein, shall in no case affect the validity of any action taken at such meeting. Any meeting of Holders of Securities of all or any series shall be valid without notice if the Holders of all such Securities outstanding, the Corporation and the Trustee are present in person or by proxy or shall have waived notice thereof before or after the meeting. The Trustee may fix, in advance, a date as the record date for determining the Holders entitled to notice of or to vote at any such meeting at not less than twenty or more than one hundred eighty days prior to the date fixed for such meeting.

SECTION 9.03 CALL OF MEETINGS BY CORPORATION OR SECURITYHOLDERS. In case at any time the Corporation, pursuant to a Board Resolution, or the Holders of at least ten percent in aggregate principal amount of the Securities of any or all series, as the case may be, then outstanding, shall have requested the Trustee to call a meeting of Securityholders of any or all series to take any action authorized in Section 9.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed or published, as provided in Section 9.02, the notice of such meeting within thirty days after receipt of such request, then the Corporation or the Holders of such Securities in the amount above specified may determine the time and the place in said Borough of Manhattan, The City of New York or London for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

SECTION 9.04 QUALIFICATION FOR VOTING. To be entitled to vote at any meeting of Securityholders a person shall be a Holder of one or more Securities of a series with respect to which a meeting is being held or a person appointed by instrument in writing as proxy by such a Holder. The only persons who shall be entitled to be present or to speak at any meeting of the

Securityholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Corporation and its counsel.

SECTION 9.05 REGULATIONS. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Corporation or by Securityholders as provided in Section 9.03, in which case the Corporation or the Securityholder calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Securities represented at the meeting and entitled to vote.

Subject to the provisions of Sections 8.01 and 8.04, at any meeting each Securityholder or proxy shall be entitled to one vote for each U.S. $1,000 principal amount of Securities held or represented by him, her or it; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote except as a Securityholder or proxy. Any meeting of Securityholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

SECTION 9.06 VOTING. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballot on which shall be subscribed the signatures of the Securityholders or proxies and on which shall be inscribed the identifying number or numbers or to which shall be attached a list of identifying numbers of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavit by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02 or Section 9.03. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Corporation and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE X

SUPPLEMENTAL INDENTURES.

SECTION 10.01 SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF SECURITYHOLDERS. The Corporation, when authorized by Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act of 1939) for one or more of the following purposes:

(a) to evidence the succession of another entity to the Corporation, or successive successions, and the assumption by any successor entity of the covenants, agreements and obligations of the Corporation pursuant to Article Eleven hereof;

(b) to add to the covenants of the Corporation such further covenants, restrictions, conditions or provisions as its Board of Directors and the Trustee shall consider to be for the protection of the Holders of Securities of any or all series, or the Coupons appertaining to such Securities, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions a default or an Event of Default with respect to any or all series permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth, with such period of grace, if any, and subject to such conditions as such supplemental indenture may provide;

(c) to add or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities of any series in bearer form, registrable or not registrable as to principal, and with or without interest Coupons, and to provide for exchangeability of such Securities with Securities issued hereunder in fully registered form and to make all appropriate changes for such purpose, and to add or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of uncertificated Securities of any series;

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture that may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; or to make such other provisions in regard to matters or questions arising under this Indenture as shall not adversely affect the interests of the Holders of any series of Securities or any Coupons appertaining to such Securities;

(e) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(f) to evidence and provide for the acceptance and appointment hereunder by a successor trustee with respect to the Securities of one or more series and to add or change provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to Section 7.11;

(g) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 2.03; and

(h) to change or eliminate any provision of this Indenture, provided that any such change or elimination (i) shall become effective only when there is no Security outstanding of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision or (ii) shall not apply to any Security outstanding.

The Trustee is hereby authorized to join with the Corporation in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture that adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Corporation and the Trustee without the consent of the Holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02 SUPPLEMENTAL INDENTURES WITH CONSENT OF SECURITYHOLDERS. With the consent (evidenced as provided in Section 8.01) of the Holders of not less than a majority in the aggregate principal amount of the Securities of all series at the time outstanding affected by such supplemental indenture (voting as one class), the Corporation, when authorized by a Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indentures or modifying in any manner the rights of the Holders of the Securities of each such series or any Coupons appertaining to such Securities; provided, however, that no such supplemental indenture shall (i) change the fixed maturity of any Securities, or reduce the principal amount thereof (or premium, if any), or reduce the rate or extend the time of payment of any interest or Additional Amounts thereon or reduce the amount due and payable upon acceleration of the maturity thereof or the amount provable in bankruptcy, or make the principal of (premium, if any) or interest, if any, or Additional Amounts, if any, on any Security payable in any coin or currency other than that provided in such Security, (ii) impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date therefor) or (iii) reduce the aforesaid percentage of Securities, the consent of the Holders of which is required for any such supplemental indenture, or the percentage required for the consent of the Holders pursuant to Section 6.01 to waive defaults, without the consent of the Holder of each Security so affected.

Upon the request of the Corporation, accompanied by a copy of a Board Resolution certified by the Secretary or an Assistant Secretary of the Corporation authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid, the Trustee shall join with the Corporation in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution and delivery by the Corporation and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall give notice of such supplemental indenture (i) to the Holders of then outstanding Registered Securities of each series affected thereby, by mailing a notice thereof by first-class mail to such Holders at their addresses as they shall appear on the Security Register, (ii) if any Unregistered Securities of a series affected thereby are then outstanding, to the Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act, by mailing a notice thereof by first-class mail to such Holders at such addresses as were so furnished to the Trustee and (iii) if any Unregistered Securities of a series affected thereby are then outstanding, to all Holders thereof, by Publication of a notice thereof at least once in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), and in each case such notice shall set forth in general terms the substance of such supplemental indenture. Any failure of the Corporation to mail or publish such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 10.03 COMPLIANCE WITH TRUST INDENTURE ACT; EFFECT OF SUPPLEMENTAL INDENTURES. Any supplemental indenture executed pursuant to the provisions of this Article Ten shall comply with the Trust Indenture Act of 1939. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Corporation and the Holders of Securities shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee, subject to the provisions of Sections 7.01 and 7.02, shall be provided an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such supplemental indenture complies with the provisions of this Article Ten.

SECTION 10.04 NOTATION ON SECURITIES. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article Ten may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. New Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Corporation, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Corporation, authenticated by the Trustee and delivered, without charge to the Securityholders, in exchange for the Securities of such series then outstanding.

ARTICLE XI

CONSOLIDATION, MERGER, SALE OR CONVEYANCE.

SECTION 11.01 CORPORATION MAY CONSOLIDATE, ETC., ON CERTAIN TERMS. The Corporation covenants that it will not merge or consolidate with any other entity or sell or convey all or substantially all of its assets to any person or entity, unless (i) either the Corporation shall be the continuing corporation, or the successor entity (if other than the Corporation) shall be an entity organized and existing under the laws of the United States of America or any State thereof and such successor entity shall expressly assume, by a supplemental indenture in form satisfactory to the Trustee and executed and delivered to the Trustee by such successor entity, the due and punctual payment of the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on all the Securities and any Coupons, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed or satisfied by the Corporation, (ii) immediately after giving effect to such merger or consolidation, or such sale or conveyance, no Event of Default, and no event that, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing and (iii) the Corporation shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating, that such consolidation, merger, sale or conveyance and such supplemental indenture, and any such assumption by the successor entity, complies with the provisions of this Article Eleven.

SECTION 11.02 SUCCESSOR CORPORATION SUBSTITUTED. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor entity, such successor entity shall succeed to and be substituted for the Corporation, with the same effect as if it had been named herein as the party of the first part. Such successor entity thereupon may cause to be signed, and may issue either in its own name or in the name of Visteon Corporation, any or all of the Securities, and any Coupons appertaining thereto, issuable hereunder which theretofore shall not have been signed by the Corporation and delivered to the Trustee; and, upon the order of such successor entity, instead of the Corporation, and subject to all the terms, conditions and limitations prescribed in this Indenture, the Trustee shall authenticate and shall deliver any Securities or Coupons which previously shall have been signed and delivered by the officers of the Corporation to the Trustee for authentication, and any Securities or Coupons that such successor entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Securities, and any Coupons appertaining thereto, so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities or Coupons theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities, and any Coupons appertaining thereto, had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale or conveyance, such changes in phraseology and form (but not in substance) may be made in the Securities and Coupons thereafter to be issued as may be appropriate.

SECTION 11.03 CERTIFICATE TO TRUSTEE. On or before April 1, 2001, and on or before April 1 in each year thereafter, the Corporation will deliver to the Trustee an Officers' Certificate signed by the Corporation's principal executive officer, principal financial officer or principal accounting officer, as to such Officer's knowledge of the Corporation's compliance with all

conditions and covenants under this Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under this Indenture), as required by Section 314(a)(4) of the Trust Indenture Act of 1939.

ARTICLE XII

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS.

SECTION 12.01 DISCHARGE OF INDENTURE. If at any time (i) the Corporation shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series and Coupons pertaining thereto that shall have been destroyed, lost or stolen and that shall have been replaced or paid as provided in Section 2.07) or (ii) all Securities of any series and any Coupons appertaining to such Securities not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Corporation shall deposit or cause to be deposited with the Trustee as trust funds the entire amount (other than moneys repaid by the Trustee or any paying agent to the Corporation in accordance with Sections 12.04 and 12.05) sufficient to pay at maturity or upon redemption all Securities of such series and all Coupons appertaining to such Securities not theretofore delivered to the Trustee for cancellation (other than any Securities of such series and Coupons pertaining thereto that shall have been destroyed, lost or stolen and that shall have been replaced or paid as provided in Section 2.07), including principal (and premium, if any), interest, if any, and Additional Amounts, if any, due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if in either case the Corporation shall also pay or cause to be paid all other sums payable hereunder by the Corporation with respect to such series, then this Indenture shall cease to be of further effect with respect to the Securities of such series or any Coupons appertaining to such Securities, and the Trustee, on demand of and at the cost and expense of the Corporation and subject to Section 14.04, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to the Securities of such series and all Coupons appertaining to such Securities. The Corporation agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Securities of such series or any Coupons appertaining to such Securities.

SECTION 12.02 SATISFACTION, DISCHARGE AND DEFEASANCE OF SECURITIES OF ANY SERIES. If pursuant to Section 2.01 provision is made for the defeasance of Securities of a series, then the provisions of this Section 12.02 shall be applicable except as otherwise specified as contemplated by Section 2.01 for Securities of such series. At the Corporation's option, either (a) the Corporation shall be deemed to have paid and discharged the entire indebtedness on all the outstanding Securities of any such series and the Trustee, at the expense of the Corporation, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness or (b) the Corporation shall cease to be under any obligation to comply with any term, provision, condition or covenant specified as contemplated by Section 2.01, when

(1) either

(A) with respect to all outstanding Securities of such series,

(i) the Corporation has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount (in such currency in which such outstanding Securities and any related Coupons are then specified as payable at stated maturity) sufficient to pay and discharge the entire indebtedness of all outstanding Securities of such series for principal (and premium, if any), interest, if any, and Additional Amounts, if any, to the stated maturity or any redemption date as contemplated by the last paragraph of this Section 12.02, as the case may be; or

(ii) the Corporation has deposited or caused to be deposited with the Trustee as obligations in trust for the purpose such amount of direct noncallable obligations of, or noncallable obligations the payment of principal of and interest on which is fully guaranteed by, the United States of America, or to the payment of which obligations or guarantees the full faith and credit of the United States of America is pledged, maturing as to principal and interest in such amounts and at such times as will, together with the income to accrue thereon (but without reinvesting any proceeds thereof), be sufficient to pay and discharge the entire indebtedness on all outstanding Securities of such series for principal (and premium, if any), interest, if any, and Additional Amounts, if any, to the stated maturity or any redemption date as contemplated by the last paragraph of this Section 12.02, as the case may be; or

(B) the Corporation has properly fulfilled such other terms and conditions of the satisfaction and discharge as is specified, as contemplated by Section 2.01, as applicable to the Securities of such series, and

(2) the Corporation has paid or caused to be paid all other sums payable with respect to the outstanding Securities of such series, and

(3) the Corporation has delivered to the Trustee an Opinion of Counsel stating that (i) the Corporation has received from, or there has been published by, the Internal Revenue Service a ruling or (ii) since the date of execution of this Indenture, there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the holders of the outstanding Securities and any related Coupons will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amounts and in

the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred, and

(4) the Corporation has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the entire indebtedness on all outstanding Securities of any such series have been complied with.

Any deposits with the Trustee referred to in Section 12.02(1)(A) above shall be irrevocable and shall be made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee. If any outstanding Securities of such series are to be redeemed prior to their stated maturity, whether pursuant to an optional redemption provision or in accordance with any mandatory sinking fund requirement or otherwise, the applicable escrow trust agreement shall provide therefor and the Corporation shall make such arrangements as are satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Corporation.

SECTION 12.03 DEPOSITED MONEYS TO BE HELD IN TRUST BY TRUSTEE. All moneys deposited with the Trustee pursuant to Sections 12.01 and 12.02 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Corporation acting as its own paying agent), to the Holders of the particular Securities and of any Coupons appertaining to such Securities for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal (and premium, if any), interest, if any, and Additional Amounts, if any.

SECTION 12.04 PAYING AGENT TO REPAY MONEYS HELD. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys with respect to such Securities then held by any paying agent under the provisions of this Indenture shall, upon demand of the Corporation, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from any further liability with respect to such moneys.

SECTION 12.05 RETURN OF UNCLAIMED MONEYS. Any moneys deposited with or paid to the Trustee or any paying agent for the payment of the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on any Security and not applied but remaining unclaimed for two years after the date upon which such principal (and premium, if any), interest, if any, and Additional Amounts, if any, shall have become due and payable, shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Corporation by the Trustee or such paying agent on demand, and the Holder of such Security or any Coupon appertaining to such Security shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, thereafter look only to the Corporation for any payment that such Holder may be entitled to collect and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease; provided, however, that the Trustee or such paying agent, before being required to make any such repayment with respect to moneys deposited with it or any payment in respect of Unregistered Securities of any series, may at the expense of the Corporation cause to be published once, in an Authorized Newspaper in the Borough of Manhattan, The City of New

York and once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), notice that such moneys remain and that, after a date specified therein, which shall not be less than thirty days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Corporation.

ARTICLE XIII

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS.

SECTION 13.01 INDENTURE AND SECURITIES SOLELY CORPORATE OBLIGATIONS. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or any indenture supplemental hereto, or in any Security, or because or on account of any indebtedness evidenced thereby, shall be had against any past, present or future incorporator, stockholder, officer or director, or other applicable principal, as such, of the Corporation or of any successor entity, either directly or through the Corporation or any successor entity, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the Holders thereof and as part of the consideration for the issue of the Securities and Coupons.

ARTICLE XIV

MISCELLANEOUS PROVISIONS.

SECTION 14.01 BENEFITS OF INDENTURE RESTRICTED TO PARTIES AND SECURITYHOLDERS. Nothing in this Indenture or in the Securities or Coupons, expressed or implied, shall give or be construed to give to any Person, other than the parties hereto and their successors and the Holders of the Securities or Coupons, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of the Securities or Coupons.

SECTION 14.02 PROVISIONS BINDING ON CORPORATION'S SUCCESSORS. All the covenants, stipulations, promises and agreements contained in this Indenture by or on behalf of the Corporation shall bind its successors and assigns, whether so expressed or not.

SECTION 14.03 ADDRESSES FOR NOTICES, ETC. Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Corporation may be given or served by being deposited postage prepaid first class mail in a post office letter box addressed (until another address is filed by the Corporation with the Trustee), as follows: Visteon Corporation, Fairlane Plaza North, 10th Floor, 290 Town Center Drive, Dearborn, Michigan 48126, Attention: General Counsel. Any notice, direction, request or demand by any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at its Corporate Trust Office, which is, at the date of this Indenture,

SECTION 14.04 EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT. Upon any application or demand by the Corporation to the Trustee to take any action under any of the provisions of this Indenture, the Corporation shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition, (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (3) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 14.05 LEGAL HOLIDAYS. In any case where the date of maturity of any interest, premium or Additional Amounts on or principal of, the Securities or the date fixed for redemption of any Securities shall not be a Business Day in a city where payment thereof is to be made, then payment of any interest, premium or Additional Amounts on, or principal of, such Securities need not be made on such date in such city but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 14.06 TRUST INDENTURE ACT TO CONTROL. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939 (an "incorporated provision"), such incorporated provision shall control.

SECTION 14.07 EXECUTION IN COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute one and the same instrument.

SECTION 14.08 NEW YORK CONTRACT. This Indenture and each Security 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 said State, regardless of the laws that might otherwise govern under applicable New York principles of conflicts of law and except as may otherwise be required by mandatory provisions of law. Any claims or proceedings in respect of this Indenture shall be heard in a federal or state court located in the State of New York.

SECTION 14.09 JUDGMENT CURRENCY. The Corporation agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purposes of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of or interest on the

Securities of any series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in the City of New York the Required Currency with the Judgment Currency on the date on which final unappealable judgment is entered, unless such day is not a New York Banking Day, then, to the extent permitted by applicable law, the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the New York Banking Day next preceding the day on which final unappealable judgment is entered and (b) its obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. For purposes of the foregoing, "New York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close.

SECTION 14.10 SEVERABILITY OF PROVISIONS. Any prohibition, invalidity or unenforceability of any provision of this Indenture in any jurisdiction shall not invalidate or render unenforceable the remaining provisions hereto in such jurisdiction and shall not invalidate or render unenforceable such provisions in any other jurisdiction.

SECTION 14.11 CORPORATION RELEASED FROM INDENTURE REQUIREMENTS UNDER CERTAIN CIRCUMSTANCES. Whenever in this Indenture the Corporation shall be required to do or not to do any thing so long as any of the Securities of any series shall be Outstanding, the Corporation shall, notwithstanding any such provision, not be required to comply with such provisions if it shall be entitled to have this Indenture satisfied and discharged pursuant to the provisions hereof, even though in either case the Holders of any of the Securities of that series shall have failed to present and surrender them for payment pursuant to the terms of this Indenture.

J.P. Morgan Trust Company, National Association, the party of the second part, hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, VISTEON CORPORATION, the party of the first part, has caused this Indenture to be signed and acknowledged by its Chairman of the Board of Directors, its President or any Vice President or its Treasurer, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary; and J.P. Morgan Trust Company, National Association, the party of the second part, has caused this Indenture to be signed, and its corporate seal to be affixed hereunto, and the same to be attested by its duly authorized officers, all as of the day and year first above written.

{Corporate Seal} VISTEON CORPORATION

Attest: By: /s/ Peter Look

{Corporate Seal} J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION

Attest: By: /s/ Donna V. Fanning

STATE OF MICHIGAN)
) ss.:
COUNTY OF Wayne)

On the 10th day of March, 2004, before me personally came Peter Look, to me known, who being by me duly sworn, did depose and say that he resides at Visteon Corporation, Dearborn, MI, that he is the VP/Treasurer of Visteon Corporation, one of the corporations described in and which executed the foregoing instrument; that he/she knows the seal of said Corporation; that the seal affixed to said instrument is such Corporate seal; that it was so affixed by authority of the Board of Directors of said Corporation, and that he/she signed his/her name thereto by like authority.

{SEAL}

/s/ Carol A. Starr
- ---
Notary Public

STATE OF Arizona)
) ss.:
COUNTY OF Maricopa)

On the 10th day of March, 2004, before me personally came Donna Fanning, to me known, who being by me duly sworn, did depose and say that he/she resides at 2641 West Wayne, Anthem, Arizona that he/she is a Vice President of J.P. Morgan Trust Company, National Association, one of the corporations described in and which executed the foregoing instrument; that he/she knows the seal of said Corporation; that the seal affixed to said instrument is such Corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like authority.

{SEAL}

/s/ Timothy B. Pierce
- ----------------------
Notary Public

EXHIBIT 4.2

VISTEON CORPORATION

and

J.P.MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

SUPPLEMENTAL INDENTURE

Dated as of March 10, 2004

Supplement to Amended and Restated Indenture
dated as of March 10, 2004

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE, dated as of the 10th day of March, 2004 between VISTEON CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter sometimes called the "Corporation"), party of the first part, and J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, a banking association duly incorporated and exiting under the laws of the United States of America, as trustee hereunder (hereinafter sometimes called the "Trustee," which term shall include any successor trustee appointed pursuant to Article Seven of the Indenture referred to below).

RECITALS

WHEREAS, the Corporation has heretofore executed and delivered to the Trustee an Indenture (the "Indenture") dated as of March 10, 2004, providing for the issuance, from time to time, of securities (the "Securities") evidencing its unsecured indebtedness; and

WHEREAS, pursuant to Sections 2.02 and 2.03 of the Indenture the Corporation and the Trustee may enter into indentures supplemental to the Indenture for, among other things, the purpose of establishing the form and terms of Securities of any series (the "Supplemental Indenture"); and

WHEREAS, no Securities have been issued under the Indenture and there do not currently exist any Holders;

WHEREAS, the Company desires to issue a series of senior debt securities under the Indenture, and has duly authorized the creation and issuance of such debt securities and the execution and delivery of this Supplemental Indenture;

WHEREAS, the Company and the Trustee deem it advisable to enter into this Supplemental Indenture for the purposes of establishing the terms of such debt securities and providing for the rights, obligations and duties of the Trustee with respect to such debt securities;

WHEREAS, the execution and delivery of this Supplemental Indenture has been authorized by a resolution of the Securities Pricing Committee established and granted the authority to do so by the Board of Directors of the Company;

WHEREAS pursuant to Section 10.01 of the Indenture, the Trustee and the Corporation are authorized to execute and deliver this Supplemental Indenture;

WHEREAS, all conditions and requirements of the Indenture necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been performed and fulfilled by the parties hereto and the execution and delivery thereof have been in all respects duly authorized by the parties hereto;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the mutual promises and agreements herein contained, the Company and the Trustee covenant and agree, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE ONE

CREATION OF THE NOTES

Section 1.1 Designation of the Series. Pursuant to the terms hereof and Sections 2.01 of the Indenture, the Company hereby creates a series of its debt securities designated as the "7.00% Notes due 2014" (the "Notes"), which Notes shall be deemed "Securities" for all purposes under the Indenture.

Section 1.2 Limit on Amount of Series; Issuance of Additional Notes. The Securities initially shall be limited to an aggregate principal amount of $450,000,000 (except in each case for Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Securities of or within the Series pursuant to Section 2.05, 2.06, 2.07, 3.02 or 10.04 of the Indenture); provided, the Corporation may increase such aggregate principal amount upon the action of the Board to do so from time to time.

Section 1.3 Payment of Principal Amount. The dates on which the principal amount of the Securities shall be payable shall be March 10, 2014.

Section 1.4 Payment of Interest. The rate at which the Securities shall bear interest shall be 7.00% per annum. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The date from which interest shall accrue for the Securities shall be March 10, 2004. The Interest Payment Dates on which such interest shall be payable shall be March 10 and September 10 of each year, commencing September 10, 2004. The record date for the interest payable on the Designated Securities on any Interest Payment Date shall be the close of business on the 15th day preceding such Interest Payment Date.

Section 1.5 Place of Payment. The place or places where the principal of (and premium, if any) and interest on the Securities shall be payable shall be the office of the Trustee, 4 New York Plaza, 18th Floor, New York, New York 10004, Attention: Corporate Trust Services; provided, however, that at the option of the Corporation, payment of interest on registered securities may be made by check mailed to the address of the Holder entitled thereto as such address shall appear in the Security Register or by wire transfer of immediately available funds if the Holder holds U.S. $10,000,000 or more in aggregate principal amount and sends wire transfer instructions to the Trustee as required in the Indenture.

Section 1.6 Optional Redemption. The Securities are subject to redemption, in whole at any time or in part from time to time, at the option of the Corporation at a redemption price equal to the greater of (1) 100% of the principal

amount of the Securities to be redeemed, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on such Securities, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

"TREASURY RATE" means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price of such redemption date. The Treasury Rate will be calculated on the third Business Day preceding the redemption date.

"BUSINESS DAY" means any calendar day that is not a Saturday, Sunday or legal holiday in New York, New York and on which commercial banks are open for business in New York, New York.

"COMPARABLE TREASURY ISSUE" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("Remaining Life") of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

"INDEPENDENT INVESTMENT BANKER" means J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. and their respective successors or, if both such firms are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Trustee after consultation with the Corporation.

"COMPARABLE TREASURY PRICE" means (1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or, (2) if the Independent

Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"REFERENCE TREASURY DEALER" means (1) each of J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. and their respective successors, provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a "Primary Treasury Dealer"), the Company will substitute for such firm another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by the Independent Investment Banker after consultation with the Corporation.

"THE REFERENCE TREASURY DEALER QUOTATIONS" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Section 1.7 No Sinking Fund. The Corporation shall have no obligation to redeem, purchase or repay the Securities pursuant to any sinking fund or analogous provision or at the option of the Holder thereof.

Section 1.8 Form of Notes. The form of Security for the Notes shall be as set forth on Exhibit A.

Section 1.9 Depository for Global Securities. The Securities shall be issued in the form of one or more fully registered Global Securities in registered form and deposited with, or on behalf of the Depository Trust Company, New York ("DTC"), and registered in the name of Cede & Co., DTC's nominee. The securities will not be issued in definitive form.

Section 1.10 Defeasance. The provisions of Article XII of the Indenture relating to defeasance of Securities shall apply to the Securities.

ARTICLE TWO

APPOINTMENT OF THE TRUSTEE FOR THE NOTES

Section 2.1 Appointment of Trustee; Acceptance by Trustee. Pursuant and subject to the Indenture, the Company and the Trustee hereby constitute the Trustee as trustee to act on behalf of the Holders of the Notes. By execution, acknowledgment and delivery of this Supplemental Indenture, the Trustee hereby accepts appointment as trustee with respect to the Notes, and agrees to perform such trusts upon the terms and conditions set forth in the Indenture and in this Supplemental Indenture.

Section 2.2 Rights, Powers, Duties and Obligations of the Trustee. Any rights, powers, duties and obligations by any provisions of the Indenture

conferred or imposed upon the Trustee shall, insofar as permitted by law, be conferred or imposed upon and exercised or performed by the Trustee with respect to the Notes.

ARTICLE THREE

DEFINITIONS

Section 3.1 Definition of Terms. Unless otherwise provided herein or unless the context otherwise requires: (a) a term defined in the Indenture has the same meaning when used in this Supplemental Indenture; (b) a term defined anywhere in this Supplemental Indenture has the same meaning throughout; (c) the singular includes the plural and vice versa; and (d) headings are for convenience of reference only and do not affect interpretation.

ARTICLE FOUR

COVENANTS

Section 4.1 No New Covenants. The Notes are subject only to the covenants of the Company contained in the Indenture.

ARTICLE FIVE

MISCELLANEOUS

Section 5.1 Application of Supplemental Indenture. Each and every term and condition contained in the Supplemental Indenture that modifies, amends or supplements the terms and conditions of the Indenture shall apply only to the Notes created hereby and not to any future series of Securities established under the Indenture.

Section 5.2 Benefits of Supplemental Indenture. Nothing contained in this Supplemental Indenture shall or shall be construed to confer upon any person other than a Holder of the Notes, the Company and the Trustee any right or interest to avail itself, himself or herself as the case may be, of any benefit under any provision of the Indenture or this Supplemental Indenture.

Section 5.3 Effective Date. This Supplemental Indenture shall be effective as of the date first above written and upon the execution and delivery hereof by each of the parties hereto.

Section 5.4 Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 5.5 Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed

to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 5.6 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 5.7 Separability Clause. In case any provision in this Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by their respective officers hereunto duly authorized, all as of the day and year first above written.

Dated: March 10, 2004

VISTEON CORPORATION

By: /s/ Peter Look

Name: Peter Look
Title: Vice President and Treasurer

J.P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION, as
Trustee

By: /s/ Donna V. Fanning

Name: Donna V. Fanning
Title: Vice President

Exhibit A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Visteon Corporation or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

VISTEON CORPORATION

7.00% Notes due 2014
CUSIP No. 92839U AC 1

REGISTERED — PRINCIPAL AMOUNT
No. 1 — U.S. $450,000,000

VISTEON CORPORATION, a Delaware corporation (the "Corporation"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Four Hundred and Fifty Million Dollars ($450,000,000) at the office of the Trustee (as hereinafter defined), 4 New York Plaza, 18th Floor, New York, New York 10004, Attention: Corporate Trust Services, on March 10, 2014, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate of 7.00% per annum at the office of the Trustee, 4 New York Plaza, 18th Floor, New York, New York 10004, Attention: Corporate Trust Services, in like coin or currency commencing on September 10, 2004, semi-annually on March 10 and September 10, until payment of said principal sum has been made or duly provided for. The interest so payable on any March 10 or September 10 will, subject to certain exceptions provided in the Indenture referred to below, by paid to the person in whose name this Note is registered at the close of business on the fifteenth day preceding each such March 10 or September 10 at the office of the Trustee, 4 New York Plaza, 18th Floor, New York, New York 10004, Attention: Corporate Trust Services; at the option of the Corporation, interest may be paid by check to the registered holder hereof entitled thereto at his, her or its last address as it appears on the registered holder hereof entitled thereto at his, her or its last address as it appears on the registry books, or by wire transfer of immediately available funds if the registered Holder hereof holds U.S. $10,000,000 or more in aggregate principal amount and sends wire transfer instructions to the Trustee as required in the

Indenture, and principal may be paid by check to the registered Holder hereof or other person entitled thereto against surrender of this Note.

The Note represents $450,000,000 of the Corporation's 7.00% Notes due 2014 (the "Securities"), all issued or to be issued under and pursuant to an Indenture dated as of March 10, 2004 (the "Base Indenture"), duly executed and delivered by the Corporation to J.P. Morgan Trust Company, National Association, as successor to Bank One Trust Company, N.A., Trustee (the "Trustee"), and the Supplemental Indenture, dated as of March 10, 2004 (the "Supplemental Indenture"), duly executed and delivered by the Corporation to the Trustee (and, together with the Indenture, the "Indenture") to which Indenture and any indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Corporation and the Holders of the Securities. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different redemption provisions (if any) and may otherwise vary as provided in the Indenture.

Initially, the Trustee will act as Paying Agent and Security Registrar.

In case an Event of Default, as defined in the Indenture, with respect to the Notes shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Corporation and the Trustee to execute a supplemental indenture to add any provisions to, change in any manner or eliminate any provisions of, the Indenture or any existing supplemental indenture or to modify the rights of the Holders of the Securities issued under either such Indenture or existing supplemental indenture, with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of all series at the time outstanding that are affected by the supplemental indenture to be executed (voting as one class), provided, however, that the consent of Holder of each Security is required if the supplemental indenture to be executed:

(i) (a) changes the fixed maturity of the Securities, (b) reduces their principal amount (or premium, if any), (c) reduces the rate or extends the time of payment of any interest or any Additional Amounts payable on the Securities, (d) reduces the amount due and payable upon acceleration of the maturity of the Securities or the amount provable in bankruptcy, or (e) makes the principal of (premium, if any), or any interest, if any, or Additional Amounts, if any, on any Security payable in any coin or currency other than that provided in the Security;

(ii) impairs the right to initiate suit for the enforcement of any such payment on or after the stated maturity of the Securities (or, in the case of redemption, on or after the redemption date for such Security; or

(iii) reduces the percentage of Securities, the consent of the Holders of which is required for any such supplemental indenture, or the percentage required for the consent of the Holders to waive defaults.

The Indenture also contains provisions permitting the Corporation and the Trustee to execute supplemental indentures without the consent of the Holders of the Securities to (a) evidence the assumption by a successor corporation of the obligations of the Corporation, (b) add covenants for the protection of the Holders of the Securities, (c) add or change any of the provisions of the Indenture to permit or facilitate the issuance of Securities of any series in bearer form and to provide for the exchange of Securities in bearer form with registered Securities, (d) cure any ambiguity or correct any inconsistency in the Indenture or in a supplemental indenture, (e) transfer, assign, mortgage or pledge any property to or with the Trustee, (f) evidence the acceptance of appointment by a successor trustee, (g) establish the form or terms of Securities of any series as permitted by the terms of the Indenture, and (h) change or eliminate provisions of the Indenture where the changes or eliminations do not apply to any Security outstanding and become effective only when there is no Security outstanding of a series created before the execution of the supplemental indenture that is entitled to the benefit of the provision being changed or eliminated.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, at the respective times, at the rate, and in the coin or currency, herein prescribed.

The Securities may be redeemed in whole at any time, or in part from time to time, at the option of the Corporation, at the redemption price equal to the greater of (1) 100% of the principal amount of the Securities to be redeemed, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on such Securities, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

"TREASURY RATE" means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the

nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price of such redemption date. The Treasury Rate will be calculated on the third Business Day preceding the redemption date.

"BUSINESS DAY" means any calendar day that is not a Saturday, Sunday or legal holiday in New York, New York and on which commercial banks are open for business in New York, New York.

"COMPARABLE TREASURY ISSUE" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("Remaining Life") of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

"INDEPENDENT INVESTMENT BANKER" means J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. and their respective successors or, if both such firms are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Trustee after consultation with the Corporation.

"COMPARABLE TREASURY PRICE" means (1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or, (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"REFERENCE TREASURY DEALER" means (1) each of J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. and their respective successors, provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a "Primary Treasury Dealer"), the Company will substitute for such firm another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by the Independent Investment Banker after consultation with the Corporation.

"THE REFERENCE TREASURY DEALER QUOTATIONS" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

The Corporation shall have no obligations to redeem, purchase or repay this Note pursuant to any sinking fund or analogous provision or at the option of the Holder hereof.

This Note is subject to defeasance on the terms and conditions stated in the Indenture.

Terms defined in the Indenture and not defined otherwise herein shall have the respective meanings assigned thereto in the Indenture.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee in accordance with the Indenture.

EXHIBIT 10.3

AMENDED AND RESTATED EMPLOYEE TRANSITION AGREEMENT

This Employee Transition Agreement relating to certain employment matters and employee benefit plans (this "Agreement") dated as of April 1, 2000 and restated as of December 19, 2003 is made and entered into by and among Ford Motor Company, a Delaware corporation ("Ford") and Visteon Corporation, a Delaware corporation and a wholly owned subsidiary of Ford, ("Visteon"). Ford and Visteon are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

1. Ford determined that it was appropriate and beneficial to separate the activities conducted under the name of "Visteon Automotive Systems, an enterprise of Ford Motor Company," including those activities conducted by any entity in which Ford, directly or indirectly, owns or controls 50% or more of its stock or other equity interests (a "Subsidiary") and by any entity in which Ford, directly or indirectly, owns or controls less than 50% but more than 20% of its stock or other equity interests (an "Affiliate") which is aligned with such enterprise, which presently includes the Chassis Systems, Climate Control Systems, Interior and Exterior Systems, Energy Transformation Systems, Glass Division, and the Visteon Technology Office (collectively, with historic operations, including the former Automotive Products Operations, Automotive Components Division, Electronics, Plastics and Trim, Climate Control, Chassis, Electrical and Fuel Handling, and Glass Divisions, the "Business");

2. Ford concluded that the separation of the Business from its automaking business would (i) alleviate competitive barriers to expanding the Business beyond sales to Ford, Ford Subsidiaries and Ford Affiliates, (ii) allow Ford to overcome competitive barriers to making purchases from third-party automotive suppliers, and (iii) enhance the Business' ability to attract employees and permit the Business to offer employee incentives more directly tied to the performance of the Business;

3. Ford caused Visteon to be formed for the purpose of carrying on and conducting the Business;

4. Ford and Visteon have entered into various agreements, including a Master Transfer Agreement dated as April 1, 2000 to effect the separation of the Business;

5. The Parties desired that Ford transfer to Visteon certain employees who were engaged in doing work for the Business and to provide for the orderly transition of employee benefit plans and the Parties executed this Employee Transition Agreement as of April 1, 2000;

6. Pursuant to Amendment Number One to Employee Transition Agreement dated as of January 12, 2001 between Ford and Visteon, the Employee Transition Agreement was amended; and

7. The Parties desire to further amend and restate the Employee Transition Agreement in its entirety as provided below, effective as of restatement date first written above.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.01 "BENEFIT TRANSITION DATE" shall mean the first day of the month coincident with or immediately following the Distribution Date except with respect to the Ford Flexible Benefits Plan shall mean June 1, 2000.

1.02 "CODE" shall mean the Internal Revenue Code of 1986, as amended.

1.03 "DISTRIBUTION DATE" shall mean the date Ford will distribute to Ford shareholders all of the shares of Visteon common stock then owned by Ford.

1.04 "DOL" shall mean the U.S. Department of Labor.

1.05 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.06 "FORD BUSINESS EMPLOYEES" shall mean

(i) Persons who are enrolled on the Ford salaried payroll (U.S. or non-U.S) or enrolled on the Ford hourly payroll in non-U.S jurisdictions and who are actively at work at the Business the day prior to the Transfer Date including those on paid time off (i.e. Jury Duty Pay, Bereavement Pay, Short Term Military Pay, Vacation and Paid Holiday) and those on reduced or alternate work schedules, but excluding Ford employees who are on temporary assignment to the Business ("Active Ford Business Employees"); and

(ii) Persons who are absent from such salaried or hourly employment as of the day prior to the Transfer Date on account of short term or long term

disability leave or other approved leaves of absence, or layoff (Inactive Ford Business Employees").

1.07 "FORD RETIREE" shall mean a former Ford Business Employee, or a surviving spouse or beneficiary of a former Ford Business Employee, who had terminated service with Ford or Visteon and is receiving retirement benefits under a Ford sponsored retirement plan as of the Benefit Transition Date or who terminated employment with Ford or Visteon on or before the Benefit Transition Date and is eligible on the Benefit Transition Date to receive immediate or future retirement benefits (including deferred vested benefits) under the Ford sponsored retirement plan.

1.08 "GENERAL RETIREMENT PLAN" or "GRP" shall mean the General Retirement Plan of Ford Motor Company and its participating subsidiaries.

1.09 "GLOBAL FORD BUSINESS EMPLOYEES" shall mean all employees of Ford or its the Subsidiaries or Affiliates who are engaged in the conduct of the Business prior to the Transfer Date, including but not limited to

(i) Ford Business Employees; and

(ii) Persons who are enrolled on the payroll of a Subsidiary or Affiliate of Ford engaged in the Business as of the Transfer Date, or persons who are no longer active but who had been employed by a Subsidiary or Affiliate engaged in the Business at any time prior to the Transfer Date ("Subsidiary Employees").

1.10 "GLOBAL VISTEON EMPLOYEES" shall mean all employees of Visteon or its subsidiaries or affiliates who are engaged in the conduct of the Business after the Transfer Date, including but not limited to

(i) Visteon Employees; and

(ii) Subsidiary Employees who as a result of the transfer of Ford's interest in the Subsidiary or Affiliate to Visteon as of the Transfer Date, became employed by, or became the responsibility of, a subsidiary or affiliate of Visteon on the Transfer Date.

For purposes of this Agreement, Global Visteon Employees shall not include any employees hired directly by Visteon or its subsidiaries or affiliates after the Transfer Date.

1.11 "GOVERNANCE COUNCIL" shall mean the governance council described in Section 6.1 of the Relationship Agreement between Ford and Visteon dated as of the date of this Amended and Restated Employee Transition Agreement between Ford and Visteon.

1.12 "GROUP I EMPLOYEE" shall mean a U.S. Visteon Employee who as of the Benefit Transition Date is eligible for immediate normal or regular early retirement under the provisions of the GRP as in effect on the Benefit Transition Date.

1.13 "GROUP II EMPLOYEE" shall mean a U.S. Visteon Employee who

(i) is not a Group I Employee;

(ii) has as of the Benefit Transition Date a combination of age and credited service under the GRP that equals or exceeds sixty (60) points (partial months disregarded); and

(iii) could have become eligible for normal or regular early retirement under the provisions of the GRP as in effect as of the Benefit Transition Date within the period after the Benefit Transition Date equal to the employee's credited service under the GRP as of the Benefit Transition Date.

1.14 "GROUP III EMPLOYEE" shall mean any U.S. Visteon Employee who participants in the GRP other than a Group I or II Employee.

1.15 "IRS" means the U.S. Internal Revenue Service.

1.16 "OSHA" shall mean the Occupational Safety and Health Act of 1970, as amended.

1.17 "PBGC" shall mean the Pension Benefit Guaranty Corporation.

1.18 "SFAS NO. 87" shall mean the Statement of Financial Accounting Standards No. 87.

1.19 "SFAS NO. 106" shall mean the Statement of Financial Accounting Standards No. 106.

1.20 "TRANSFER DATE" shall mean the date specified in the Master Transfer Agreement with respect to each entity or interest to be transferred pursuant thereto.

1.21 "VISTEON BALANCE SHEET" shall mean the balance sheet for Visteon Automotive Systems as of March 31, 2000, as prepared by Ford.

1.22 "VISTEON EMPLOYEES" shall mean

(i) Active Ford Business Employees who are transferred to Visteon pursuant to the terms hereof and who are at work on the Transfer Date including those on paid time off (i.e., Jury Duty Pay, Bereavement Pay, Short Term Military Pay, Vacation Pay and Paid Holiday) and those on reduced or

alternate worK schedules; and

(ii) Inactive Ford Business Employees or Ford Retirees on a disability retirement who are transferred to Visteon pursuant to the terms hereof on the Reinstatement Date or Disability Retiree Reinstatement Date.

For purposes of this Agreement, Visteon Employees shall not include any employees hired directly by Visteon after the Transfer Date, except for those specified in (ii) above. "Visteon Employees" shall also include any Ford employee who transferred to Visteon after the Transfer Date and on or prior to the Distribution Date.

1.23 "VISTEON RETIREE" shall mean a former Ford Business Employee, or a surviving spouse or beneficiary of a former Ford Business Employee, who became a Visteon Employee and who terminated service with Visteon after the Benefit Transition Date and is receiving retirement benefits under a Ford sponsored retirement plan and a Visteon sponsored retirement plan.

ARTICLE II

EMPLOYMENT RESPONSIBILITY

2.01 EMPLOYEE CENSUS.

On the Transfer Date, Ford shall provide Visteon a preliminary employee census ("Employee Census") containing the following information:

(i) a list of all Active Ford Business Employees by location;

(ii) a list of all Inactive Ford Business Employees by location;

(iii) the job classification of each Ford Business Employee;

(iv) the Ford Service Date of each Ford Business Employee;

(v) the base monthly salary of each Ford Business Employee;

(vi) the reason for any absence of any Ford Inactive Business Employee and the date any leave expires.

Ford shall finalize the Employee Census no later than thirty (30) days after the Transfer Date, subject to Visteon review. Ford shall not be responsible for providing Visteon an Employee Census of the Global Ford Business Employees.

2.02 EMPLOYMENT TRANSFER.

Unless otherwise agreed, Ford shall transfer the employment of the Active Ford Business Employees to Visteon effective on the Transfer Date and the Active Ford Business Employees shall become Visteon Employees effective on the Transfer Date. Ford shall transfer to Visteon the employment of an Inactive Ford Business Employee who is recalled from layoff or other inactive status or requests reinstatement on or

before the date such employee's leave of absence expires or as of the date such employee's medical disability ceases and such employee is released by their personal physician to return to their former position of employment or a comparable position consistent with any medical restrictions, as applicable (the "Reinstatement Date"). In addition, Ford shall transfer to Visteon employment responsibility for a Ford Retiree on a disability retirement ("Disability Retiree") on the date the medical disability ceases, such employee is released by their personal physician to return to their former position of employment or a comparable position consistent with any medical restrictions, and the retirement committee approves the return to work ("Disability Retiree Reinstatement Date"). The Transfer Date, the Reinstatement Date and the Disability Retiree Reinstatement Date shall be known as the "Employment Date". Notwithstanding the above, Visteon shall remain financially responsible for any costs incurred by Ford or its benefit plans and programs related to the Inactive Ford Business Employees between the Transfer Date and the Employment Date, and Visteon shall reimburse Ford for any such costs under a method to be mutually agreed by the Parties. A Ford Business Employee who is on an international service assignment to a non-Business activity as of the Distribution Date shall remain in such assignment until scheduled to return and shall return to the originating activity. A Ford employee who is on international service assignment to a Business activity as of the Distribution Date shall remain in such assignment until scheduled to return and shall return to the originating activity. Visteon or Ford, as applicable, shall reimburse the other for the costs of such employees after the Distribution Date under a method to be mutually agreed by the Parties. A Ford Business Employee who is on international service assignment to a non-Business activity as of the Distribution Date shall be considered a Visteon Employee as of the Transfer Date, and generally shall be covered under the terms of this Agreement to the same extent as other Visteon Employees. Visteon and Ford shall determine at a later date appropriate transition measures for such employees, and for a Ford employee who is on international service assignment to a Business activity as of the Distribution Date, pursuant to the process described in Section 3.13.

2.03 RECOGNITION OF SERVICE.

Visteon shall recognize, or shall cause its subsidiaries or affiliates to recognize, the Ford Service Date or Subsidiary Service Date, as applicable, of each Global Visteon Employee in determining years of service under the employee benefit plans and other compensation and benefit practices and polices of Visteon or its subsidiaries or affiliates both prior to the Benefit Transition Date and thereafter, except as otherwise provided in this Agreement.

2.04 COMPENSATION AND BENEFIT PLANS.

Visteon shall pay each Global Visteon Employee at the same base salary rate or hourly rate as was applicable to them as a Global Ford Business Employee, and shall implement any merit, promotional or other increases that were scheduled to go into effect as of the Transfer Date. Effective on the Transfer Date, and except as otherwise provided in this Agreement, Visteon shall adopt the same benefit plans and programs

for Visteon Employees as are in effect for Ford Business Employees as of the Transfer Date, and shall participate in the Ford employee benefit plans and programs as a participating subsidiary or its equivalent until the Benefit Transition Date. Visteon shall reimburse Ford for any such legally incurred cost and expense consistent with the methods presently in effect for charging such expenses to participating subsidiaries or their equivalents using methodology consistent with U.S. GAAP and acceptable to both Parties. In addition, Visteon shall reimburse Ford for any costs and expense incurred prior to the Benefit Transition Date and that relate to Ford Retirees under an incentivized separation program. Effective on the Benefit Transition Date, and except as otherwise provided herein, Visteon shall adopt, or shall cause its subsidiaries or affiliates to maintain or adopt, benefit plans and programs for the U.S. Global Visteon Employees that are substantially comparable in the aggregate to those that were in effect on the day immediately preceding the Benefit Transition Date and shall continue such programs substantially in effect for at least four (4) years after the Distribution Date, provided, however, if Ford makes changes in the benefit plans and programs applicable to Ford employees during the four (4) year period, Visteon or its subsidiaries or affiliates, as applicable, shall be permitted, but shall not be required, to make a comparable change. The comparability period shall not be effective with respect to U.S. employees of Visteon who were hired as new hires by Visteon after the Transfer Date or with respect to non-U.S. Global Visteon Employees. Except as otherwise provided in this Agreement, Ford shall take such action as is necessary to eliminate Global Visteon Employees from Ford sponsored benefit plans and programs as of the Benefit Transition Date unless otherwise agreed by the Parties, and thereafter Global Visteon Employees shall have no rights under any such plans or programs.

2.05 PAID TIME OFF.

Effective as of the Employment Date, each Global Visteon Employee shall retain the same paid time off eligibility they had under Ford's paid time off policy, or the policy of Ford's Subsidiaries or Affiliates. Any paid time off used by a Global Ford Business Employee in 2000 prior to the Employment Date shall be counted against such employee's entitlement as a Global Visteon Employee after the Distribution Date until December 31, 2000.

2.06 COLLECTIVE BARGAINING AGREEMENTS.

Certain of the Ford Business Employees are covered under the terms of the collective bargaining agreements listed on Attachment A. Effective as of the Transfer Date, Visteon shall assume the obligation of Ford under the collective bargaining agreements applicable to such employees, and Ford shall be relieved of any further obligations under such agreements with respect to such employees. The Agreement Governing the Separation of the Ford Visteon Organization dated January 25, 2000 between Ford and the Ford European Works Council, attached hereto as Attachment B, shall apply to the Ford Business Employees represented by the Ford European Works Council, and Visteon agrees to abide by its terms.

2.07 REEMPLOYMENT RESTRICTION.

Except with the consent of Visteon, Ford shall not hire any Global Visteon Employee during the period commencing as of the Distribution Date and terminating twelve months thereafter, unless otherwise required by law.

Notwithstanding the above, Ford shall be permitted to hire any Global Visteon Employee during the twelve month period in the event such Global Visteon Employee incurs an employment loss as a result of a Reduction in Force (as hereafter defined). A "Reduction In Force" means an action by Visteon that results in an employment loss for (i) at least ten (10) employees either within a thirty (30) day period or at any time if the employment loss was related to a single employment decision or (ii) any number of employees in the event of a plant or facility closing. An employee suffers an employment loss if (i) the individual's employment ends for any reason other than a discharge for cause, voluntary resignation or voluntary retirement; (ii) the individual is placed on a layoff which is reasonably expected to exceed six months; or (iii) the individual's hours of employment are reasonably expected to be involuntarily reduced by more than fifty (50) percent during each month of a six month period. An employment loss shall not be deemed to have occurred if the employee was transferred to a successor employer in connection with a sale, disposition or reorganization of all or any part of Visteon's business.

ARTICLE III

EMPLOYEE BENEFIT PLANS

3.01 U.S. QUALIFIED DEFINED BENEFIT RETIREMENT PLANS.

a. GRP Participating Subsidiary. U.S. Ford Business Employees participate in the GRP as employees of Ford. Effective as of the Transfer Date, Visteon shall take such corporate action as is necessary to participate in the GRP as a "Participating Subsidiary" as defined in the GRP with respect to the Visteon Employees until the Benefit Transition Date. Ford hereby consents to such participation by Visteon. Visteon shall reimburse Ford for the cost of any early separation incentive programs applicable to U.S. Ford Business Employees prior to the Benefit Transition Date.

b. Visteon Mirror GRP.

(i) Establishment of Plan. Effective on the Benefit Transition Date, or such later date as the Parties may mutually agree, Visteon shall establish its own defined benefit pension plan that with respect to Group III Employees contains provisions that duplicate the benefit provisions of the GRP as it pertains to service prior to the Benefit Transition Date and with respect to Group I and II Employees, contains substantially comparable benefit provisions with respect to

service after the Benefit Transition Date ("Visteon Mirror GRP"). The Visteon Mirror GRP shall be responsible for providing retirement benefits for Group I and Group II Employees for service on or after the Benefit Transition Date and, subject to receipt of the asset transfer described below, for Group III Employees for service recognized under the GRP prior to the Benefit Transition Date and for service with Visteon after the Benefit Transition Date. The Visteon Mirror GRP shall recognize credited service of Visteon Employees under the GRP through the Benefit Transition Date for purposes of eligibility to participate and eligibility for benefits to the same extent as such credited service (or ERISA service) was counted under the GRP. Notwithstanding the above, for purposes of calculating the Part B Contributory Benefit, only a total of thirty five (35) years of combined Ford and Visteon service may be used. Apportionment of the Part B Contributory Benefit between the GRP and the Visteon Mirror GRP when total years of Contributory Service exceed 35, shall be computed as follows:

GRP:	PB x N / 35
Visteon Mirror GRP:	PB x (35 - N) / 35

where PB is the total Part B Contributory Benefit payable under the GRP computed as if the participant had 35 years of GRP Contributory Service at date of retirement and N is the number of years (and months) of Contributory Service under the GRP to a maximum of 35 years.

(ii) Asset Transfer Valuation. Ford shall cause to be transferred from the GRP assets in cash or cash equivalents, or marketable securities reasonably acceptable to Visteon, that shall equal the projected benefit obligation, as defined in SFAS No. 87, of the liabilities related to the Group III Employees as of the Benefit Transition Date ("GRP PBO Value") determined by an independent actuary appointed by Ford ("Ford Actuary") in accordance with the principles stated below:

(A) The present value of liabilities will be determined under SFAS No. 87 as the projected benefit obligation, using the actuarial assumptions and methods that are published in the most recent actuarial valuation for accounting purposes for the GRP prepared by Buck Consultants.

(B) A discount rate as of the Benefit Transition Date determined by Ford using its normal methods for developing a SFAS No. 87 discount rate but based on market interest rates as of the Benefit Transition Date.

In no event shall the GRP PBO Value as calculated on the basis described above result in an asset transfer less than the amount necessary to reflect the requirements of the provisions of Code Section 411(d) and 414(l) and the Treasury Regulations issued thereunder and the actuarial methods and assumptions established by the PBGC with respect to spin-offs of pension plans where liabilities, for purposes of Code Section 411 (d) and 414(l), are calculated using a discount rate equal to the applicable rate or rates published by the PBGC and in effect for plans terminating on the Benefit Transition Date. The determination of the GRP PBO Value by the Ford Actuary shall be submitted to an independent actuary appointed by Visteon (the "Visteon Actuary") for verification but such verification shall relate only to the calculation of the GRP PBO Value on the basis set forth above. If the Visteon Actuary and the Ford Actuary are unable to agree on a verification, they shall jointly designate a third independent actuary whose verification shall be final and binding. Ford and Visteon shall each pay one-half of the costs of such third actuary.

(iii) Transfer to Qualified Plan. Within ninety (90) days of the Transfer Date (but in no event later than the Benefit Transition Date), Visteon shall provide Ford with the plan document for the Visteon Mirror GRP, together with either (A) an opinion letter of counsel reasonably acceptable to Ford that the Visteon Mirror GRP satisfies the requirements for qualification under Section 401 (a) of the Code as of its effective date or will be amended to meet the qualification requirements in the event the IRS requires retroactive amendments to the Visteon Mirror Plan as part of the determination letter process and that the transfer of assets provided in (iv) below shall not affect the qualification of such plan, or (B) a favorable determination letter issued by the IRS that the Visteon Mirror GRP satisfies the requirements for qualification under Section 401 (a) of the Code as of its effective date.

(iv) Asset Transfer. As soon as practicable after the latest of (A) the date on which the GRP PBO Value is determined and verified pursuant to (ii) above, (B) the expiration of thirty days following the filing of Forms 5310 with the IRS and PBGC in respect of the GRP and the Visteon Mirror GRP or (C) the receipt by Ford of the opinion or determination letters described in (iii) above and determination by Ford that the Visteon Mirror GRP satisfies the terms of this Agreement (the "Asset Transfer Date"), Ford shall cause the trustee of the GRP to transfer assets and respective liability therefore to the Visteon Mirror Pension Plan in such amount and in such form as provided in (ii) above, together with interest

from the Benefit Transition Date to the first of the month immediately preceding the Asset Transfer Date, at the Ford Master Trust rate or return, and thereafter until the Asset Transfer Date, interest at the 90-day Treasury Bill rate on a bond equivalent yield in effect on the last business day of the month immediately preceding or coincident with the Asset Transfer Date as quoted in the Wall Street Journal.

(v) No Further Liability. Upon receipt of the transferred assets from the GRP, neither Ford nor the GRP shall have any further liability to the Group III Employees for benefits for service under the GRP with respect to which liabilities and assets have been transferred. Ford and Visteon shall use their respective best efforts to make amendments to their respective plans and trusts as may be necessary or appropriate to effect the transfers contemplated by these provisions.

(vi) Pension Security. The assets of the Visteon Mirror GRP that are transferred from the GRP trust as provided in section (iv) above, and any earnings thereon, shall be held in a separate trust for a period equal to five years commencing as of the Benefit Transition Date. Such assets shall be available only for the purposes of providing pension benefits for plan participants and their beneficiaries for service under the Ford GRP through the Benefit Transition Date ("Visteon Past Service Trust"). In the event the assets in the Visteon Past Service Trust are insufficient to pay the liability for accrued benefits measured on a plan termination basis, determined as of each year end, using PBGC assumptions, including the PBGC discount rates, mortality tables and expected retirement ages unless Ford agrees to such other rates, tables and assumptions certified to by the Visteon Actuary as appropriate for measuring liabilities on a plan termination basis, while such Visteon Past Service Trust is maintained, Visteon shall contribute sufficient cash within thirty days of the date the year-end calculation is complete to restore the assets in the Visteon Past Service Trust to be at least equal to such termination liability. Notwithstanding the above, Visteon need not contribute in any year an amount greater than the maximum tax deductible contribution allowed for such year, and provided further, that if the contribution required would exceed $10 million in any year, Visteon shall have the option to pay $10 million the first year, and shall pay the balance in succeeding years in annual installments of at least $5 million until the obligation is satisfied, together with interest on the obligation at the 90 day Treasury Bill rate as quoted in the Wall Street Journal for the relevant period (the "Financial Burden Formula"). Visteon shall not terminate the Visteon Mirror GRP and revert assets to Visteon for a

period of five years after the Benefit Transition Date. Visteon shall not invest any assets of the Visteon Past Service Trust in an employer security as defined in Section 407(d)(1) of ERISA for a period of five years after the Benefit Transition Date.

c. Ford GRP Pension Liability.

(i) Ford Retirees. The GRP shall retain liability for retirement benefits for all Ford Retirees, and shall retain all GRP assets with respect thereto. The benefits payable shall be based on the benefit provisions applicable under the GRP as of the date of retirement, and as may be subsequently amended. To the extent that such benefit is based on final average salary under the GRP, the GRP will take into account any base salary paid at Visteon while an employee as of the December 31 prior to the Benefit Transition Date. Ford shall amend the GRP to provide that Ford Retirees may be employed at Visteon after the Distribution Date and remain eligible to receive benefits under the GRP.

(ii) Group I and Group II Employees For Pre-Benefit Transition Date Service. The GRP shall retain liability for retirement benefits of Group I and Group II Employees, but only for service through the Benefit Transition Date. The GRP shall recognize credited service (or ERISA service) of U.S. Visteon Employees under the Visteon Mirror GRP for purposes of eligibility to participate and eligibility for benefits to the same extent as if such credited service (or ERISA service) was earned under the GRP, but not for purposes of benefit calculation. The retirement benefits paid to Group I and Group II Employees from the GRP shall be based on the benefits in effect as of the retirement date using the final average salary of the Group I or Group II Employee at retirement from Visteon, giving effect to Visteon base salary increases after the Benefit Transition Date. Visteon shall reimburse Ford for the following additional costs: (A) the cost of benefit increases under the GRP that occur after the Benefit Transition Date and relate to service prior to the Benefit Transition Date; (B) for the effect on the PBO related to Group I and Group II Employees for any Visteon average merit salary increase which exceeds the average Ford merit increase by one-half percent in any given year, provided 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 the PBO related to Group I and Group II Employees as a result of Visteon's implementation of any early separation incentive programs or a Reduction in Force, provided however, that Visteon shall receive credit if the effect of such programs reduces the PBO. For purposes of the 2001 Visteon Separation Programs, as defined

below, it is acknowledged and agreed that the present value as of July 1, 2001 for the effect of the 2001 Visteon Separation Program (phase 1) on the PBO related to the Group I and Group II Employees is $28,865,296.00 and as of September 1, 2001 (phase II) the effect is $1,947,437.00, which also includes the effect on the PBO related to the BEP and SERP as provided in Section 3.02(c)(ii), as amended. In accordance with Exhibit Z, Visteon shall reimburse Ford $ 30,812,733.00, together with interest, as provided below. The "2001 Visteon Separation Program" shall mean involuntary separation programs established by Visteon for calendar year 2001. Such reimbursements shall be done annually no later than the later of (a) March 31 with respect to the preceding calendar year and (b) thirty days after the annual actuarial valuation of the GRP is completed by the Ford Actuary and verified by the Visteon Actuary. If the reimbursements for either Party exceed in the aggregate $10 million per year (relating to costs under (A), (B) and (C) under Section 3.02(c) (ii) or under this Section incurred in that year, but not including costs under (A), (B) and (C) under Section 3.01c(ii) or this Section for prior years, the Party with the obligation shall have the option to pay the obligation according to the Financial Burden Formula.

d. Prorated GRP Supplements.

(i) Early Retirement Supplement. To the extent that an Early Retirement Supplement is payable under the GRP to a Group I or Group II Employee who has completed at least 30 years combined GRP and Visteon Mirror GRP credited service, the amount of the Early Retirement Supplement shall be computed as described below:

(a) The GRP shall pay an Early Retirement Supplement equal to:

("Total 30 and Out Benefit" minus LIB) x FS (Max. 30) / 30

(b) While the Visteon Mirror GRP has the same benefit provisions as the Ford GRP, the Visteon Mirror GRP shall pay an Early Retirement Supplement equal to:

("Total 30 and Out Benefit" minus LIB) x [30 minus FS (Max. 30)] / 30

where

"Total 30 and Out Benefit" is the Total 30 and Out Benefit applicable when the total GRP and Visteon Mirror GRP credited service exceeds 30 years. For illustration, the amount of Total 30 and Out Benefit from October 1, 1999 to September 30, 2000 is $2,380 per month.

"FS (Max. 30)" is total credited service in the GRP, not to exceed 30 years.

"LIB" is the monthly Life Income Benefit (before survivor option) applicable to the total GRP and Visteon Mirror GRP credited service.

The amount of "Total 30 and Out Benefit" minus LIB cannot be negative.

(c) Exhibit AA illustrates the methodology.

(i) Interim Supplement or Temporary Benefit. To the extent that any Interim Supplement or Temporary Benefit is payable under the GRP to a Group I or Group II Employee, the amount of the Interim. Supplement or Temporary Benefit as applicable, shall be determined by multiplying the number of years of credited service (not to exceed 30), including fractions of a year, under the GRP as of the Benefit Transition Date by the monthly Interim Supplement Rate, or Temporary Benefit Rate, as applicable, in effect at the time of retirement. To the extent that any Interim or Temporary Benefit is payable under the Visteon Mirror GRP to a Group I or Group II Employee, the amount of the benefit shall be determined by multiplying the number of years of credited service (except if the combined Ford and Visteon service exceeds thirty, then the Visteon benefit shall be determined by subtracting from thirty years the years of Ford credited service), including fractions of a year, under the Visteon Mirror GRP by the monthly Interim Supplement Rate, or Temporary Benefit Rate, as applicable, in effect at the time of retirement. In the event a Group I or Group II Employee has credited service under the GRP of thirty or more years as of the Benefit Transition Date, no Visteon Mirror Interim Supplement or Temporary Benefit shall be payable.

e. Group II Employees Who Fail Grow-in. Except as otherwise provided by law, for those Group II Employees who do not continue to be employed by Visteon or a successor to Visteon until such time as their age and combined service with Ford through the Benefit Transition Date and with Visteon or its successor after the Benefit Transition Date would be sufficient to result in eligibility for retirement under the GRP, any benefit

payable for years of service prior to the Benefit Transition Date shall be based on the benefit rate and final average salary, if applicable, in effect under the GRP on the date such employee breaks service under the Visteon Mirror GRP. In such event, such employee shall be treated as a "deferred vestee" under the GRP, if otherwise eligible based on combined service. Benefits for service at Visteon after the Benefit Transition Date shall be payable by Visteon. Notwithstanding the above, in the event that Visteon implements a Reduction in Force that prevents a Group II Employee who is at least age 45 with 10 or more years of credited service under the GRP at the time of separation from Visteon employment from achieving eligibility for the grow-in because the employee was separated from Visteon employment, Ford shall amend the GRP to provide that such affected Group II Employee shall be permitted to continue to grow-in to retirement eligibility despite the employment loss. Such a Group II Employee shall be eligible for the following types of retirement under the GRP. If the Group II Employee was between ages 50 and 54 (inclusive) with at least 10 years of credited service recognized under the GRP at the time of separation from Visteon employment prior to April 1, 2002, such employee shall be eligible for a special early retirement benefit under the GRP commencing at age 55. If the Group II Employee was between ages 50 and 54 (inclusive) with at least 10 years of credited service recognized under the GRP at the time of separation from Visteon employment on or after April 1, 2002, such employee shall be eligible for a regular early retirement benefit commencing at age 55 but not a special early or disability retirement benefit. If the Group II Employee was between ages 45 and 49 (inclusive) with at least 10 years of credited service recognized under the GRP at the time of separation from Visteon employment, such employee shall be eligible for a regular early retirement benefit commencing at age 55, but shall not be eligible for an Early Retirement Supplement or Interim Supplement under the GRP or a special early or disability retirement benefit. Any benefit payable under the GRP for years of service prior to the Benefit Transition Date shall be based on the benefit rate in effect on the employee's retirement date and final average salary, if applicable, in effect on the date such employee breaks service under the Visteon Mirror GRP. The cost of providing any post retirement health and life benefits under the Plans for such a Group II Employee shall be paid by Visteon, in accordance with Section 3.03 as provided for other Group II Employees.

f. U.S. Master Trust. After the Transfer Date, the defined benefit plans of Ford Electronics arid Refrigeration, LLC. ("FE&R") may continue to participate in the U.S. Ford Master Trust until the Benefit Transition Date. Visteon shall establish a U.S. Visteon Master Trust no later than the Benefit Transition Date and Ford shall cause the Trustee of the U.S. Ford Master Trust to transfer the assets in such U.S. Ford Master Trust allocable to FE&R's defined benefit plans to the trustee of the U.S. Visteon

Master Trust. Assets shall be valued at the end of the month coincident with or following the Distribution Date ("Valuation Date") and cash or cash equivalents, or marketable securities acceptable to Visteon, shall be transferred within thirty (30) days thereafter, together with interest from the Valuation Date to the asset transfer date at the 90-day Treasury Bill rate on a bond equivalent yield in effect on the last business day of the month immediately preceding the asset transfer date as quoted in the Wall Street Journal. Assets attributable to such plans that are held outside the Ford Master Trust also shall be transferred to Visteon on or before the asset transfer date, in such form as such assets are presently held. Nothing herein contained shall be construed as to prohibit Ford from causing Visteon to transfer assets and liabilities from FE&R sponsored salaried defined benefit plans to Ford sponsored defined benefit plans prior to the Benefit Transition Date for the purpose of aligning appropriate liabilities with respect to the Business, provided such transfers comply with applicable law and result in each such FE&R salaried defined benefit plan having assets with a fair market value as of January 1,2000 equal to the projected benefit obligation, as defined in SFAS No. 87, of the liabilities related to non-transferred participants in each such plan as of January 1, 2000. Visteon shall cooperate with Ford in effectuating such transfers in the period between the Transfer Date and the Benefit Transition Date.

g. Avoidance of Duplication. Both Ford and Visteon recognize that, while the benefit provisions of the Visteon Mirror GRP are the same as the GRP, the retirement benefits payable to a Group I or Group II Employee who retires with credited service in both plans is to equal the benefit otherwise payable to such employee as if total credited service were in the GRP.

Both Ford and Visteon agree that application of this Agreement shall, in all respects, be consistent with this principle.

h. Disability Retirement. Notwithstanding anything herein to the contrary, in the event a Group I Employee (other than a Group I Employee who as of the Benefit Transition Date is eligible for immediate normal retirement under the provisions of the GRP as in effect on the Benefit Transition Date) or a Group II Employee

(i) becomes totally and permanently disabled as provided for under the terms of the GRP; and

(ii) such disability is approved by the GRP Retirement Committee,

the GRP shall pay Disability Retirement benefits based on the employee's credited service through the Benefit Transition Date.

3.02 U.S. NON-QUALIFIED RETIREMENT PLANS.

a. Participating Subsidiary. Ford maintains the following U.S. non-qualified retirement plans in which certain U.S. Ford Business Employees who are eligible under the terms of the plans participate: The Benefit Equalization Plan ("BEP"), the Supplemental Executive Retirement Plan ("SERP") and the Executive Separation Allowance Plan ("ESAP") and the Select Retirement Plan ("SRP"). As of the Transfer Date, Visteon shall take such corporate action as is necessary to become a Participating Subsidiary under the SERP, ESAP and SRP and Ford hereby consents to such participation.

b. Visteon Mirror NQPs. Effective on the Benefit Transition Date, Visteon shall establish for the benefit of the U.S. Visteon Employees who are otherwise eligible as of the Benefit Transition Date for a BEP, SERP or ESAP benefit, its own non-qualified retirement plans that with respect to eligible Group III Employees contain provisions that duplicate the benefit provisions of the BEP, SERP and ESAP as it pertains to service prior to the Benefit Transition Date and with respect to eligible Group I and Group II Employees, contains substantially comparable benefit provisions with respect to service after the Benefit Transition Date ("Visteon Mirror NQPs"). For eligible Group I and Group II Employees, Visteon shall be responsible for paying a benefit for service after the Benefit Transition Date under the Visteon Mirror NQPs. For eligible Group III Employees, the liability for any service prior to the Benefit Transition Date under the BEP, SERP and ESAP shall be transferred to the respective Visteon Mirror NQPs, and Visteon shall be responsible for paying a benefit based on combined service at Ford and Visteon. Visteon's Mirror NQPs shall recognize service at Ford for purposes of determining any minimum years of service to achieve eligibility for benefits under such plans.

The Group I and Group II Employees' ESAP benefits shall be computed as follows:

Ford ESAP: FS x TB / TS

where

FS is service with Ford and Visteon, up to the Benefit Transition Date
VS is service with Visteon after the Benefit Transition Date
TS is the sum of FS and VS
TB is the total ESAP benefit payable in respect of total Ford and Visteon service based on the Group I or Group II Employee's Leadership Level on the day prior to the Benefit Transition Date.

c. Ford Liability.

(i) Ford Retirees. Ford shall retain the liability for eligible Ford Retirees. The benefit payable under the BEP, SERP, ESAP and SRP shall be based on the benefit provisions applicable under such plans as of the date of retirement, and as may be subsequently amended. To the extent such benefit is based on final average salary or final salary, the applicable plan will take into account any base salary paid at Visteon prior to the Benefit Transition Date. Ford Retirees may be employed at Visteon after the Distribution Date and remain eligible to receive benefits under the BEP, SERP, ESAP and SRP.

(ii) Group I and Group II Employees for Pre-Benefit Transition Date Service. Ford shall retain the liability for benefits for Group I or Group II Employees who have attained the minimum Leadership Level required for such benefits as of the Benefit Transition Date, but only for service through the Benefit Transition Date. For example, a Group I or Group II Employee who attains Leadership Level 1 or 2 on or after the Benefit Transition Date shall have no benefit payable under ESAP. In the event a Group I or Group II Employee who has attained the minimum Leadership Level required for such benefits as of the Benefit Transition Date, is subsequently promoted by Visteon, the benefit payable to such an employee under the SERP with respect to service prior to the Benefit Transition Date will be calculated on the basis of the accrual rate applicable to such employee's Leadership Level or Officer position as of the Benefit Transition Date. At retirement the Visteon SERP shall pay any increase to the past service SERP benefit related to the change in the benefit accrual rate resulting from such promotion. As soon as practical after the Benefit Transition Date, Visteon shall pay cash to Ford in an amount equal to the BEP, SERP and ESAP projected benefit obligation with respect to the eligible Group I or Group II Employees determined by the Ford Actuary and verified by the Visteon Actuary as of the Benefit Transition Date. If the Visteon Actuary and the Ford Actuary are unable to agree on a verification, they shall jointly designate a third independent actuary whose verification shall be final and binding. Ford and Visteon shall each pay one-half of the costs of such third actuary. The benefits paid to an eligible Group I or Group II Employee from the BEP, SERP and ESAP shall be based on the accrued benefits and eligibility, at rates in effect as of the retirement date using the final average salary, or final salary as applicable, of the eligible Group I or Group II Employee at retirement, giving effect to Visteon salary increases after the Benefit Transition Date, but not changes in the benefit accrual rate resulting from promotions after the Benefit Transition Date. Visteon shall reimburse Ford for the following additional costs: (A) the cost of benefit increases under the BEP, SERP and ESAP that occur after the Benefit Transition Date including changes in the benefit accrual

rate but not changes in the benefit accrual rate resulting from promotions after the Benefit Transition Date, when such increases occur; (B) for the effect on the PBO for any Visteon average merit salary increase which exceeds the average Ford merit increase by one-half percent in any 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 the PBO related to Group I and Group II Employees as a result of Visteon's implementation of any early separation incentive programs or a Reduction in Force, provided however, that Visteon shall receive credit if the effect of such programs reduces the PBO. The method of computing the reimbursements shall be as described on Schedules X, Y and Z. The discount rate to be used in the computation in Appendix Z shall be the rate that Ford would have used for a SFAS 88 calculation based on Ford's normal methods of deriving such rate. For the avoidance of doubt, this discount rate would generally be the same as the discount rate at the start of the calendar year unless either (a) the early separation incentive program or Reduction in Force constitutes a material event requiring a restatement of liabilities or (b) the separation program generated the majority of terminations in December. The amount of reimbursement shall be determined by Ford's Actuary and shall be subject to verification by Visteon's Actuary. If the Visteon Actuary and the Ford Actuary are unable to agree on a verification, they shall jointly designate a third independent actuary whose verification shall be final and binding. Ford and Visteon shall each pay one-half of the costs of such third actuary. Such reimbursements shall be done annually no later than the later of (a) March 31 with respect to the preceding calendar year and (b) thirty days after the annual actuarial valuation of the BEP, SERP and ESAP is completed by the Ford Actuary and verified by the Visteon Actuary. If the reimbursements for either Party exceed in the aggregate $10 million per year (relating to costs under (A), (B) and (C) above or under (A), (B) or (C) under Section 3.01 c(ii) incurred in that year, but not including costs under (A), (B) and (C) above or under (A), (B) or (C) under Section 3.01 c(ii) incurred in prior years), the Party with the obligation shall have the option to pay the obligation according to the Financial Burden Formula.

(iii) Group III Employees. After the Benefit Transition Date, Ford shall have no liability for benefits payable to eligible Group III Employees with respect to service prior to the Benefit Transition Date.

3.03 RETIREE HEALTH CARE AND RETIREE LIFE INSURANCE.

Visteon shall pay the cost of providing post-retirement health and life benefits for Group I and Group II Employees under the Ford Health and Group Life and Disability Insurance Plan (the "Plans") ("OPEB") beginning as of the Benefit Transition Date as provided below.

a. Determination of Annual Cash OPEB Reimbursement. For the portion of 2000 that follows the Benefit Transition Date and for each calendar year thereafter until the OPEB liability for the Group I and Group II Employees is extinguished, the annual cash OPEB reimbursement to the Plans for any given year shall be an amount equal to the sum of (i) and (ii) where:

(i) is the estimated amount of OPEB claims paid during the period to the Group I and Group II Employees who retire after the Benefit Transition Date, together with their spouses or dependents, determined on the basis of average per contract claims costs for Ford salaried retirees; and

(ii) is an allocable share of administration expenses based on ratio of OPEB Liability for Group I and II Employees to the total Ford salaried OPEB liability unless Ford and Visteon agree to another method.

The Annual Cash OPEB Reimbursement shall be determined by the Ford Actuary; the Visteon Actuary will have the opportunity to verify the calculation. The cash shall be payable at a time agreed by the Parties, but in no event shall the payment be made any less frequently than monthly, in which event the payment shall be due no later than fifteen days after the end of the month.

b. Pre-Funding of SFAS 106 Liability. Visteon will establish and maintain a Voluntary Employees' Beneficiary Association, other tax-advantaged funded vehicle, such as a 401 (h) medical account under a qualified pension plan, or a similar bankruptcy remote trust (collectively "VEBA") whose purpose is to reimburse the Plans in respect of the claims and administration costs described in Section 3.03(a)(ii) above. Visteon agrees that it will make a series of cash payments to the VEBA with the intent that by December 31, 2049 the assets in the VEBA will equal Visteon's balance sheet liability at the same date for OPEB benefits in respect of Group I and Group II Employees. The cash payment to the VEBA shall commence no later than January 1, 2011 and shall be payable in advance in twelve equal monthly installments as follows:

(i) For years 2011 through 2020. The amount of cash payable to the Visteon VEBA in each year commencing January 1, 2011 through December 31, 2020 shall be an amount equal to the sum of (A) and (B) where:

(A) is the OPEB balance sheet liability in respect of Group I and II Employees as of December 31, 2010 (this amounts to be determined by the Ford Actuary and verified by the Visteon Actuary), divided by 10; and

(B) is the annual amortized SFAS 106 expense which is an amount equal to the SFAS 106 expense with respect to Group I and II Employees as computed by the Ford Actuary and verified by the Visteon Actuary and based on assumptions used by Ford for its Ford salaried employees, and reduced by the actual return on the VEBA, amortized over 30 years for the period commencing January 1, 2011 and ending December 31, 2020.

(ii) For years 2021 through 2049. The amount of cash payable to the Visteon VEBA in each year commencing January 1, 2021 through December 31, 2049 shall be an amount equal to the SFAS 106 expense for the year determined as provided in Section 3.01(b)(i)(B) above, reduced by the actual return on the VEBA, and amortized over a period equal to 30 minus n (30-n) where n is equal to the present year minus 2020.

(iii) For years 2050 and After. The amount of cash payable to the Visteon VEBA in each year commencing on or after January 1, 2050 shall be an amount equal to the SFAS 106 expense for the year determined as provided in Section 3.01(b)(i)(B) above, reduced by the actual return on the VEBA, if any.

If, at any annual valuation, the value of assets in the VEBA equals or exceeds the remaining balance sheet liability in respect of Group I and II Employees, the Parties will agree on a revised payment schedule with the intent that, at December 31, 2049, the VEBA assets will be equal to the remaining liability. No later than December 31, 2030, and at least every five years thereafter, the Parties will review the funding progress and adjust the formula as necessary to achieve that intent.

Notwithstanding the above, Visteon may accelerate payments to the VEBA in its discretion. In the event the tax law or Visteon's tax position, subject to concurrence by Ford, would not provide Visteon a current tax benefit for the level of funding described above, Visteon may make only such contributions to the VEBA that would provide a current tax benefit to

Visteon, provided, however that the balance of the funding obligation is otherwise paid directly to Ford at such time as the payments are otherwise due to the VEBA. For purposes of the preceding sentence, the term "would not provide Visteon a current tax benefit" shall include such instances where making payments to the VEBA would cause adverse tax consequences to Visteon, such as an increase in net operating loss or foreign tax credit carryovers. Ford shall credit Visteon with interest on any amounts paid directly to Ford under this paragraph at the pretax rate of return earned annually on Ford's cash portfolio.

c. Recordkeeping. In connection with administering Section 3.03 (a) above, Ford may decide to retain a third party service to determine the correct amount of Visteon reimbursements according to the methodology set forth in this Section 3.03. If Ford decides to retain a third party service, Ford shall consult with Visteon prior to appointing a third party service, but Ford shall retain the right to appoint a third party service in its sole discretion. Ford shall pay the expense of such third party service and Visteon shall reimburse Ford for such expense. The third party service shall be subject to audits by either Ford or Visteon or their authorized representatives.

d. Continuation of Arrangements. The terms set forth in this Section 3.03 shall be in force until the last survivors and dependents of Group I and Group II Employees in service as of the Benefit Transition Date who are eligible for GRP retirement or OPEB benefits are deceased, or upon earlier termination agreed jointly by Ford and Visteon, including any VEBA or other arrangements or methods agreed in Section 3.03(b) (unless the Parties' respective auditors advise that joint agreement to terminate would jeopardize the expected accounting treatment of such arrangements or methods).

e. Ability to Substitute. If necessary to preserve for each Party the economic benefits bargained for under this Attachment, the Parties agree to consider, in good faith, alternate methods of computing payments under this Section 3.03 as a substitute for the present provisions. Any method substituted shall have as its objective to produce a fair estimate of the OPEB expense and other payments as set forth in this Section 3.03. The Parties may agree to substitute an alternative method of computing reimbursement under this Section 3.03.

f. Actuarial Verification. If the Ford Actuary and the Visteon Actuary are unable to agree on a verification, Ford and Visteon shall jointly designate a third independent actuary whose verification shall be final and binding. Ford and Visteon shall each pay one-half of the cost of such third actuary.

g. 2001 Visteon Separation Program. For purposes of the 2001 Visteon Separation Programs, it is acknowledged and agreed that the effect of the

Visteon Separation Program on the OPEB related to the Group I and Group II Employees is $10,558,708 as of May 1, 2001 (phase 1) and $1,359,867 as of September 1, 2001 (phase II).

3.04 U.S DEFINED CONTRIBUTION RETIREMENT PLANS.

a. Participating Subsidiary. Ford sponsors the Ford Motor Company Savings and Stock Investment Plan ("Ford SSIP") for the benefit of the employees of Ford and its participating subsidiaries and certain U.S. Ford Business Employees elect to participate in the SSIP. Effective on the Transfer Date, Visteon shall take such corporate action as is necessary to participate in the SSIP as a "Participating Subsidiary" as defined in the SSIP with respect to the U.S. Visteon Employees who participate in the SSIP until the Benefit Transition Date. Ford hereby consents to such participation by Visteon. Ford shall amend the SSIP to vest all U.S. Ford Business Employees who participate in the SSIP in the Ford matching contributions contained in their SSIP accounts as of the Benefit Transition Date.

b. Visteon SSIP. Effective on the Benefit Transition Date, Visteon shall establish its own defined contribution pension plan for the benefit of U.S. Visteon Employees that had participated in the SSIP that contains provisions substantially comparable to the SSIP, except that the number of investment elections may be reduced and the Ford Stock Fund election will be replaced with a Visteon Stock Fund election. The Visteon SSIP shall provide benefits related to contributions on or after the Benefit Transition Date. On a date to be agreed by both parties, and in any event, no later than July 1, 2001, U.S. Visteon Employees who have accounts in the SSIP will be given a one time opportunity to transfer no less than the entire balance in such accounts to the Visteon SSIP. U.S. Visteon Employees who choose to continue to participate in the SSIP with respect to contributions made prior to the Benefit Transition Date shall be treated as terminated employees under the provisions of the SSIP. However, no distributions will be permitted until the U.S. Visteon Employee separates from Visteon employment. Plan loans will be permitted subject to the SSIP rules and U.S. Visteon Employees who have SSIP loans currently or who take new SSIP Loans after the Benefit Transition Date shall be issued coupon books for their loan repayments. Hardship withdrawals will not be permitted.

3.05 FLEXIBLE BENEFITS PLAN.

Visteon shall establish a Flexible Benefits Plan for the benefit of U.S. Visteon Employees who participated in the Ford Flexible Benefits Plan ("Ford Flex Plan"), commencing on the Benefit Transition Date ("Visteon Flex Plan"). The Visteon Flex Plan shall include health care, life and accident insurance, health care spending

account, dependent care spending account, purchased vacation, the legal plan, vision care and financial planning on terms identical to those provided under the Ford Flex Plan for plan year 2000, and benefits substantially comparable thereafter, and shall be designed to comply with the requirements of Code Section 125 with respect to those benefits that are eligible to be included in a Section 125 arrangement. For plan year 2000, Visteon shall make available to U.S. Visteon Employees who participated in the Ford Flex Plan at least the same amount of FCA dollars and Bonus Flex Dollars as was made available under the Ford Flex Plan. For plan years commencing 2001 through 2003, Visteon shall make available to U.S. Visteon Employees who participated in the Ford Flex Plan at least the same amount of FCA dollars as was available under the Ford Flex Plan and the amount of Bonus Flex Dollars shall be determined on the basis of the same formula as was applicable under the Ford Flex Plan, but shall be based on Visteon's before tax return on sales.

3.06 SALARIED INCOME SECURITY PLAN.

As of the Transfer Date, Visteon shall become a participating subsidiary under the Ford Salaried Income Security Plan ("SISP"), and Ford hereby consents to such participation. Effective on the Benefit Transition Date, Visteon shall adopt its own severance plan with terms substantially comparable to those under the Ford SISP. Ford's limit on liability under the SISP shall be reduced prorata by the number of U.S. Global Visteon Employees. Effective as of the Transfer Date, Visteon shall assume the liability for any U.S. Visteon Business Employee who is receiving benefits under the Ford SISP. Ford shall retain the responsibility for paying such benefit payments and continuing any applicable insurance under the Ford SISP, and Visteon shall reimburse Ford annually for any such cost.

3.07 ANNUAL INCENTIVE COMPENSATION PLAN.

Global Visteon Employees who are otherwise eligible to participate in the Ford Annual Incentive Compensation Plan ("FAICP") shall continue to be eligible to participate under the same terms applicable to Ford employees after the Distribution Date through December 31, 2000, with awards for 2000 payable in March, 2001, provided that the pro forma award amounts, adjusted for Ford performance, under the FAICP for such Global Visteon Employees shall equal 50% of the adjusted target amounts. Adjustments for individual performance may be made to the extent of 50% of the amount of the Extraordinary Contribution Fund that would normally be allocated to the Visteon Employees. Visteon shall reimburse Ford for any amounts paid to Global Visteon Employees for 2000 under the FAICP. Visteon shall establish an interim bonus program for the remainder of 2000 following the Distribution Date for these Global Visteon Employees. If the Distribution Date occurs prior to January 1, 2001, Visteon shall adopt a Visteon Annual Incentive Compensation Plan ("VAICP"), subject to stockholder approval effective January 1, 2001. The Global Visteon Employees who were otherwise eligible to participate under the FAICP shall be eligible to participate under the VAICP. If the Distribution Date occurs on or after January 1, 2001, the Parties shall agree to alternate arrangements.

3.08 STOCK OPTION AND PERFORMANCE STOCK RIGHTS PROGRAMS.

a. Ford Stock Potion and Performance Stock Rights Programs. Ford Business Employees who are eligible to participate in the Ford 1998 Long-Term Incentive Plan ("FLTIP") shall be eligible for grants of Ford stock options in March, 2000. In general, any options granted in March, 2000 or in prior years under the FLTIP and the Ford 1990 Long-Term Incentive Plan to Ford Business Employees who become Visteon Employees continue and shall accrue until five years after the Distribution Date (provided that the Ford Business Employee had remained an employee of Ford or its Subsidiaries for at least three months after the date the option was granted) unless the option expires earlier or such employee's employment with Visteon terminates (other than due to disability, death or retirement with Visteon approval). Outstanding Ford Options designated as "incentive stock options" held by Visteon Employees will retain their tax attributes only if exercised within three months after the Distribution Date. Subject to approval of the Ford Compensation and Option Committee, Ford Retirees who received option grants in March, 2000 while employed by Ford but who retired from Ford prior to the date six months after the option grant date, shall be treated in accordance with the immediately preceding sentence with respect to those grants. Ford Business Employees who are eligible to participate under the FLTIP shall be eligible for grants of Ford Performance Stock Rights ("FPSRs") in the first quarter of 2000. Any grants of FPSRs to an eligible Ford Business Employee shall continue to be earned out and shall be paid out under the FLTIP as if such employee were still employed at Ford unless such employee's employment at Visteon terminates.

b. Visteon Stock Option and Performance Stock Rights Programs. Visteon shall adopt a Visteon Long-Term Incentive Plan ("VLTIP"), subject to stockholder approval and regulatory restrictions. The Visteon Employees who were otherwise eligible to participate under the FLTIP shall be eligible to participate under the VLTIP in those countries where it is practicable based on the number of employees and difficulty and cost to comply with regulatory requirements. Visteon shall make grants of Visteon stock options under the VLTIP to eligible Visteon Employees in March 2001, and shall make grants of Performance Stock Rights to eligible Visteon Employees in March, 2001.

3.09 U.S. PERFORMANCE BONUS PLAN.

U.S. Global Visteon Employees who are otherwise eligible to participate in the U.S. Ford Performance Bonus Plan ("FPBP") shall continue to be eligible to participate under the same terms as applicable to Ford Employees after the Distribution Date through December 31, 2000, with awards for 2000 payable in March, 2001. Visteon

shall reimburse Ford for any amounts paid to U.S. Global Visteon Employees for 2000 under the FPBP. If the Distribution Date occurs prior to January 1, 2001, Visteon shall adopt a Visteon Performance Bonus Plan ("VPBP") effective January 1, 2001. The U.S. Global Visteon Employees who were otherwise eligible to participate under the FPBP shall be eligible to participate under the VPBP. If the Distribution Date occurs on or after January 1, 2001 or later, the Parties shall agree to alternate arrangements.

3.10 U.S. DEFERRED COMPENSATION PLAN.

Ford shall request the Ford Compensation and Option Committee to approve effective as of the Transfer Date the participation of U.S. Visteon Employees in the Ford Deferred Compensation Plan ("FDCP") and ability to make new deferral elections under the FDCP until the pay ending immediately prior to the Distribution Date. Visteon shall adopt a Visteon Deferred Compensation Plan ("VDCP") effective on the Distribution Date, and shall offer as an investment option a Visteon Stock Fund. Any deferral of compensation on or after the Distribution Date shall be made under the VDCP, even if the election to defer was made prior to the Distribution Date, and unless the participant changes his/her investment options for any such deferral, the VDCP shall honor any investment elections that were in effect under the FDCP for such class year and type of compensation to the extent the VDCP has the same investment choices. If a U.S. Visteon Employee had made deferrals under the FDCP prior to the Distribution Date, the book entry account balance of such employee's deferred compensation account in the FDCP, valued as of 5:00 P.M. Eastern Time on June 30, 2000, shall be transferred to the VDCP as of June 30, 2000. The Transferred Account balances may not be immediately available for further transfer to VDCP investment options until account balances have been properly verified by the plan administrators. Visteon shall cause the VDCP to offer a Ford Stock Fund investment option for those Transferred Accounts that had deferrals based on the FDCP Ford Stock Fund as of the Distribution Date, but the VDCP Ford Stock Fund shall be a "sell" only fund, and would not be available for any new deferrals or redesignations into such fund from other funds or for credits based on dividend earnings. Visteon shall assume the liability with respect to the Transferred Accounts and shall be responsible for making any subsequent distributions in the form specified by the participant while employed by Ford from the Transferred Accounts. If Visteon is unable to make distributions from the Transferred Accounts at the end of any applicable deferral period due to insolvency or otherwise, Ford shall make the appropriate distributions. Ford shall have no responsibility with respect to any other VDCP accounts.

3.11 NON-U.S. BENEFIT PLANS AND PROGRAMS.

Unless provided otherwise in Schedule 3.11 attached hereto, Global Ford Business Employees who participate in benefit plans and programs sponsored by non-U.S. Subsidiaries or Affiliates of Ford, shall transition to the benefit plans and programs of the non-U.S subsidiaries of Visteon as of the Benefit Transition Date, except with respect to retirement liabilities as provided in the next sentence. Ford shall retain liabilities for non-U.S. Ford Retirees as of the Benefit Transition Date and Visteon shall

assume liabilities for non-U.S. Visteon Employees with appropriate asset transfers from funded plans. To the extent there are any benefit plans or programs which are unfunded or underfunded, Visteon shall assume the liability for the benefit payments in respect of the non-U.S. Visteon Employees and Ford shall retain the liability for non-U.S. Ford Retirees.

3.12 NON-EMBEDDED PLANS.

Notwithstanding anything herein to the contrary, to the extent that Ford has a Subsidiary or Affiliate that maintains pension, savings and or welfare benefit plans separate and apart from the Ford plans, and such Subsidiary or Affiliate becomes a subsidiary or affiliate of Visteon pursuant to the Master Transfer Agreement, the plans of such Subsidiary or Affiliate shall remain the responsibility of such Subsidiary or Affiliate, and no division or allocation of such plans will occur as a result of such transfer on the Transfer Date. After the Distribution Date, Ford shall have no responsibility attributable to a parent corporation with respect to such plans, except as otherwise may be required by law.

In the event that a U.S. Global Visteon Employee has a pension benefit for service prior to the Benefit Transition Date in a pension plan sponsored by Ford or its Subsidiaries or Affiliates that is otherwise not covered under the terms of this Agreement, Ford and Visteon shall agree on the proper treatment of such past service benefit, giving effect to the principles expressed in this Agreement. For purposes of this Agreement, the following persons at Visteon and Ford shall be authorized to provide consent to such arrangements:

Visteon Corporation

Vice President and Treasurer
Director-Compensation and Benefits

FORD MOTOR COMPANY

Director-Actuarial Studies Department
Manager-income Security Plans

3.13 TRANSFERS FROM FORD TO VISTEON AFTER THE TRANSFER DATE.

Similar arrangements to those described above in Sections 2.03, 2.04, and 2.05 of Article II and all of Article III may apply to employees of Ford non-U.S. locations who transfer from Ford to Visteon employment after the Transfer Date, provided all of the following conditions are met:

(i) Transfer is with the approval of both Ford and Visteon. In the case of Ford, such approval shall be certified in writing by the Director - Employee Affairs or equivalent position for the employing entity. In giving

approval, the Director, based on the recommendation of the employing activity, shall be satisfied that Ford's interests are not prejudiced as a result of the transfer;

(ii) The employee will not receive a termination indemnity or any other separation payment as a direct result of the transfer of employment from Ford to Visteon; and

(iii) Transfer of employment is completed on or before March 31, 2001.

Ford and Visteon may agree to substitute the date in Section 3.13 (iii) above (March 31, 2001) for a later date, but no later than December 31, 2002. For purposes of this Agreement, the following persons at Visteon and Ford shall be authorized to provide consent to the additional locations and later dates:

Visteon Corporation

Vice President and Treasurer
Director-Compensation and Benefits

Ford Motor Company

Director-Actuarial Studies Department
Manager-Income Security Programs

3.14 TRANSFER OF CERTAIN VISTEON EMPLOYEES TO FORD AFTER THE DISTRIBUTION DATE.

a. Definitions. For purposes of this Section, the following terms shall have the following meanings:

(i) "Ford Hourly Employee" shall mean a Visteon Transfer Rights Employee who is given the option to return to the Ford hourly employment rolls and elects to return to Ford prior to employment separation from Visteon and is enrolled on the Ford hourly employment rolls upon separation from Visteon.

(ii) "Ford-UAW CBA" shall mean the Ford-UAW Collective Bargaining Agreement between Ford and the United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its affiliated Locals 228, 400, 600, 723, 737, 848, 849, 892, 898, 1111, 1216 and 1895 (collectively, "UAW") and various local agreements by and between Ford and the UAW, as in existence from time to time.

(iii) "Visteon Investment Plan" ("VIP") shall mean the defined contribution plan sponsored by Visteon for its salaried employees,

in effect from time to time. It is also sometimes referred to in this Agreement as the Visteon SSIP.

(iv) "Visteon Transfer Rights Employee" shall mean a Visteon Employee who (A) was enrolled on the Ford U.S. hourly payroll at any time prior to the Transfer Date and was covered under the Ford-UAW CBA in existence immediately prior to the Transfer Date; (B) transferred from the Ford hourly employment rolls to the Ford salaried rolls and was a Ford Business Employee on the Transfer Date, (C) pursuant to this Agreement became a Visteon Employee as of the Transfer Date; and (D) was a Visteon Employee enrolled on the salaried employment rolls on the day immediately prior to the Ford Return Date, as defined in Section 3.14 (b) below.

b. Employment Transfer. A Visteon Transfer Rights Employee who is subject to a Reduction in Force may be given the option, at Ford and Visteon's discretion, to return to the Ford hourly rolls at a plant or other location where the employee last had seniority as a Ford hourly employee. If a Visteon Transfer Rights Employee becomes a Ford Hourly employee, such employee shall be treated for all purposes as any other hourly employee covered by the Ford-UAW CBA on the date such employee is enrolled on the Ford hourly employment rolls ("Ford Return Date") and shall be subject to the terms and conditions of the Ford-UAW CBA in all respects, including the entry date seniority into the Unit, as defined in the Ford-UAW CBA.

c. Benefits Transition.

(i) Liability and Asset Transfers from Visteon Mirror GRP to the GRP. Visteon and Ford shall take such steps that are necessary to transfer to the GRP any credited service and benefit accrued under the Visteon Mirror GRP with respect to a Ford Hourly Employee to the date immediately prior to the Ford Return Date to the extent permitted by law provided the GRP and the Visteon Mirror GRP retain their tax-qualified status after the transfer and the GRP is not required to be amended to provide for any additional benefit rights or features not currently contained in the GRP, except as specifically provided in this Section. Ford shall amend the GRP to provide that credited service under the Visteon Mirror GRP with respect to the Ford Hourly Employee shall be treated for all purposes as Ford GRP credited service. Future service shall be accrued under the Ford-UAW Retirement Plan. A Ford Hourly Employee shall not be treated as having a separation from employment for purposes of the Visteon Mirror GRP or the GRP and shall not be entitled to an immediate distribution of plan benefits solely because of the employment transfer.

(ii) Asset Transfer Valuation. As soon as practicable after the latest of (A) the date on which the PBO Value is determined and verified pursuant to (iii) below, (B) the expiration of thirty days following the filing, if required, of Form 5310 with the IRS and PBGC in respect of the GRP and the Visteon Mirror GRP ("Asset Transfer Date"), Visteon shall cause the trustee of the Visteon Mirror GRP to transfer assets to the GRP in an amount equal to the PBO Value as determined in (iii) below. The assets shall consist of cash or cash equivalents, or marketable securities, and shall include interest from the Ford Return Date until the Asset Transfer Date at the 90 day Treasury Bill rate on a bond equivalent yield in effect on the last business day of the month immediately preceding the Asset Transfer Date, as quoted in the Wall Street Journal.

(iii) PBO Value. As of a date mutually agreed by Visteon and Ford ("Valuation Date"), in respect of each Ford Hourly Employee then a participant in the Visteon-Mirror GRP, the Visteon Actuary shall measure the projected benefit obligation, as defined in SFAS No. 87, of the liabilities related to the Ford Hourly Employee as of the Ford Return Date ("PBO Value") in accordance with the principles stated below:

(A) The present value of liabilities will be determined under SFAS No. 87 as the projected benefit obligation, using the actuarial assumptions and methods that are published in the most recent actuarial valuation for accounting purposes adjusted to reflect current condition (e.g. accelerated vesting) not reflected in the most recent valuation for the Visteon Mirror GRP prepared by Towers Perrin; and

(B) A discount rate as of the Ford Return Date equal to the annual effective yield equivalent to the nominal semi-annual yield published by Moody's Investors Service at www.Moodys.com for its AA Corporate Bond Index, rounded to the nearest 1/4%, provided such rate is a reasonable proxy for the Ford SFAS 87 discount rate for the GRP in effect as of the Valuation Date. If such rate is not a reasonable proxy as determined solely by Ford, then the Visteon Actuary and the Ford Actuary shall determine an acceptable discount rate no later than thirty days after the Transition Date.

In no event shall the PBO Value as calculated on the basis described above result in an asset transfer less than the amount necessary to reflect the requirements of the provisions of Code Section 411(d) and 414(l) and the Treasury Regulations issued thereunder and the actuarial

methods and assumptions established by the PBGC with respect to spin-offs of pension plans where liabilities, for purposes of Code Section 411(d) and 414(l), are calculated using a discount rate or rates and other assumptions specified by the PBGC and in effect for plans terminating on the Valuation Date. The determination of the PBO Value by the Visteon Actuary shall be submitted to the Ford Actuary for verification but such verification shall relate only to the calculation of the PBO Value on the basis set forth above. If the Visteon Actuary and the Ford Actuary are unable to agree on a verification, Visteon and Ford shall jointly designate a third independent actuary whose verification shall be final and binding. Ford and Visteon shall each pay one-half of the costs of such third actuary.

(iv) Asset Transfer-Retiree Health Care and Life Insurance Obligations. As of the Asset Section 3.14 Valuation Date in respect of each Ford Hourly Employee who returns to a Ford location rather than remain at a Visteon location as a Ford Hourly Assigned Employee, Visteon shall transfer in cash an amount equal to the Accumulated Postretirement Benefit Obligation (as defined in SFAS 106) ("APBO") and computed using assumptions the same as those provided in subsection (iii) above and using the health care trend rates used in Visteon's most recent valuation for SFAS 106 reporting in respect of Group III Employees and Ford's most recent valuation for SFAS 106 reporting in respect of Group I and II Employees. The transfer shall occur no later than the Asset Transfer Date, and the obligation shall bear interest at the same rate as provide in (ii) above. The calculations shall be subject to verification by the Ford Actuary and the dispute resolution described in (iii) above shall apply as if set forth in full herein.

(v) VIP to SSIP. Visteon shall notify Ford Hourly Employee who have accounts in the VIP that they may elect to transfer their VIP account balances to the SSIP. Visteon shall take such steps that are necessary to transfer to the SSIP as soon as is reasonably practicable the account balances of such Ford Hourly Employees who make the election to transfer to the SSIP to the extent permitted by law provided the SSIP and VIP retain their tax-qualified status after the transfer and the SSIP is not required to be amended to provide for any additional benefit rights or features not currently contained in the SSIP. On the day of such transfer, the account balances in those investment options that the SSIP does not provide, including without limitation the Visteon Stock Fund shall be transferred to the SSIP Interest Income Fund. Such balance shall be available for subsequent transfer at the discretion

of the Ford Hourly Employee into other SSIP investment options after the transfer date. The Ford Hourly Employee shall be eligible to commence participation in the Ford-UAW Tax-Efficient Savings Plan as of the date such employee becomes a Ford Hourly Employee.

3.15 ANNUAL RECONCILIATIONS.

In the event that the Parties discover any material data errors, omissions or misclassifications of employee status that impacts the valuation of the pension obligations and the amount of any pension asset transfer or the valuation of the APBO and the amount of any reimbursement, upon notification and verification, the Parties shall correct the amount of the affected pension asset transfers or APBO reimbursement using the same bases and methods described herein with respect to the original pension asset transfers and APBO reimbursement. The Parties shall take all necessary actions to transfer the benefit liabilities associated with the transferred assets and to retroactively correct the misclassifications of affected employees.

3.16 FUTURE BENEFIT CHANGES.

Nothing contained herein shall be construed to prohibit Ford or its Subsidiaries or Affiliates from amending, terminating or otherwise modifying the terms of employee benefit plans or programs applicable to Global Visteon Employees, Ford Retirees or Visteon Retirees, except as may otherwise be provided by applicable law. Except as otherwise specifically provided herein or by applicable law, no Global Visteon Employee, Ford Retiree or Visteon Retiree shall have any vested right to any employee benefit plan or program sponsored by Ford or its Subsidiaries or Affiliates. Except as provided in Sec.3.01(b)(vi), and as may be provided by applicable law, nothing in this Agreement shall prohibit Visteon or its subsidiaries or affiliates from amending, modifying or terminating benefit plans or programs applicable to Global Visteon Employees, Visteon Retirees or any other Visteon retirees or employees.

ARTICLE IV

VEHICLE PROGRAMS

4.01 U.S. LEASE AND EVALUATION PROGRAMS.

Except as specifically provided herein, participation of the U.S. Global Visteon Employees in Ford's U.S. Lease and Evaluation Vehicle Program shall be terminated as of the Distribution Date. U.S. Global Visteon Employees who participate in such programs shall be given a reasonable period of time after the Benefit Transition Date not to exceed sixty (60) days or such other time as the Parties mutually agree, to either purchase the vehicles leased or assigned to them or to return them to Ford, or Ford's

agents as provided below ("Vehicle Transition Period'). During the Vehicle Transition Period, Ford shall offer for sale to each lessee and assignee of such vehicles as are presently leased to such lessee or assignee under the terms of Ford's Used vehicle Purchase ("B") Plans, or to continue a lease under the terms of the Ford Credit's Red Carpet Lease Plan, subject to credit evaluation and dealer acceptance. In the event a lessee or assignee of a lease or evaluation vehicle declines to purchase or continue to lease such vehicle within the Vehicle Transition Period, the lessee or assignee shall return such vehicle to its original servicing garage. Visteon shall collect, or shall cause its subsidiaries or affiliates to collect, the applicable lease fee from the Global U.S. Visteon Employees for such lease vehicles during the Vehicle Transition Period. Visteon shall reimburse Ford in cash on a monthly basis, within ten days of the last day of the month, an amount equal to (i) the aggregate amount on the monthly lease fees for lease vehicles owed by U.S. Global Visteon Employees and (ii) the aggregate amount of the monthly evaluation vehicle fees, determined on the same basis as if the evaluation vehicles were lease vehicles, and paid by Visteon. U.S. Ford Retirees shall continue to be eligible to participate in Ford's U.S. Lease and Evaluation Vehicle Programs according to the terms of such programs. Group I and Group II Employees shall be eligible to participate in Ford's U.S. Lease and Evaluation Vehicle Programs, if otherwise eligible under the terms of such Programs, on the same terms as a Ford Retiree upon their retirement from Visteon or its subsidiaries or affiliates.

4.02 NON-U.S. LEASE AND EVALUATION PROGRAMS.

Participation of the Global Visteon Employees in Ford's Non-U.S. Lease and Evaluation Programs shall terminate as of the Distribution Date, or such other date as the Parties may agree. Ford shall cooperate with Visteon in providing appropriate transition services comparable to those described in Section 4.01 with respect to the U.S. Lease and Evaluation Programs.

4.03 VEHICLE PURCHASE PLANS.

U.S. Global Visteon Employees shall be permitted to participate in Ford's Vehicle Purchase Plan consisting of the "A Plan" indefinitely. After the Distribution Date, U.S. Global Visteon Employees shall not be eligible to participate in Ford's "B Plan" (except as provided above in Section 4.01). After the Distribution Date, U.S. Global Visteon Employees shall not be eligible to nominate purchasers under the "X-Plan". Ford Retirees shall continue to be eligible to participate in such plans after the Distribution Date according to the terms of such plans.

4.04 U.S. SURVIVING SPOUSE CAR PROGRAMS.

Visteon shall not be required to provide a benefit substantially comparable to the U.S. Surviving Spouse Car Program after the Benefit Transition Date. Ford shall have no responsibility to provide a benefit under the U.S. Surviving Spouse Car Program to a spouse of any U.S. Global Visteon Employee who dies after the Distribution Date.

ARTICLE V

U.S. WORKERS COMPENSATION

Visteon shall assume all liability for workers' compensation claims, damages, expenses, liabilities or administrative expenses of any kind whatsoever, related to U.S. Ford Business Employees regardless of when filed or reported effective as of the Transfer Date. Visteon shall indemnify and hold Ford harmless in respect of any such claims paid by Ford on Visteon's behalf under any insured or self insured program operated by Ford. Effective on the Distribution Date, and at such time as may be required thereafter, Visteon shall transfer to Ford any reserves established in connection with claims which applicable state workers' compensation laws require Ford to continue to pay on behalf of Visteon. Effective on the Distribution Date, Ford shall transfer to Visteon any reserves established in connection with claims for which Visteon assumes payment responsibility to the extent allowed by state law and to the extent such reserves are not reflected on Visteon's balance sheet. Where transfer of claim liability is prohibited by state law, Ford will continue to pay such claims on Visteon's behalf and shall be reimbursed by Visteon as described herein. Effective on 12:01 a.m. on the Distribution Date, Visteon shall cease to be covered by any of the workers compensation liability insurance policies sponsored by Ford or any self insurance program of Ford applicable to the U.S. Ford Business Employees for injuries or occupational disablements occurring subsequent to the Distribution Date. Visteon shall assume responsibility for its allocable share of future retrospective premium adjustments for periods preceding the Distribution Date. Visteon shall take all steps necessary under applicable law to provide workers compensation coverage on or after the Distribution Date, either through self-insurance where permissible under state law or by the purchase of insurance. Visteon shall notify state and federal regulatory agencies

of the above. Visteon shall cooperate with Ford in obtaining the return or release of all bonds, letters of credit, securities, indemnifications, cash or other assets give by Ford to any state or federal agency in connection with workers compensation self-Insurance with respect to U.S. Ford Business Employees, and to the extent required by any state or federal agency, post its own bonds, letters of credit, indemnifications, securities, cash or other assets in substitution therefor.

ARTICLE VI

EMPLOYEE LIABILITIES

Effective as of the Transfer Date, and except as otherwise provided under the terms of this Agreement, Visteon will assume, and agrees to perform, the debts, liabilities, guarantees, contingencies and obligations of Ford, whether asserted or unasserted, fixed or contingent, accrued or unaccrued, known or unknown, and howsoever arising, relating to the Global Visteon Employees. Ford shall transfer any funded or unfunded reserves it may maintain with respect to such liabilities, unless such reserves are reflected on the Visteon Balance Sheet.

ARTICLE VII

INDEMNIFICATION

7.01 VISTEON INDEMNITY.

Visteon shall indemnify Ford against and agrees to hold it harmless from any and all damage, loss, claim, liability and expense (including without limitation, reasonable attorneys' fees and expense in connection with any action, suit or proceeding brought against Ford) incurred or suffered by Ford arising out of (i) breach of any agreement made by Visteon hereunder; (ii) any claim by a Global Visteon Employee (or such employee's dependents or beneficiaries) arising out of or in connection with the operation, administration, funding or termination of any of Visteon's employee benefit plans or programs or the employee benefit plans or programs of a Visteon subsidiary or affiliate, whenever made, including, without limitation, claims made to the PBGC, the DOL, or the IRS; or (iii) employment claims of Global Visteon Employees whenever made based on conditions or actions arising prior to or after the Transfer Date, except as provided in Section 7.02 below (iii).

7.02 FORD INDEMNITY.

Ford shall indemnify Visteon against and agrees to hold it harmless from any and all damage, loss, claim, liability and expense (including without limitation, reasonable attorneys' fees and expenses in connection with any action, suit or proceeding brought against Visteon) incurred or suffered by Visteon (i) arising out of breach of any

agreement made by Ford hereunder; (ii) any claim made by a Global Visteon Employee (or such employee's dependents or beneficiaries) arising out of or in connection with the operation, administration, funding or termination of any of the benefit plans or programs sponsored by Ford (excluding any programs sponsored by Ford subsidiaries that have been transferred to Visteon), whenever made, including, without limitation, claims made to the PBGC, DOL or the IRS; or (iii) employment claims of Global Visteon Employees that arise prior to or after the Transfer Date where the liability, if any, is primarily the result of and arising from conduct of a Ford supervisor or manager not employed by the Business (as opposed to the actions or inaction of Visteon or its subsidiaries or affiliates).

7.03 PROCEDURE FOR INDEMNITY.

The procedure for indemnification under this Section 7 shall be the same procedure as set forth in Section 7(c) through (j) of the Master Transfer Agreement and shall be incorporated herein by reference.

7.04 ASSUMPTION OF LIABILITY.

As of the Transfer Date, Visteon will assume liability and responsibility for all pending employment litigation by Global Ford Business Employees transferred to Visteon pursuant to the terms hereof that relate to the Business, provided, however that Visteon shall not assume any obligation or liability and Ford with respect to the following litigation: Michael Jones et al v. Ford Motor Company filed on June 9, 1993 in U.S. District Court, District of Minnesota, regarding discrimination allegations. With respect to those cases assumed, Visteon will have sole responsibility for deciding how to defend the claims (e.g., whether to settle or litigate).

ARTICLE VIII

MISCELLANEOUS

8.01 DISPUTE RESOLUTION.

If a dispute arises between the Parties relating to this Agreement, the following shall be the sole and exclusive procedure for enforcing the terms hereof and for seeking relief, including but not limited to damages, hereunder; provided, however, that a Party may seek injunctive relief from a court where appropriate solely for the purpose of maintaining the status quo while this procedure is being followed:

(a) Initial Meeting. The Parties shall hold a meeting of the Governance Council to attempt in good faith to negotiate a mutually satisfactory resolution of the dispute; provided, however, that no Party shall be under any obligation whatsoever to reach, accept or agree to any such resolution; provided further, that no such meeting shall be deemed to vitiate or reduce the obligations and liabilities of the Parties or be deemed a waiver by a Party hereto of any

remedies to which such Party would otherwise be entitled.

(b) Mediation/Arbitration. If the Parties are unable to negotiate a mutually satisfactory resolution as provided above, any Party may so notify the other. In that event, the Parties agree to participate in good faith in mediation of the dispute. Such mediation shall conclude no later than forty-five (45) days from the date that the mediator is appointed. If the Parties are not successful in resolving the dispute through mediation, then the Parties agree to submit the matter to binding arbitration before a sole arbitrator in accordance with the CPR Rules for Non-Administered Arbitration. Within five business days after the selection of the arbitrator, each Party shall submit its requested relief to the other Party and to the arbitrator with a view toward settling the matter prior to commencement of discovery. If no settlement is reached, then discovery shall proceed. Upon the conclusion of discovery, each Party shall again submit to the arbitrator its requested relief (which may be modified from the initial submission) and the arbitrator shall select only the entire requested relief submitted by one Party or the other, as the arbitrator deems most appropriate. The arbitrator shall not select one Party's requested relief as to certain claims or counterclaims and the other Party's requested relief as to other claims and counterclaims. Rather, the arbitrator must only select one or the other Party's entire requested relief on all of the asserted claims and counterclaims, and the arbitrator will enter a final ruling that adopts in whole such requested relief. The arbitrator will limit the arbitrator's final ruling to selecting the entire requested relief the arbitrator considers the most appropriate from those submitted by the Parties.

(c) Procedure. Mediation and, if necessary, arbitration shall take place in the City of Dearborn, Michigan unless the Parties agree otherwise or the mediator or the arbitrator selected by the Parties orders otherwise. Punitive or exemplary damages shall not be awarded. This clause is subject to the Federal Arbitration Act, 9 U.S.C.A. Section 1 et seq., or comparable legislation in non-U.S. jurisdictions, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction.

8.02 ASSIGNMENT.

This Agreement has been executed in consideration of the Parties involved and therefore may not be assigned or transferred to a third party without the prior written consent of the other Party. This Agreement will be binding on the agreed successors to or assignees of either Party. In no event will a Party be released from their indemnity obligations without the prior written consent of the other Party.

8.03 ENTIRE AGREEMENT, AMENDMENT, WAIVER.

This Agreement embodies the entire agreement of the Parties and supersedes any other agreements or understandings between them, whether oral or written, relating

to this subject matter. In the event of a conflict between this Agreement and any other agreement between or among any of the Parties with respect to the subject matter hereof, this Agreement shall control. No amendment or modification or waiver of a breach of any term or condition of this Agreement shall be valid unless in a writing signed by each of the Parties. The failure of either Party to enforce, or the delay by either of them in enforcing, any of its respective rights under this Agreement will not be deemed a continuing waiver or a modification of any rights hereunder and either Party may, within the time provided by applicable law and consistent with the provisions of this Agreement, commence appropriate legal proceedings to enforce any or all of its rights.

8.04 NOTICES.

Any notice or other communication hereunder must be given in writing and either (a) delivered in person, (b) transmitted by facsimile transmission or other telecommunications mechanism, (c) sent by a nationally recognized overnight courier service (delivery charges prepaid) or (d) sent by registered or certified mail (postage prepaid, return receipt requested) as follows:

If to Ford:

Ford Motor Company
Office of the Secretary
One American Road
11th Floor World Headquarters
Dearborn, Michigan 481262798
Fax:(313)248-7036

If to Visteon:

Visteon Corporation
One Parklane Boulevard, Ste. 728 East
Dearborn, Michigan 48126
Attention: General Counsel
Fax: (313) 755-2342

All notices personally delivered shall be deemed received on the date of delivery. Any notice sent via facsimile transmission shall be deemed received on date shown on the confirmation advice. Any notice by registered or certified mail shall be deemed to have been given on the date of receipt or refusal thereof. The date of any notice by overnight courier service shall be the date the airbill is signed by the recipient. Any Party may change its address for the receipt of notices by giving Notice thereof to the other.

8.05 PARTIAL INVALIDITY.

Any provision of this Agreement which is found to be invalid or unenforceable by any court in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability, and the invalidity or unenforceability of such provision will not affect the validity or enforceability of the remaining provisions hereof.

8.06 TITLE AND HEADINGS.

Titles and headings of Sections and Subsections of this Agreement are for convenience only and will not affect the construction of any provision of this agreement.

8.07 NEGOTIATED TERMS.

The Parties agree that the terms and conditions of this Agreement are the result of negotiations between the Parties and that this Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

8.09 GOVERNING LAWS.

This Agreement is governed by the internal laws of the State of Michigan.

8.10 THIRD PARTY BENEFICIARIES.

This Agreement is for the sole benefit of the Parties hereto and no third party may claim any right, or enforce any obligation of the Parties, hereunder.

8.11 RELATIONSHIP.

Nothing contained in this Agreement will be construed to make any of the Parties partners, principals, agents or employees of the other, except as explicitly provided. None of the Parties will have any right, power or authority, express or implied, to bind any of the other Parties. For purposes of this Agreement, Affiliate means any individual, partnership, corporation, limited liability company, trust, or other entity directly or indirectly, through one or more intermediaries, controlling, controlled by or, under common control with a Party.

8.12 GOOD FAITH AND FAIR DEALING.

In entering into this Agreement, the Parties each acknowledge and agree that all aspects of the relationship among the Parties contemplated by this Agreement, including the performance of all obligations under this Agreement, will be governed by the fundamental principle of good faith and fair dealing.

8.13 CONSENTS, APPROVALS AND REQUESTS.

Except as specifically set forth in this Agreement, all consents and approvals to be given by any of the Parties or any of its respective Affiliates under this Agreement will not be unreasonably withheld or delayed.

8.14 FURTHER ASSURANCES.

The Parties will execute such further assurances and other documents and instruments and do such further and other things as may be necessary to Implement and carry out the intent of this Agreement.

8.15. SALE OF VISTEON BUSINESS.

If Visteon sells all or part of the assets comprising the Business after the Distribution Date, and transfers Global Visteon Employees to a successor employer in connection with the sale of such Business assets, Visteon shall attempt to negotiate in good faith with the successor employer provisions with respect to benefit comparability and pension security no less favorable than those set forth in Section 2.04 and Section 3.01 b.(vi).

In connection with the sale of Visteon's restraints electronics business ("Restraints Business") pursuant to an Asset Purchase Agreement dated April 1, 2002 by and between Visteon and Autoliv, Inc. ("Autoliv"), certain employees engaged in the Restraints Business became employees of Autoliv as of April 1, 2002 ("Restraints Business Employees"). Visteon agreed with Autoliv that Visteon would amend the Visteon Mirror GRP to recognize service with Autoliv of any Restraint Business Employee who was either a Group I or Group II Employee under this Agreement for purposes of vesting, eligibility to participate and eligibility for benefits under the Visteon Mirror GRP (or any successor plan after June 30, 2004). Visteon also agreed that with respect to pay related benefits, the Visteon Mirror GRP would recognize for final average salary purposes any salary paid to a Restraint Business Group I or II Employee to the same extent as if it were Visteon salary. Ford agrees to amend the GRP to recognize Autoliv service of Restraint Business Group I and Group II Employees for purposes of vesting, eligibility to participate and eligibility for benefits under the GRP (but not for purposes of benefit calculation) to the same extent such service would be recognized as Visteon service under this Agreement. For purposes of determining the prorated GRP supplements under Section 3.01(d), service with Autoliv shall be treated as Visteon service. Ford also agrees to amend the GRP to recognize base salaries at Autoliv for purposes of any final average pay calculation under the GRP. Visteon agrees to furnish Ford with the employee data for the Restraint Business Group I and II Employees so that Ford may properly administer the GRP benefits. To the extent Visteon fails to deliver such data within 30 business days of request of Ford, Ford and the GRP shall have no further obligation with respect to the recognition of the Autoliv service or base salary for GRP benefits. Visteon agrees to reimburse Ford for any additional costs resulting from the recognition of Autoliv service and Autoliv base salary

to the extent provided under Section 3.01 (c) as if service with Autoliv was service with Visteon. Nothing herein shall be construed to require Ford or the Ford GRP to recognize service or pay with any other successor employer to the Restraints Business or to any other successor employer of Visteon or any of Visteon's businesses.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the day and year first above written.

FORD MOTOR COMPANY	VISTEON CORPORATION
By: /s/ Don Leclair	By: /s/ Daniel R. Coulson
Title: Group Vice President & CFO	Title: Executive Vice President and Chief Financial Officer

AGREEMENT GOVERNING THE SEPARATION OF THE FORD VISTEON ORGANISATION

The existing Visteon activities presently owned by Ford in Europe will be transferred into separate legal entities. The legal entities being created are depicted on the attached Organisation Chart Ford Motor Company is contemplating a spin-off of the parent Visteon company and after full spin-off will have no equity in the new parent company or its subsidiaries, and the new parent Visteon company will be incorporated in the US and be publicly traded.

In connection with this transaction and on behalf of the respective national companies. Ford Motor Company and the Ford European Works Council have concluded the following agreement, which will apply to all Visteon activities listed below and being established as independent legal entities in Europe (hereafter collectively referred to as "Newco"). In the event that any of these Newco activities in Europe are transferred outside Newco, then the successor companies will be obliged be adopt this agreement.

SCOPE OF THE AGREEMENT

The following agreement applies to hourly and salaried employees on Visteon payroll below Senior Management (the agreement covers up to and including LLS/SCR) of the current European plants in Berlin, Dueren, Wuelfrath, Belfast, [ILLEGIBLE] Enfield, [ILLEGIBLE] and [ILLEGIBLE] and to the existing Visteon engineering and other staff and hourly support activities in the countries where the above plants are located.

The Visteon activities in Cadiz and Palmela are not affected by this agreement as the operating arrangements and contractual terms and conditions of employment are not altered by the change of ownership to Newco.

EMPLOYMENT CONTRACT

The existing employees of the above-mentioned activities will become employees of Newco. The employees will be transferred to Newco no later than the end of the second quarter 2000.

Accrued seniority and all existing terms and conditions, in particular pension entitlements, will be transferred to the new employment contracts. For the duration of their employment, terms and conditions of existing Fort employees, who transfer to Newco, will mirror Ford conditions (incl. discretionary pension in payment increases) in their respective countries (lifetime protection).

In respect of employee programs, such as car purchase and share purchase plans, comparable programs will be developed and implemented.

Until the fun spin-off of Newco, present Ford employees working in Visteon activities will be eligible to volunteer to be reassigned to Ford. The timing of these flow-backs to Ford will be subject to the availability of suitable opportunities within Ford facilities, normal selection criteria, and the need to maintain operations within Newco. If an employee refuses two offers of suitable vacancies in Ford, the flow-back commitment will cease. Ford will commit to implement all flow-backs within a 5-year period from the date of full spin-off.

In addition, existing Ford employees working in Visteon who transfer to Newco at the time of the transfer of assets and liabilities to Newco ("Legal Separation") will have the opportunity to apply for vacancies within Ford which are to be filled externally, and they will be considered against normal Ford selection criteria. Where they are equally suitable, former Ford employees who have transferred to Newco will be given preference over other external candidates, and past Ford and Visteon experience will be taken into account.

Future new hires into Newco after the date of Legal Separation will be employed under terms and conditions decided by Newco, which in the UK will be negotiated collectively as appropriate- and in Germany will be aligned with the respective tariff agreements.

For terms and conditions of employment of existing Ford employees who transfer to Newco at the time of Legal Separation in the U.K. and Germany, Newco will adopt and honour the outcome of the Ford collective agreements in the respective countries.

COLLECTIVE AGREEMENTS

All existing Ford collective agreements, in particular Investment and Plant Security Agreements and the Employment Security and Investment Statements (thereafter "Investment Agreements") will be fully adopted by Newco.

Existing apprentice training programs will be continued.

EMPLOYEE REPRESENTATION

In Germany, Newco will become a member of the Employers Association of the Metal Industry. Plant and corporate employee representation arrangements will be established according to applicable legal and tariff provisions.

In the United Kingdom:

- current Ford employees who transfer to Newco at the time of Legal Separation will continue to be represented by the existing Ford Procedure and bargaining arrangements for 6 years after Legal Separation. Ford National Bargaining Committees will include management representatives of Newco as appropriate.

- thereafter Newco will establish local and national representation and bargaining arrangements for all Newco employees in the existing UK Ford locations which transfer to Newco at the time of Legal Separation.

- separation of Newco representation arrangements from Ford earlier than provided for in this agreement may take place if it is agreed by all parties that this is mutually beneficial.

- representation in inspect of new Newco employees hired following the Legal Separation of Newco from Ford, will be the subject of discussion between Ford, Newco and the appropriate national unions in the UK.

The existing in-plant representation structures and processes in Charleville will continue and are not affected by this agreement.

Newco will establish a new independent European works Council.

SOURCING

In recognition of the commitment contained within this agreement that Newco will maintain terms and conditions for existing employees who transfer to Newco that mirror Ford conditions for the duration of their employment (lifetime protection), Ford management commits to provide sourcing to Newco in Europe as described within the following Sourcing Agreement:

The following principles apply in respect of the sourcing of Ford business to the afore-mentioned Newco plants and the allocation of work to the Newco engineering, development and other Newco staff and hourly support activities in these countries.

In order to facilitate the business development of the Newco activities named above and based on the Company's intention to transfer existing Ford employees in these facilities to Newco as Newco employees at the date of separation, Ford and Newco management confirm their on-going commitment to these activities and will comply in full with the existing investment Agreements which affect these facilities, and meet the legal responsibilities arising from them.

Specifically, replacement work will be substituted for the B-Car instrument panel and Transit grill that have not been sourced to Visteon in the next product cycle. A decision on substitute work will be made by 30 June 2000.

In addition, management commits to take the necessary steps to provide the opportunity to enhance or develop a viable business situation for these plants and the Newco engineering and other Visteon staff and hourly support activities.

To achieve this and, in particular, to address the concerns regarding plant closures. Ford management commits to provide these facilities with the sourcing for existing Ford products for the life of the present vehicle sourcing cycle plus one further vehicle sourcing cycle (to include CD208 and the replacement for the present Galaxy), and as a minimum for the period committed in the existing investment Agreements. This commitment also includes all current components in Newco plants which will have successor part in C1/CD platform vehicles in the next vehicle sourcing cycle. Minor facelifts will not constitute a new vehicle sourcing cycle.

The "Program Cycle Plan" and "Current Visteon Sourcing Plan" documents attached to the two original master copies of this agreement are part of the agreement.

To support this agreement, Newco recognizes its responsibility to ensure that the Ford products sourced to these facilities must be viable, profitable, reflect technological advances (e.g. electronics, moulding, transmissions, machining etc.) and meet competitive price criteria. Where Newco is not able to immediately match the competitive price on products included in the above, for the future committed product sourcing cycle, it will commit to bid on a competitive basis, at a minimum level of breakeven plus the cost of capital and to make up any remaining competitive price differences in equal increments across the life of the product sourcing. (But in any event in equal increments across a maximum 5 year period). The difference between the competitive price and the Newco price (at a minimum level of breakeven plus the cost of capital) at the date of Legal Separation will be shared equally between Ford and Newco over the 5-year period, in line with the following formula:

- Newco commits to reduce the difference in 5 equal steps of 20%, so that the difference is eliminated at the end of the 5-year period.

- Ford pays for 100% of the difference in the first year, 80% in the second year, 60% in the third year, 40% in the fourth year and 20% of the difference in the fifth year.

The achievement of employment security will ultimately be governed by the level of efficiency and competitiveness achieved in each Newco facility. As today, this will require the on-going cooperation of management, unions, Works Council, employee representatives and employees.

The product cycle plan upon which these commitments are based is clearly subject to change. Where these changes negatively impact the sourcing of Ford product to these Newco facilities, alternative sourcing will be identified by Ford to replace any shortfalls in sourcing based on existing investment and product sourcing cycle plan commitments. However, where sourcing is impacted by market driven changes. Ford will not be required to provide alternative sourcing.

These commitments reflect Ford management's intention in respect of the Newco business units identified above and serve as an underpin to ensure their viability. Where future alternative sourcing opportunities can be generated for these business units, for example from Ford, other OEM's, or other suppliers, such new work may be substituted for existing Ford work sourced to Newco where it makes business sense to do so, provided the spirit and intent of this Agreement is maintained and there is no detriment to the Newco business unit(s) concerned.

Ford and Newco management commit that this agreement will transfer to any successor company.

Newco will be included in future Ford market tests for parts within their product range, and will be considered by Ford. Ford and Newco management and the Ford Sourcing Council will adhere to agreed sourcing procedures and this agreement.

FUTURE FORD RESTRUCTURING ACTIONS

This agreement on treatment of employees related to Newco separation from Ford will not set a precedent for any future restructuring actions in Europe.

In the event that it is necessary, within a 5 year period from the date of this agreement, to establish a joint venture or initiate a spin-off involving any of the existing European Ford plants or other facilities the Company commits that the existing Ford employees in the affected location (s) at the time of the joint-venture or spin-off will work in the new business but will remain Ford employees. Normal practices on mobility (transfers and loans) of labour will continue to apply.

Existing employees at the time of the establishment of the new organization may elect to voluntarily transfer their employment to the new organization at any time.

Where both sides agree it is beneficial to make changes to the above arrangements in a particular case, than changes will be made by mutual agreement.

GENERAL

1. The parties to this agreement commit to implementing this agreement at the national level.

   A joint working group shall be set up with Ford management and the FEWC Select Committee. This working group shall monitor the implementation of this agreement and shall take a decision in the case of any dispute regarding its interpretation.

2. After Legal Separation, Newco management shall be responsible for adherence to this agreement vis-a-vis the corresponding Newco employee representatives. In the case of disagreements between Newco management and the corresponding employee representatives that arise from different interpretations of this agreement, the procedure described under 1) above may be applied.

3. Where Newco management and employee representatives agree it is beneficial to make changes to the agreement, then changes will be made by mutual consent and after prior concurrence by the working group.

Cologne, 25 January 2000

Signatures:

/s/ JR Walker	/s/ RH Marcin
- ----------	----------
JR Walker	RH Marcin
/s/ DW Thursfield	
- ----------	----------
DW Thursfield	NV Scheele
- ----------	----------
PJ Pestillo	JA Nasser

FEWC Members: Visteon Employee Representatives:

SCHEDULE 3.11

NON-US PENSION PLANS

GENERAL

In general, pensions in non-US locations will be dealt with in accordance with the general principles for Ford Business Employees, but recognizing the need to comply with local agreements and with local law and regulation. Specific provisions which apply to the major locations are set out below. In the event of conflict, local agreements and local law take precedence.

1) BRITAIN

a) As soon as practicable, and in any event no later than 6 months after Distribution Date, Visteon will establish pension plans ("Mirror Plans") which have the same provisions as existing in the Ford pension plans and are capable of accepting a transfer of Guaranteed Minimum Pensions and Protected Rights;

b) During a participation period which expires on the earlier of (i) 6 months after the Distribution Date or (ii) when the appropriate Mirror Plans were established, Visteon Employees may remain contributing members of the Ford pension plan and will continue to accrue benefits;

c) Shortly before the Mirror Plans are established, both Ford and Visteon shall, if legally necessary, seek the consent of active Visteon Employees to a transfer of the past service benefits from the Ford pension plans to the Visteon Mirror Plans;

d) The obligations to be assumed by the Mirror Plans comprise pension accrued under the applicable Ford pension plan, and, in respect of service completed in the future, corresponding benefits for future service;

e) During the period after the Distribution Date if such employees are accruing benefits in the Ford pension plans, Visteon shall contribute to those plans such contributions as Ford's Actuary advises as, together with employee contributions, meets the cost of accruing benefits (including death in service benefits) and administration costs;

f) To the extent permitted by and in accordance with applicable law, Ford shall cause to be transferred, from each Ford pension plan, assets that shall equal the present value of the past service obligations (including the effect of assumed future pay increases) assumed by the Mirror Plans, provided that the present value so calculated shall not exceed the share

of plan assets applicable to the transferring group ("Transfer Value");

g) The date for valuing the past service obligation referred to above ("Valuation Date") shall be the Distribution Date or a convenient date within 30 days thereof;

h) The method and assumptions to be used in calculating the present value in f) above shall be those recommended by Ford's Actuary for funding valuations as at March 31, 2000 updated to reflect changes in market conditions between March 31, 2000 and the Valuation Date, unless both sides jointly agree to other assumptions as being at least as fair and equitable;

i) To recognize the period between the Valuation Date and the physical date of asset transfer, the asset transfer computed as at the Valuation Date shall be increased by any contributions subsequently paid by Visteon on behalf of transferring employees (except that part relating to administration expenses and relating to the cost of death in service benefits) and paid by the employees themselves. The asset transfer shall be reduced by any unpaid contributions referred to in e) above. Interest shall be added on the Transfer Value and to subsequent adjustments at the rate equivalent to the Ford pension plan return up to the start of the calendar month prior to the final asset transfer, and at 30 Day UK Treasury Bill rate on that date and published in the Financial Times for the remaining period;

j) Visteon recognizes that Ford concluded recent union agreements which included processes potentially leading to pension plan mergers. Visteon shall co-operate with Ford in determining how best to integrate the establishment (including timing) of Mirror Plans with the agreed Ford process concerning the proposed pension plan mergers;

k) For the duration of their employment with Visteon, terms and conditions of existing Ford employees who transfer to Visteon will mirror Ford conditions (including post retirement discretionary pension in payment increases). Visteon will meet the cost of such discretionary and other changes; and

l) In respect of new hires, Visteon will develop a plan which shall take due regard to the independence of Ford and Visteon.

2) GERMANY

a) It is recognized that Ford Business Employees in Germany participate in three pension plans:

- Foveruka: A Support Fund whose assets include deferred and

immediate annuity contracts with Alte Leipziger insurance company. Foveruka covers hourly employees, employees in SG 1-6 and, with minor exceptions, employees promoted from SG 6 in 1993 or later, and new hires after that date;

- Exempt Statut Plan: An unfunded book reserve plan covering employees in SG 7-11 on December 31, 1992; and

- Management Statut Plan: An unfunded book reserve covering employees in SG 12 and above on December 31, 1992;

b) Ford Business Employees who transfer their employment from Ford to Visteon and who, as of the Transfer Date, participate in Foveruka will, with the approval of its Management Board, continue participation in Foveruka;

c) Ford Business Employees who transfer their employment from Ford to Visteon and who, as of the Transfer Date, participate in the Exempt Statut and Management Statut Plans will continue to participate in the applicable Exempt Statut or Management Statut Plan. Visteon will assume the obligations with respect to the Ford Business Employees who are transferred to Visteon as of the Transfer Date under the applicable Exempt Statut or Management Statut Plan. Visteon will retain the benefit structure as in effect for the Ford book reserve plans;

d) The obligations that Visteon assumes in respect of the Exempt Statut and Management Statut Plans relate to past service and, to the extent that employees remain in service, future service;

e) There will be no asset transfer from Ford to Visteon in respect of the transfer of these book reserve plan obligations to Visteon;

f) In respect of new hires, Visteon will develop a plan which shall take due regard to the independence of Ford and Visteon;

g) Visteon will make application to the Foveruka to continue participation for both past service and future service of present plan participants. Ford will assist in the application process and does not envision any restriction to participation by Visteon. Ford will support continued participation by Visteon in the Foveruka and will also support continued administration by the Foveruka of the Exempt Statut and Management Statut Pension Plans.

h) Visteon will meet all costs in respect of their Foveruka and book reserve obligations as described above including the cost of any post-retirement increase to be granted in the future, and potential cost for administration of Visteon's participants in Foveruka, and Foveruka's administration of the

Exempt Statut Plan and Management Statut Plan with respect to Visteon participants

3) FLOW BACKS WITHIN 5 YEARS (BRITAIN AND GERMANY)

a) In accordance with the provisions of the European Works Council agreement, Ford and Visteon jointly agree that:

i) Visteon Employees who had been Ford Business Employees who return to Ford without a break in Visteon service within 5 years of the Distribution Date shall be reinstated in the appropriate Ford pension plan;

ii) They shall be credited with pensionable service equal to the aggregate of their service with Ford and with Visteon; and

iii) Such credited service shall be conditional on

- Where legally required, the employee giving his/her consent to the appropriate transfer of pension plan assets and obligations

- Ford receiving the corresponding transfer of assets as described below.

b) The assets to be transferred from Visteon to Ford shall comprise in respect of each individual:

i) Britain (Fund to Fund)

- The pension plan asset relating to pre-Distribution Date service first transferred to Visteon's mirror plans, increased with interest at the rate described in 1i) of this Schedule

- The actuarial equivalent of the pension accrued in the mirror plan for service after the Distribution Date as determined by Visteon's Actuary but based on assumptions acceptable to Ford as being reasonably consistent with 1h);

ii) Germany - Foveruka

- In respect of pre-Distribution Date service, no compensation is required in excess of the Alte Leipziger asset

- In respect of post-Distribution Date service, a cash amount shall be paid from Visteon to Ford equal to excess of the liabilities assumed by Ford (computed on a US GAAP ie SFAS 87 basis) over the Foveruka assets; and

iii) Germany - Book Reserve

- In respect of both pre-and post Distribution Date service, a cash amount from Visteon to Ford equal to the liabilities to be assumed by Ford calculated on a US GAAP ie SFAS 87 basis.

4) BRAZIL

a) It is recognized that Ford Business Employees in Brazil participate in a single funded pension plan covering Ford employees and Ford Business Employees;

b) Until an employee retires, the pension plan operates on a defined contribution basis;

c) Both Ford and Visteon agree to contribute to the individual accounts of their own employees so there is no subsidy from Ford to Visteon, or Visteon to Ford;

d) It is recognized that whereas Ford employees' accounts are fully funded, there was a shortfall in the Ford Business Employees' accounts in respect of pre-1995 contribution credits, of R$12,495,000 as at December 31, 1999. Visteon agrees that it will meet the cost of this shortfall before the affected individuals retire but no later than fifteen years from the Distribution Date;

e) As soon as practicable, and in any event no later than 9 months after Distribution Date unless the Parties agree otherwise, Visteon will establish a plan which is acceptable to Ford. These proposals shall be reviewed with the local Ford company and, before implementation reviewed by HR and Treasury staff of Ford Motor Company (US). Visteon recognizes that any plan would be designed so that Ford assumes no obligations nor any costs in respect of Visteon participants.

f) In the event of Visteon establishing its own pension plan, the assets to be transferred to that plan shall comprise:

i) For active employees, an amount equal to their account balances to the extent that these are funded;

ii) For retirees, the actuarial value based on assumptions acceptable to Ford, of the pensions being transferred; and

g) While participating in the pension plan, Visteon agrees to meet its share of the plan's administration costs.

5) OTHER LOCATIONS (MEXICO, JAPAN, AND FRANCE)

a) As soon as practicable, and in any event no later than 6 months after Distribution Date, Visteon will prepare proposals for handling the pension arrangements of Ford Business Employees who participate in a Ford pension plan.

b) These proposals shall be reviewed with the local Ford company and, before implementation reviewed by HR and Treasury staff of Ford Motor Company (US).

c) Visteon recognizes that any plan would be designed so that Ford assumed no obligations nor any costs in respect of Visteon participants.

d) Any transfer of assets out of a Ford pension plan would be limited to the actuarial value of past service liabilities similarly transferred, where such liabilities are computed using assumptions consistent with US GAAP.

6) INCENTIVISED EARLY RETIREMENT PROGRAMS (ALL LOCATIONS)

a) Visteon will meet the cost of such programs in respect of their employees whether these programs occur before or after Distribution Date; and

b) The pension expense in these programs will be computed as the increase in projected benefit obligation in accordance with the provisions of SFAS 88.

ATTACHMENT A

FORD SALARIED UNIONS APPLICABLE TO FORD BUSINESS EMPLOYEES - UNITED STATES

1. Collective Bargaining Agreement between Ford Motor Company and the UAW Salaried Bargaining Units dated September 15, 1999

2. Collective Bargaining Agreement between Ford Motor Company and Plant Protection Association, National (effective January 29, 1999 - April 30, 2001)

VISTEON CORPORATION

2004 INCENTIVE PLAN

(Effective as of May 12, 2004
and as amended through March 12, 2009)

Section 1. PURPOSE AND DEFINITIONS

(a) *Purpose.* This Plan, known as the "Visteon Corporation 2004 Incentive Plan", is intended to provide an incentive to certain employees and certain non-employees who provide services to Visteon Corporation and its subsidiaries, in order to encourage them to remain in the employ of the Company and its subsidiaries and to increase their interest in the Company's success. It is intended that this purpose be effected through awards or grants of stock options and various other rights with respect to shares of the Company's common stock, and through performance cash awards, as provided herein, to such eligible employees.

(b) *Definitions.* The following terms shall have the following respective meanings unless the context requires otherwise:

(1) The term "Affiliate" or "Affiliates" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(2) The term "Beneficial Owner" shall mean beneficial owner as set forth in Rule 13d-3 under the Exchange Act.

(3) The term "Board" shall mean the Board of Directors of Visteon Corporation.

(4) The term "Change in Control" shall mean the occurrence of any one of the following:

(A) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (C) below;

(B) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of this Plan, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

(C) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

(D) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

(E) any other event that the Board, in its sole discretion, determines to be a Change in Control for purposes of this Plan.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

If a Plan Award is considered deferred compensation subject to the provisions of Code Section 409A, and if a payment under such Plan Award would be accelerated or otherwise triggered upon a “change in control”, then the foregoing definition is modified, to the extent necessary to avoid the imposition of an excise tax under Section 409A, to mean a “change in control event” as such term is defined for purposes of Code Section 409A.

(5) The term “Code” shall mean the Internal Revenue Code of 1986, or any successor thereto, as the same may be amended and in effect from time to time.

(6) The term “Committee” shall mean the committee appointed pursuant to Section 2 to administer the Plan.

(7) The term “Company” shall mean Visteon Corporation.

(8) The term “Covered Executive” shall mean an employee of the Company or any Subsidiary who, at the end of the Company’s tax year, is the principal executive officer of the Company (or the employee who acts in such capacity), or is among the three highest compensated officers of the Company or any Subsidiary (other than the Company’s principal executive officer or principal financial officer) whose compensation is required to be reported in the Summary Compensation Table of the Company’s Proxy Statement, or is employed in such other classification as the Internal Revenue Service determines to be a “covered executive” for purposes of Code Section 162(m).

(9) The term “Employee” shall mean an employee of the Company or any Subsidiary. The term “Employee” shall also be deemed to include any person who is an employee of any joint venture corporation or partnership, or comparable entity, in which the Company or Subsidiary has a substantial equity interest; provided such person was an employee of the Company or Subsidiary immediately prior to becoming employed by such entity, and designated non-employees who provide services to the Company or a Subsidiary. Notwithstanding the foregoing, with respect to the granting of an Option or Stock Appreciation Right, a person who is employed by or a non-employee service provider to a joint venture corporation, partnership or comparable entity in which the Company or a Subsidiary has an ownership interest shall be considered to be an Employee only if such corporation, partnership or entity itself constitutes a Subsidiary.

(10) The term “Exchange Act” shall mean the Securities Exchange Act of 1934, or any successor thereto, as the same may be amended and in effect from time to time.

(11) The term “Fair Market Value” shall mean (A) if the Stock is traded on a stock exchange, the average of the highest and lowest sale prices at which a share of Stock shall have been sold regular way on the principal securities exchange on which the Stock is traded on the date of grant of any Option or Stock Appreciation Right or other relevant valuation date, or (B) if the Stock is not traded on a stock exchange but is traded in the over-the-counter market, the average between the high bid and low asked prices on the date of grant of any Option or Stock Appreciation Right or other relevant valuation date as reported in such over-the-counter market. In the event that no sales prices or bid and asked prices for the Stock are available on the date of grant of any Option or Stock Appreciation Right or other relevant valuation date, then the “Fair Market Value” shall be deemed to be such prices on the next preceding day on which such sales were available, or such other valuation methodology as shall be determined by the Committee in its absolute discretion.

(12) The term “Final Award” shall mean the amount of compensation to be awarded finally to the Participant who holds a Performance Cash Right pursuant to Section 3, the number of shares of Stock to be awarded finally to the Participant who holds a Performance Stock Right pursuant to Section 5, the number of shares of Restricted Stock to be retained by the Participant who holds Restricted Stock pursuant to Section 6, or the number of shares of Stock or the amount of compensation to be awarded finally to a Participant who holds Restricted Stock Units pursuant to Section 6, in each case as determined by the Committee taking into account the extent to which the Performance Goals have been satisfied.

(13) The term “Option” or “Options” shall mean the option to purchase Stock in accordance with Section 7 and such other terms and conditions as may be prescribed by the Committee. An Option may be either an “incentive stock option”, as such term is defined in the Code, or shall otherwise be designated as an option entitled to favorable treatment under the Code (“ISO”) or a “nonqualified stock option” (“NQO”). ISOs and NQOs are individually called an “Option” and collectively called “Options”.

(14) The term “Other Stock-Based Awards” shall mean awards of Stock or other rights made in accordance with Section 8.

(15) The term “Participant” shall mean an Employee who has been designated for participation in the Plan.

(16) The term “Performance Cash Right” shall mean the right to receive, pursuant to Section 3, a cash payment as described in the Participant’s award agreement, taking into account the Target Award and the Performance Formula, upon the attainment of one or more specified Performance Goals, subject to the terms and provisions of the award agreement and the Plan.

(17) The term “Performance Goals” shall mean, with respect to any Performance Cash Right, Performance Stock Right, performance-based Restricted Stock or performance-based Restricted Stock Unit granted to a Participant who is a Covered Executive, a performance measure that is based upon one or more of the following objective business criteria established by the Committee with respect to the Company and/or any Subsidiary, division, business unit or component thereof: asset charge, asset turnover, return on sales, capacity utilization, capital employed in the business, capital spending, cash flow, cost structure improvements, complexity reductions, customer loyalty, diversity, earnings growth, earnings per share, economic value added, environmental health and/or safety, facilities and tooling spending, hours per component, increase in customer base, inventory turnover, market price appreciation, market share, net cash balance, net income, net income margin, net operating cash flow, operating profit margin, order to delivery time, plant capacity, process time, profits before tax, quality, customer satisfaction, return on assets, return on capital, return on equity, return on net operating assets, return on sales, revenue growth, safety, sales margin, sales volume, total stockholder return, production per employee, warranty performance to budget, variable margin and working capital. With respect to any Right granted to a Participant who is not a Covered Executive, performance goals may be based on one or more of the business criteria described above or any other criteria based on individual, business unit, group or Company performance selected by the Committee. The Performance Goals may be expressed in absolute terms or relate to the performance of other companies or to an index.

(18) The term “Performance Formula” shall mean a formula to be applied in relation to the Performance Goals in determining the amount of cash earned under a Performance Cash Right granted pursuant to Section 3, the number of shares of Stock earned under a Performance Stock Right granted pursuant to Section 5, performance-based Restricted Stock granted pursuant to Section 6, or the amount of cash or shares of Stock earned under performance-based Restricted Stock Units granted pursuant to Section 6, in each case expressed as a percentage of the Target Award.

(19) The term “Performance Period” shall mean the period of time for which performance with respect to one or more Performance Goals with respect to any Performance Cash Right, Performance Stock Right, Restricted Stock or Restricted Stock Unit award is to be measured, with such period commencing not earlier than 90 days prior to the date of grant of such Right.

(20) The term “Performance Stock Right” shall mean the right to receive, pursuant to Section 5 and without payment to the Company, up to the number of shares of Stock described in the Participant’s award agreement upon the attainment of one or more specified Performance Goals, subject to the terms and provisions of the award agreement and the Plan.

(21) The term “Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (A) the Company or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Stock of the Company.

(22) The term “Plan” shall mean this Visteon Corporation 2004 Incentive Plan (formerly known as the Visteon Corporation 2000 Incentive Plan) as the same may be amended and in effect from time to time.

(23) The term “Plan Awards” shall mean awards of cash or grants of Performance Stock Rights, Restricted Stock, Restricted Stock Units, Options, Stock Appreciation Rights and various other rights with respect to shares of Stock.

(24) The term "Restricted Stock" means Stock issued to a Participant pursuant to Section 6 that is subject to forfeiture if one or more specified Performance Goals or minimum periods of service are not attained.

(25) The term "Restricted Stock Unit" means an award granted pursuant to Section 6 consisting of a unit credited to a hypothetical account, valued based on the Fair Market Value of Visteon Stock, and is subject to forfeiture if one or more specified Performance Goals or minimum periods of service are not attained.

(26) The term "Right" shall mean a Performance Cash Right, Performance Stock Right, a Restricted Stock award, or a Restricted Stock Unit, as required by the context.

(27) The term "Stock Appreciation Right" shall mean the right to receive, without payment to the Company, an amount of cash or Stock as determined in accordance with Section 7, based on the amount by which the Fair Market Value of a share of Stock on the relevant valuation date exceeds the grant price.

(28) The term "Subsidiary" shall mean (A) any corporation a majority of the voting stock of which is owned directly or indirectly by the Company or (B) any limited liability company a majority of the membership interest of which is owned, directly or indirectly, by the Company. In addition, solely for purposes of determining those individuals to whom an Option (other than an Option that is designated as an incentive stock option for purposes of the Code) or a Stock Appreciation Right may be granted, the term "Subsidiary" includes an entity that would be a Subsidiary if the preceding sentence were applied by substituting "at least twenty percent (20%)" in lieu of "at least fifty percent (50%)" if the Committee determines that there are legitimate business reasons for extending Options or Stock Appreciation Rights to individuals employed by such an entity.

(29) The term "Stock" shall mean shares of the Company's common stock, par value $1.00 per share.

(30) The term "Target Award" shall mean the amount of compensation to be earned by a Participant under a Performance Cash Right or the number of shares of Stock, subject to adjustment pursuant to Section 13, to be earned by a Participant under a Performance Stock Right, if all of the Performance Goals with respect to such Right are achieved.

Section 2. ADMINISTRATION

(a) *Committee.* The Plan shall be administered by the Organization & Compensation Committee of the Board consisting of not less than two (2) members of the Board who meet the "outside" director requirements of Section 162(m) of the Code and the "non-employee director" requirements of Rule 16b-3(b)(3) of the Exchange Act, or by any other committee appointed by the Board, provided the members of such committee meet such requirements. The Committee shall administer the Plan and perform such other functions as are assigned to it under the Plan. The Committee is authorized, subject to the provisions of the Plan, from time to time, to establish such rules and regulations as it may deem appropriate for the proper administration of the Plan, and to make such determinations under, and such interpretations of, and to take such steps in connection with, the Plan and the Plan Awards as it may deem necessary or advisable, in each case in its sole discretion. The Committee's decisions and determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not they are similarly situated. Any authority granted to the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any qualified performance based award to cease to qualify for exemption under Section 162(m) of the Code. To the extent that any permitted action taken by the Board conflicts with any action taken by the Committee, the Board action shall control.

(b) *Delegation of Authority.* The Committee may delegate any or all of its powers and duties under the Plan, including, but not limited to, its authority to make awards under the Plan or to grant waivers pursuant to Section 10, to one or more other committees (including a committee consisting of two or more corporate officers) as it shall appoint, pursuant to such conditions or limitations as the Committee may establish; *provided, however*, that the Committee shall not delegate its authority to (1) act on matters affecting any Participant who is subject to the reporting requirements of Section 16(a) of the Exchange Act, or the liability provisions of Section 16(b) of the Exchange Act (any such Participant being called a "Section 16 Person") or (2) amend or modify the Plan pursuant to the provisions of Section 16(b). To the extent of any such delegation, the term "Committee" when used herein shall mean and include any such delegate.

(c) *Eligibility of Committee Members.* No person while a member of the Committee or any other committee of the Board administering the Plan shall be eligible to hold or receive a Plan Award.

Section 3. PERFORMANCE CASH RIGHTS

(a) *Grant of Performance Cash Rights.* The Committee, at any time and from time to time while the Plan is in effect, may grant or authorize the granting of Performance Cash Rights to such officers of the Company and any Subsidiary and other Employees, whether or not members of the Board, as it may select and in such amount as it shall designate, subject to the provisions of this Section 3.

(b) *Maximum Awards.* The maximum amount granted to a Covered Executive as a Final Award with respect to all Performance Cash Rights granted during a calendar year shall be $10 million.

(c) *Terms and Provisions of Performance Cash Rights.* Prior to the grant of any Performance Cash Right, the Committee shall determine the terms and provisions of such Right, including, without limitation (1) the Target Award; (2) one or more Performance Goals to be used to measure performance under such Right, and the Performance Formula to be applied against the Performance Goals in determining the amount of compensation earned under such Right as a percentage of the Target Award; (3) the Performance Period, and (4) the effect of the Participant's termination of employment, death or disability. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal for such Performance Period which, if not met, would result in no Final Award being made to any Participant with respect to such Performance Goal for such Performance Period. During and after the Performance Period, but prior to the Committee's final determination of the Participant's Final Award as provided in subsection (d), the Committee may adjust the Performance Goals, Performance Formula and Target Award and otherwise modify the terms and provisions of a Right granted to a Participant who is not a Covered Executive, subject to the terms and conditions of the Plan. Each Right shall be evidenced by an award agreement or notification in such form as the Committee may determine.

(d) *Final Awards.* As soon as practicable following the completion of the Performance Period relating to any Performance Cash Right, but not later than 12 months following such completion, the Committee shall determine the extent to which the Performance Goals have been achieved and the amount of compensation to be awarded as a Final Award to the Participant who holds such Right. In making such determination, the Committee shall apply the applicable Performance Formula for the Participant for the Performance Period against the accomplishment of the related Performance Goals. The Committee may, in its sole discretion, reduce the amount of any Final Award that otherwise would be awarded to any Participant for any Performance Period. In addition, the Committee may, in its sole discretion, increase the amount of any Final Award that otherwise would be awarded to any Participant who is not a Covered Executive. Any such determination shall take into account (A) the extent to which the Performance Goals provided in such Right were, in the Committee's sole opinion, achieved, (B) the individual performance of such Participant during the related Performance Period and (C) such other factors as the Committee may deem relevant, including, without limitation, any change in circumstances or unforeseen events, relating to the Company, the economy or otherwise, since the date of grant of such Right. The Committee shall notify such Participant of such Participant's Final Award as soon as practicable following such determination.

(e) Following the determination of each Final Award, unless the Participant has elected to defer all or a portion of the Final Award in accordance with the procedures set forth in the Visteon Corporation Deferred Compensation Plan, the Final Award will be payable to the Participant in cash.

Section 4. STOCK AVAILABLE FOR PLAN AWARDS

(a) *Stock Subject to Plan.* The Stock that may be issued under the Plan may be either authorized and unissued or held in the treasury of the Company. The maximum number of shares of Stock that may be issued with respect to Plan Awards, subject to adjustment in accordance with the provisions of Section 13, shall be 21,800,000. Notwithstanding the foregoing, (1) the aggregate number of shares that may be issued upon exercise of ISOs shall not exceed 10,280,000 shares, subject to adjustment in accordance with the provisions of Section 13; (2) the maximum number of shares subject to Options, with or without any related Stock Appreciation Rights, or Stock Appreciation Rights (not related to Options) that may be granted pursuant to Section 7 to any Covered Executive during any calendar year prior to 2004 shall be 500,000, and for calendar years after 2003 shall be 1,000,000, subject to adjustment in accordance with the provisions of Section 13; and (3) the maximum number of shares of Stock that may be issued pursuant to such Performance Stock Rights and performance-based Restricted Stock Awards when combined with the number of performance-based Restricted Stock Units granted pursuant to Section 6 (whether such Restricted Stock Units are settled in cash or in Stock), to any Covered Executive during any calendar year prior to 2004 shall be 500,000 shares, and for calendar years after 2003 shall be 1 million shares and/or units, subject to adjustment in accordance with the provisions of Section 13.

(b) *Computation of Stock Available for Plan Awards.* For the purpose of computing the total number of shares of Stock remaining available for Plan Awards at any time while the Plan is in effect, and for the purpose of determining the maximum number of shares of Stock that remain available to be issued with respect to Performance Stock Rights, Restricted Stock Awards, Restricted Stock Units,

and Other Stock-Based Awards under clause (3) of subsection (a) there shall be debited against the total number of shares determined to be available pursuant to subsections (a) and (c) of this Section 4, (1) the maximum number of shares of Stock subject to issuance upon exercise of Options or Stock Appreciation Rights granted under this Plan, (2) the maximum number of shares of Stock issued or issuable under Performance Stock Rights, Restricted Stock Awards and Restricted Stock Units granted under this Plan, and (3) the number of shares of Stock related to Other Stock-Based Awards granted under this Plan, as determined by the Committee in each case as of the dates on which such Plan Awards were granted, provided, however, that a Restricted Stock Unit or Other Stock-Based Award that is or may be settled only in cash shall not be counted against any of the share limits under this Section 4, except as required by Section 162(m) of the Code to preserve the status of an award as "performance-based compensation" as set forth under clause (4) of subsection (a) above.

(c) *Terminated, Expired or Forfeited Plan Awards.* The shares involved in the unexercised, undistributed or unvested portion of any terminated, expired or forfeited Plan Award shall be made available for further Plan Awards. Any shares of Stock made available for Plan Awards pursuant to this subsection (c) shall be in addition to the shares available pursuant to subsection (a) of this Section 4. Notwithstanding the foregoing, in the event any Option or Stock Appreciation Right granted to a Covered Executive is canceled, the number of shares of Stock subject to such canceled Option or Stock Appreciation Right shall continue to count against the individual limit specified in subsection (a), in accordance with the requirements of Code Section 162(m).

Section 5. PERFORMANCE STOCK RIGHTS

(a) *Grant of Performance Stock Rights.* The Committee, at any time and from time to time while the Plan is in effect, may grant, or authorize the granting of, Performance Stock Rights to such officers of the Company and any Subsidiary, and other Employees, whether or not members of the Board, as it may select and for such numbers of shares as it shall designate, subject to the provisions of this Section 5 and Section 4.

(b) *Terms and Provisions of Performance Stock Rights.* Prior to the grant of any Performance Stock Right, the Committee shall determine the terms and provisions of each Right, including, without limitation (1) the Target Award; (2) one or more Performance Goals to be used to measure performance under such Right, and the Performance Formula to be applied against the Performance Goals in determining the number of shares of Stock earned under such Right as a percentage of the Target Award; (3) the Performance Period; (4) the period of time, if any, during which the disposition of shares of Stock issuable under such Right shall be restricted as provided in subsection (a) of Section 11, *provided, however,* that the Committee may establish restrictions applicable to any Right at the time of or at any time prior to the granting of the related Final Award rather than at the time of granting such Right; and (5) the effect of the Participant's termination of employment, death or disability. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal for such Performance Period which, if not met, would result in no Final Award being made to any Participant with respect to such Performance Goal for such Performance Period. During and after the Performance Period, but prior to the Committee's final determination of the Participant's Final Award as provided in subsection (d), the Committee may adjust the Performance Goals, Performance Formula and Target Award and otherwise modify the terms and provisions of a Right granted to a Participant who is not a Covered Executive, subject to the terms and conditions of the Plan. Each Right shall be evidenced by an award agreement or notification in such form as the Committee may determine.

(c) *Dividend Equivalents on Rights.* If the Committee shall determine, each Participant to whom a Right is granted shall be entitled to receive payment of the same amount of cash that such Participant would have received as cash dividends if, on each record date during the Performance Period relating to such Right, such Participant had been the holder of record of a number of shares of Stock equal to 100% of the related Target Award (as adjusted pursuant to Section 13). Any such payment may be made at the same time as a dividend is paid or may be deferred until the date that a Final Award is determined, as determined by the Committee in its sole discretion. Such cash payments are hereinafter called "dividend equivalents". Notwithstanding anything to the contrary herein, if the Committee determines that dividend equivalents should be granted with respect to any "stock right" within the meaning of Code Section 409A, the terms and conditions of the dividend equivalent rights shall be set forth in writing, and to the extent that the dividend equivalents are considered deferred compensation subject to Code Section 409A, the writing shall include terms and conditions, including payment terms, that comply with the provisions of Code Section 409A.

(d) *Final Awards.*

(1) As soon as practicable following the completion of the Performance Period relating to any Performance Stock Right, but not later than 12 months following such completion, the Committee shall determine the extent to which the Participant achieved the Performance Goals and the number of shares of Stock to be awarded as a Final Award to the Participant who

holds such Right. Each Final Award shall represent only full shares of Stock, and any fractional share that would otherwise result from such Final Award calculation shall be disregarded. In making such determination, the Committee shall apply the applicable Performance Formula for the Participant for the Performance Period against the accomplishment of the related Performance Goals. The Committee may, in its sole discretion, reduce the amount of any Final Award that otherwise would be awarded to any Participant for any Performance Period. In addition, the Committee may, in its sole discretion, increase the amount of any Final Award that otherwise would be awarded to any Participant who is not a Covered Executive. Any such determination shall take into account (A) the extent to which the Performance Goals provided in such Right was, in the Committee's sole opinion, achieved, (B) the individual performance of such Participant during the related Performance Period and (C) such other factors as the Committee may deem relevant, including, without limitation, any change in circumstances or unforeseen events, relating to the Company, the economy or otherwise, since the date of grant of such Right. The Committee shall notify such Participant of such Participant's Final Award as soon as practicable following such determination.

(2) Following the determination of each Final Award, the Company shall issue or cause to be issued certificates for the number of shares of Stock representing such Final Award, registered in the name of the Participant who received such Final Award. Such Participant shall thereupon become the holder of record of the number of shares of Stock evidenced by such certificates, entitled to dividends, voting rights and other rights of a holder thereof, subject to the terms and provisions of the Plan, including, without limitation, the provisions of this subsection (d) and Sections 10, 11 and 13. The Committee may require that such certificates bear such restrictive legend as the Committee may specify and be held by the Company in escrow or otherwise pursuant to any form of agreement or instrument that the Committee may specify. If the Committee has determined that deferred dividend equivalents shall be payable to a Participant with respect to any Performance Stock Right pursuant to subsection (c) of this Section 5, then concurrently with the issuance of such certificates, the Company shall deliver to such Participant a cash payment or additional shares of Stock in settlement of such dividend equivalents. Notwithstanding the foregoing, the Committee, in its sole discretion, may permit a Participant to defer receipt of a Final Award and to instead receive stock units under the Visteon Corporation Deferred Compensation Plan that represent hypothetical shares of Stock of the Company, or such other deemed investment made available by the Committee for this purpose. Any such election, if permitted by the Committee, must be made at such time and in such form as prescribed by the Committee, and is subject to such other terms and conditions as the Committee, in its sole discretion, may prescribe.

(3) Notwithstanding the provisions of this subsection (d) or any other provision of the Plan, the Committee may specify that a Participant's Final Award shall not be represented by certificates for shares of Stock but shall be represented by rights approximately equivalent (as determined by the Committee) to the rights that such Participant would have received if certificates for shares of Stock had been issued in the name of such Participant in accordance with subsection (d) (such rights being called "Stock Equivalents"). Subject to the provisions of Section 13 and the other terms and provisions of the Plan, if the Committee shall so determine, each Participant who holds Stock Equivalents shall be entitled to receive the same amount of cash that such Participant would have received as dividends if certificates for shares of Stock had been issued in the name of such Participant pursuant to subsection (d) covering the number of shares equal to the number of shares to which such Stock Equivalents relate. Notwithstanding any other provision of the Plan to the contrary, the Stock Equivalents representing any Final Award may, at the option of the Committee, be converted into an equivalent number of shares of Stock or, upon the expiration of any restriction period imposed on such Stock Equivalents, into cash, under such circumstances and in such manner as the Committee may determine.

Section 6. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

(a) *Grant of Restricted Stock.* The Committee, at any time and from time to time while the Plan is in effect, may grant, or authorize the granting of, Restricted Stock to such officers of the Company and any Subsidiary, and other Employees, whether or not members of the Board, as it may select. In lieu of, or in addition to, such Restricted Stock, the Committee may grant, or authorize the granting of, awards denominated in the form of Restricted Stock Units to such eligible Employees.

(b) *Terms and Provisions of Restricted Stock and Restricted Stock Units.* Subject to the provisions of the Plan, the Committee shall have the authority to determine the time or times at which Restricted Stock or Restricted Stock Units shall be granted and the number of shares of Restricted Stock or the number of Restricted Stock Units to be granted (subject to the provisions of Section 4). Prior to the grant of any Restricted Stock or Restricted Stock Units, the Committee shall determine such time-based or performance-based restrictions as the Committee shall deem appropriate, and all other terms and conditions of such Restricted Stock and Restricted Stock Units, including, without limitation (1) the number of shares of Restricted Stock or Restricted Stock Units to be issued; (2) in the case of time-based Restricted Stock or Restricted Stock Units, the minimum period of service required for the Participant to receive a Final Award; (3) in the case of performance-based Restricted Stock or performance-based Restricted Stock Units, one or

more Performance Goals to be used to measure performance with respect to such Restricted Stock or Restricted Stock Units; (4) the Performance Period applicable to any such performance-based award; (5) whether Final Awards pursuant to such Restricted Stock Units shall be payable in Stock, cash or otherwise; (6) the period of time, if any, during which the disposition of the Restricted Stock or Final Award pursuant to a Restricted Stock Unit is restricted as provided in subsection (a) of Section 10, *provided, however*, that the Committee may establish restrictions applicable to Restricted Stock or Restricted Stock Units at the time of or at any time prior to the granting of the related Final Award rather than at the time of granting such Right; and (7) the effect of the Participant's termination of employment, death or disability. Within 90 days of commencement of a Performance Period, the Committee may establish a minimum threshold objective for any Performance Goal for such Performance Period which, if not met, would result in no Final Award being made to any Participant with respect to such Performance Goal for such Performance Period. During and after the Performance Period, but prior to the Committee's final determination of the Participant's Final Award as provided in subsection (d), the Committee may adjust the Performance Goals and otherwise modify the terms and provisions of the Restricted Stock grant or Restricted Stock Unit to a Participant who is not a Covered Executive, subject to the terms and conditions of the Plan. Each grant of Restricted Stock or Restricted Stock Units shall be evidenced by an award agreement or notification in such form as the Committee may determine.

(c) *Dividend and Dividend Equivalents.*

(1) During any period that Restricted Stock has been issued to the Participant and remains outstanding, the Participant shall be entitled to receive all dividends and other distributions paid with respect to the Restricted Stock. If any such dividends or distributions are paid in Stock and such distribution occurs when the restrictions applicable to such shares are still in effect, such shares shall be subject to the same restrictions as the Restricted Stock with respect to which they were paid.

(2) If the committee shall determine, each Participant to whom a Restricted Stock Unit is granted and remains outstanding shall be entitled to receive payment of the same amount of cash that such Participant would have received as cash dividends as if, on each record date during the minimum period of service or the Performance Period related to the Restricted Stock Unit, such Participant had been the holder of record of a number of shares of Stock equal to 100% of the Restricted Stock Units (as adjusted pursuant to Section 13). Any such payment may be made at the same time as a dividend is paid, or may be deferred until the date that a Final Award is determined, as determined by the Committee in its sole discretion. Such cash payments are hereinafter called "dividend equivalents." Notwithstanding anything to the contrary herein, if the Committee determines that dividend equivalents should be granted with respect to any "stock right" within the meaning of Code Section 409A, the terms and conditions of the dividend equivalent rights shall be set forth in writing, and to the extent that the dividend equivalents are considered deferred compensation subject to Code Section 409A, the writing shall include terms and conditions, including payment terms, that comply with the provisions of Code Section 409A.

(d) *Voting Rights.* Subject to the restrictions established by the Committee pursuant to the Plan, Participants shall be entitled to vote Restricted Shares granted under this Section 6, unless and until such shares are forfeited pursuant to subsection (e) below. Participants shall have no voting rights with respect to Restricted Stock Units.

(e) *Final Awards.* As soon as practicable following the completion of the Performance Period relating to any Restricted Stock or Restricted Stock Unit, but not later than 12 months following such completion, the Committee shall determine (1) the extent to which the Participant achieved the minimum period of service, with respect to time-based awards, or the applicable Performance Goals, with respect to performance-based awards, (2) the number of shares of Restricted Stock to be retained as a Final Award by the Participant who holds such Restricted Stock, (3) the number of shares of Restricted Stock to be forfeited by such Participant, (4) the number of shares of Stock or amount of other compensation to be issued as a Final Award to the Participant who holds Restricted Stock Units, and (5) the number of Restricted Stock Units to be forfeited by such Participant. Each Final Award shall represent only full shares of Stock and any fractional share that would otherwise result from such Final Award calculation shall be forfeited. In making such determination, the Committee shall apply the applicable minimum period of service or Performance Goals that the Committee had established. The Committee may, in its sole discretion, increase the amount of any Final Award that otherwise would be awarded to any Participant who is not a Covered Executive by determining that the Participant should be allowed to retain some or all of the Restricted Stock that would otherwise be forfeited, or should receive Stock or other consideration for Restricted Stock Units that would otherwise be forfeited, notwithstanding the fact that the minimum period of service or Performance Goals were not satisfied in full. Any such determination shall take into account (A) the extent to which the Performance Goals that relate to such Restricted Stock or Restricted Stock Units were, in the Committee's sole opinion, achieved, (B) the individual performance of such Participant during the related period of service or Performance Period and (C) such other factors as the Committee may deem relevant, including, without limitation, any change in circumstances or unforeseen events, relating to the Company, the economy or otherwise, since the

date of grant of such Restricted Stock. The Committee shall notify such Participant of such Participant's Final Award as soon as practicable following such determination.

(f) *Election of Deferred Stock Units.* The Committee, in its sole discretion, may permit a Participant to defer or otherwise exchange receipt of a Final Award relating to Restricted Stock or Restricted Stock Units and to instead receive stock units under the Visteon Corporation Deferred Compensation Plan that represent hypothetical shares of Stock of the Company, or such other deemed investment made available by the Committee for this purpose. Any such election, if permitted by the Committee, must be made at such time and in such form as prescribed by the Committee. If the Committee so permits and a Participant makes an appropriate election, the Participant's right to receive a benefit from the Visteon Corporation Deferred Compensation Plan based on such stock units is contingent upon attainment of the applicable minimum period of service or Performance Goals and such other terms and conditions as the Committee, in its sole discretion, may prescribe.

Section 7. OPTIONS AND STOCK APPRECIATION RIGHTS

(a) *Grant of Options.*

(1) The Committee, at any time and from time to time while the Plan is in effect, may authorize the granting of Options to such officers of the Company and any Subsidiary and other Employees, whether or not members of the Board, as it may select, and for such numbers of shares as it shall designate, subject to the provisions of this Section 7 and Section 4. Each Option granted pursuant to the Plan shall be designated at the time of grant as either an ISO or an NQO.

(2) The date on which an Option shall be granted shall be the date of authorization of such grant or such later date as may be determined by the Committee at the time such grant is authorized. Any individual may hold more than one Option.

(b) *Price.* In the case of each Option granted under the Plan the option price shall be the Fair Market Value of Stock on the date of grant of such Option; *provided, however*, that the Committee may in its discretion fix an option price in excess of the Fair Market Value of Stock on such date.

(c) *Grant of Stock Appreciation Rights.*

(1) The Committee, at any time and from time to time while the Plan is in effect, may authorize the granting of Stock Appreciation Rights to such officers of the Company and any Subsidiary and other Employees, whether or not members of the Board, as it may select, and for such numbers of shares as it shall designate, subject to the provisions of this Section 7 and Section 4. Each Stock Appreciation Right may relate to all or a portion of a specific Option granted under the Plan and may be granted concurrently with the Option to which it relates or at any time prior to the exercise, termination or expiration of such Option (a "Tandem SAR"), or may be granted independently of any Option, as determined by the Committee. If the Stock Appreciation Right is granted independently of an Option, the grant price of such right shall be the Fair Market Value of Stock on the date of grant; *provided, however*, that the Committee may, in its discretion, fix a grant price in excess of the Fair Market Value of Stock on such grant date.

(2) Upon exercise of a Stock Appreciation Right, the Participant shall be entitled to receive, without payment to the Company, either (A) that number of shares of Stock determined by dividing (i) the total number of shares of Stock subject to the Stock Appreciation Right being exercised by the Participant, multiplied by the amount by which the Fair Market Value of a share of Stock on the day the right is exercised exceeds the grant price (such amount being hereinafter referred to as the "Spread"), by (ii) the Fair Market Value of a share of Stock on the exercise date; or (B) cash in an amount determined by multiplying (i) the total number of shares of Stock subject to the Stock Appreciation Right being exercised by the Participant, by (ii) the amount of the Spread; or (C) a combination of shares of Stock and cash, in amounts determined as set forth in clauses (A) and (B) above, as determined by the Committee in its sole discretion; *provided, however*, that, in the case of a Tandem SAR, the total number of shares which may be received upon exercise of a Stock Appreciation Right for Stock shall not exceed the total number of shares subject to the related Option or portion thereof, and the total amount of cash which may be received upon exercise of a Stock Appreciation Right for cash shall not exceed the Fair Market Value on the date of exercise of the total number of shares subject to the related Option or portion thereof.

(d) *Terms and Conditions.*

(1) Each Option and Stock Appreciation Right granted under the Plan shall be exercisable on such date or dates, during such period, for such number of shares and subject to such further conditions as shall be determined pursuant to the provisions of the award agreement with respect to such Option and Stock Appreciation Right; *provided*, *however*, that a Tandem SAR shall not be exercisable prior to or later than the time the related Option could be exercised; and *provided*, *further*, that in any event no Option or Stock Appreciation Right granted prior to 2004 shall be exercised beyond ten years from the date of grant, no Option or Stock Appreciation Right granted after 2003 but prior to 2006 shall be exercised beyond five years from the date of grant, and no Option or Stock Appreciation Right granted after 2005 shall be exercised beyond seven years from the date of grant.

(2) The Committee may impose such conditions as it may deem appropriate upon the exercise of an Option or a Stock Appreciation Right, including, without limitation, a condition that the Stock Appreciation Right may be exercised only in accordance with rules and regulations adopted by the Committee from time to time.

(3) With respect to Options issued with Tandem SARs, the right of a Participant to exercise the Tandem SAR shall be cancelled if and to the extent the related Option is exercised, and the right of a Participant to exercise an Option shall be cancelled if and to the extent that shares covered by such Option are used to calculate shares or cash received upon exercise of the Tandem SAR.

(4) If any fractional share of Stock would otherwise be payable to a Participant upon the exercise of an Option or Stock Appreciation Right, the Participant shall be paid a cash amount equal to the same fraction of the Fair Market Value of the Stock on the date of exercise.

(e) *Award Agreement.* Each Option and Stock Appreciation Right shall be evidenced by an award agreement or notification in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

(f) *Payment for Option Shares.*

(1) Payment for shares of Stock purchased upon exercise of an Option granted hereunder shall be made, either in full or, if the Committee shall so determine and at the election of the Participant, in installments, in such manner as is provided in the applicable award agreement.

(2) Subject to applicable law and/or accounting expense implications, the consideration to be paid for shares of Stock purchased upon exercise of an Option granted hereunder shall be determined by the Committee, which, in addition to any other types of consideration the Committee may so determine, may include the acceptance of the following: (i) cash, (ii) the delivery or surrender of shares of Stock (including the withholding of Stock otherwise deliverable upon exercise of the Option), (iii) a "cashless" sale and remittance procedure executed through a broker-dealer, or (iv) any combination of the foregoing methods of payment. Any such shares of Stock so delivered or surrendered shall be valued at their Fair Market Value on the date of such exercise. The Committee shall determine whether and if so the extent to which actual delivery of share certificates to the Company shall be required.

Section 8. STOCK AND OTHER STOCK-BASED AWARDS

(a) *Grants of Other Stock-Based Awards.* The Committee, at any time and from time to time while the Plan is in effect, may grant Other Stock-Based Awards to such officers of the Company and its Subsidiaries and other Employees, whether or not members of the Board, as it may select. Such Plan Awards pursuant to which Stock is or may in the future be acquired, or Plan Awards valued or determined in whole or part by reference to, or otherwise based on, Stock, may include, but are not limited to, awards of restricted Stock (in addition to or in lieu of Restricted Stock under Section 6) or Plan Awards denominated in the form of "stock units" (in addition to or in lieu of Restricted Stock Units under Section 6), grants of so-called "phantom stock" and options containing terms or provisions differing in whole or in part from Options granted pursuant to Section 7. Other Stock-Based Awards may be granted either alone, in addition to, in tandem with or as an alternative to any other kind of Plan Award, grant or benefit granted under the Plan or under any other employee plan of the Company, including a plan of any acquired entity.

(b) *Terms and Conditions.* Subject to the provisions of the Plan, the Committee shall have the authority to determine the time or times at which Other Stock-Based Awards shall be made, the number of shares of Stock or stock units and the like to be granted or covered pursuant to such Plan Awards (subject to the provisions of Section 4) and all other terms and conditions of such Plan Awards, including, but not limited to, whether such Plan Awards shall be payable or paid in cash, Stock or otherwise.

(c) *Consideration for Other Stock-Based Awards.* In the discretion of the Committee, any Other Stock-Based Award may be granted as a Stock bonus for no consideration other than services rendered.

Section 9. CASH AWARDS TO EMPLOYEES OF FOREIGN SUBSIDIARIES OR BRANCHES OR JOINT VENTURES

In order to facilitate the granting of Plan Awards to Participants who are foreign nationals or who are employed outside of the United States of America, the Committee may provide for such special terms and conditions, including without limitation substitutes for Plan Awards, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Such substitutes for Plan Awards may include a requirement that the Participant receive cash, in such amount as the Committee may determine in its sole discretion, in lieu of any Plan Award or share of Stock that would otherwise have been granted to or delivered to such Participant under the Plan. The Committee may approve any supplements to, or amendments, restatements or alternative versions of the Plan as it may consider necessary or appropriate for purposes of this Section 9 without thereby affecting the terms of the Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such documents as having been approved and adopted pursuant to properly delegated authority; *provided*, *however*, that no such supplements, amendments, restatements or alternative versions shall include any provision that is inconsistent with the terms of the Plan as then in effect. Participants subject to the laws of a foreign jurisdiction may request copies of, or the right to view, any materials that are required to be provided by the Company pursuant to the laws of such jurisdiction.

Section 10. PAYMENT OF PLAN AWARDS AND CONDITIONS THEREON

(a) *Effect of Competitive Activity.* Anything contained in the Plan to the contrary notwithstanding, if the employment of any Participant shall terminate, for any reason other than death, while any Plan Award granted to such Participant is outstanding hereunder, and such Participant has not yet received the Stock or cash covered by such Plan Award or otherwise received the full benefit of such Plan Award, such Participant, if otherwise entitled thereto, shall receive such Stock, cash or benefit only if, during the entire period from the date of such Participant's termination to the date of such receipt, such Participant shall have (1) made himself or herself available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company or any Subsidiary with respect to any matter that shall have been handled by him or her or under his or her supervision while he or she was in the employ of the Company or of any Subsidiary, and (2) refrained from engaging in any activity that is directly or indirectly in competition with any activity of the Company or any Subsidiary.

(b) *Nonfulfillment of Competitive Activity Conditions: Waivers Under the Plan.* In the event of a Participant's nonfulfillment of any condition set forth in subsection (a) of this Section 10, such Participant's rights under any Plan Award shall be forfeited and cancelled forthwith; *provided*, *however*, that the nonfulfillment of such condition may at any time (whether before, at the time of or subsequent to termination of employment) be waived in the following manner:

(1) with respect to any such Participant who at any time shall have been a Section 16 Person, such waiver may be granted by the Committee upon its determination that in its sole judgment there shall not have been and will not be any substantial adverse effect upon the Company or any Subsidiary by reason of the nonfulfillment of such condition; and

(2) with respect to any other such Participant, such waiver may be granted by the Committee (or any delegate thereof) upon its determination that in its sole judgment there shall not have been and will not be any such substantial adverse effect.

(c) *Effect of Detrimental Conduct.* Anything contained in the Plan to the contrary notwithstanding, all rights of a Participant under any Plan Award shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such Participant's employment) acted in a manner detrimental to the best interests of the Company or any Subsidiary.

(d) *Tax and Other Withholding.* Prior to any distribution of cash, Stock or Other Stock-Based Awards (including payments under Section 5(c)) to any Participant, appropriate arrangements (consistent with the Plan and any rules adopted hereunder) shall be made for the payment of any taxes and other amounts required to be withheld by federal, state or local law.

(e) *Substitution.* The Committee, in its sole discretion, may substitute a Plan Award (except ISOs) for another Plan Award or Plan Awards of the same or different type; provided, however, that the Committee shall not, without shareholder approval, substitute Options or any other Plan Award for outstanding Options with a higher price than the substitute Option or other Plan Award.

(f) *Section 409A Separation from Service*. For purposes of any Plan Award that is subject to Code Section 409A and with respect to which the terms and conditions of the Plan Award, as determined by the Committee (or if applicable, elected by the Participant) at the time of grant provide for distribution or settlement of the Plan Award upon the Participant's termination of employment, the Participant will be deemed to have terminated employment on the date on which the Participant incurs a "separation from service" within the meaning of Code Section 409A.

Section 11. NON-TRANSFERABILITY OF PLAN AWARDS; RESTRICTIONS ON DISPOSITION AND EXERCISE OF PLAN AWARDS

(a) *Restrictions on Transfer of Rights or Final Awards.* No Performance Cash Right, Performance Stock Right, Restricted Stock Unit or, until the expiration of any restriction period imposed by the Committee, no shares of Stock acquired under the Plan, shall be transferred, pledged, assigned or otherwise disposed of by a Participant, except as permitted by the Plan, without the consent of the Committee, otherwise than by will or the laws of descent and distribution; *provided, however,* that the Committee may permit, on such terms as it may deem appropriate, use of Stock included in any Final Award as partial or full payment upon exercise of an Option under the Plan or a stock option under any other stock option plan of the Company prior to the expiration of any restriction period relating to such Final Award.

(b) *Restrictions on Transfer of Options or Stock Appreciation Rights.* Unless the Committee determines otherwise, no Option or Stock Appreciation Right shall be transferable by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of a Participant the Option or Stock Appreciation Right shall be exercisable only by such Participant or such Participant's guardian or legal representative; provided, however, that no Option or Stock Appreciation Right shall be transferred for consideration.

(c) *Restrictions on Transfer of Certain Other Stock-Based Awards.* Unless the Committee determines otherwise, no Other Stock-Based Award shall be transferable by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of a Participant any such Other Stock-Based Award shall be exercisable only by such Participant or such Participant's guardian or legal representative.

(d) *Attachment and Levy.* No Plan Award shall be subject, in whole or in part, to attachment, execution or levy of any kind, and any purported transfer in violation hereof shall be null and void. Without limiting the generality of the foregoing, no domestic relations order purporting to authorize a transfer of a Plan Award, or to grant to any person other than the Participant the authority to exercise or otherwise act with respect to a Plan Award, shall be recognized as valid.

Section 12. DESIGNATION OF BENEFICIARIES

Anything contained in the Plan to the contrary notwithstanding, a Participant may file with the Company a written designation of a beneficiary or beneficiaries under the Plan, subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee from time to time may prescribe. A Participant may from time to time revoke or change any such designation of beneficiary. If a Participant designates his spouse as a Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. Any designation of a beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; *provided, however*, that if the Committee shall be in doubt as to the entitlement of any such beneficiary to receive any Right, Final Award, Restricted Stock, Restricted Stock Unit, Option, Stock Appreciation Right, or Other Stock-Based Award, or if applicable law requires the Company to do so, the Committee may recognize only the legal representative of such Participant, in which case the Company, the Committee and the members thereof shall not be under any further liability to anyone. In the event of the death of any Participant, the term "Participant" as used in the Plan shall thereafter be deemed to refer to the beneficiary designated pursuant to this Section 12 or, if no such designation is in effect, the executor or administrator of the estate of such Participant, unless the context otherwise requires.

Section 13. MERGER, CONSOLIDATION, STOCK DIVIDENDS, ETC.

(a) *Adjustments.* In the event of any merger, consolidation, reorganization, stock split, stock dividend or other event affecting Stock, an appropriate adjustment shall be made in the total number of shares available for Plan Awards and in all other provisions of the Plan that include a reference to a number of shares or units, and in the numbers of shares or units covered by, and other terms and provisions (including but not limited to the grant or exercise price of any Plan Award) of outstanding Plan Awards.

(b) *Committee Determinations.* The foregoing adjustments and the manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion. Any such adjustment may provide for the elimination of any fractional share which might otherwise become subject to a Plan Award.

Section 14. ACCELERATION OF PAYMENT OR MODIFICATION OF PLAN AWARDS

(a) *Acceleration and Modification.* The Committee, in the event of the death of a Participant or in any other circumstance, may accelerate distribution of any Plan Award in its entirety or in a reduced amount, in cash or in Stock, or modify any Plan Award, in each case on such basis and in such manner as the Committee may determine in its sole discretion. Notwithstanding the foregoing, unless determined otherwise by the Committee, any such action shall be taken in a manner that will enable a Plan Award that is intended to be exempt from Code Section 409A to continue to be so exempt, or to enable a Plan Award that is intended to comply with Code Section 409A to continue to so comply.

(b) *Change in Control*. Notwithstanding any other provision of the Plan, unless the Committee determines otherwise at the time of grant, upon the occurrence of a Change in Control, (1) any Plan Awards outstanding as of the date of such Change in Control that relate to Performance Periods that have been completed as of the date of the Change in Control, but that have not yet been paid, shall be paid in accordance with the terms of such Plan Awards, (2) any Plan Awards outstanding as of the date of such Change in Control that relate to Performance Periods that have not been completed as of the date of the Change in Control, and that are not then vested, shall become fully vested if vesting is based solely upon the length of the employment relationship as opposed to the satisfaction of one or more Performance Goals, and (3) any other Plan Awards outstanding as of the date of such Change in Control that relate to Performance Periods that have not been completed as of the date of the Change in Control, and that are not then vested, shall be treated as vested and earned pro rata, as if the Performance Goals for the Target Award associated with a Performance Cash Right or a Performance Stock Right or the Performance Goals with respect to Restricted Stock, Restricted Stock Units or Other Stock Based Awards are attained as of the effective date of the Change in Control, by taking the product of (A) the Target Award (in the case of a Performance Cash Right or a Performance Stock Right) or the number of shares of Restricted Stock, Restricted Stock Units or Other Stock Based Awards granted to the Participant, and (B) a fraction, the numerator of which is the number of full or partial months that have elapsed from the beginning of the Performance Period to the date of the Change in Control and the denominator of which is the total number of months in the original Performance Period; *provided*, *however*, that any such Plan Award shall be immediately vested and payable to the Participant to the extent of the foregoing formula, and shall be free of all restrictions and conditions that would otherwise apply to such Plan Award. The foregoing provisions are subject to the terms of any employment contract governing the employment of a Participant to the extent that such contract provides greater rights to the Participant in the event of a Change in Control. Notwithstanding the foregoing provisions of Section 14(b), unless determined otherwise by the Committee, Section 14(b) shall be applied in a manner that will enable a Plan Award that is intended to be exempt from Code Section 409A to continue to be so exempt, or to enable a Plan Award that is intended to comply with Code Section 409A to continue to so comply.

(c) *Maximum Payment Limitation.* If any portion of the payments or benefits described in this Plan or under any other agreement with or plan of the Company (in the aggregate, "Total Payments"), would constitute an "excess parachute payment", then the Total Payments to be made to the Participant shall be reduced such that the value of the aggregate Total Payments that the Participant is entitled to receive shall be one dollar ($1) less than the maximum amount which the Participant may receive without becoming subject to the tax imposed by Section 4999 of the Code or which the Company may pay without loss of deduction under Section 280G(a) of the Code; provided that this Section shall not apply in the case of a Participant who has in effect a valid employment contract providing that the Total Payments to the Participant shall be determined without regard to the maximum amount allowable under Section 280G of the Code. The terms "excess parachute payment" and "parachute payment" shall have the meanings assigned to them in Section 280G of the Code, and such "parachute payments" shall be valued as provided therein. Present value shall be calculated in accordance with Section 280G(d)(4) of the Code. Within forty (40) days following delivery of notice by the Company to the Participant of its belief that there is a payment or benefit due the Participant which will result in an excess parachute payment as defined in Section 280G of the Code, the Participant and the Company, at the Company's expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel selected by the Company's independent auditors and acceptable to the Participant in his sole discretion (which may be regular outside counsel to the Company), which opinion sets forth (A) the amount of the Base Period Income, (B) the amount and present value of Total Payments and (C) the amount and present value of any excess

parachute payments determined without regard to the limitations of this Section. As used in this Section, the term "Base Period Income" means an amount equal to the Participant's "annualized includible compensation for the base period" as defined in Section 280G(d)(1) of the Code. For purposes of such opinion, the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code, which determination shall be evidenced in a certificate of such auditors addressed to the Company and the Participant. Such opinion shall be addressed to the Company and the Participant and shall be binding upon the Company and the Participant. If such opinion determines that there would be an excess parachute payment, the payments hereunder that are includible in Total Payments or any other payment or benefit determined by such counsel to be includible in Total Payments shall be reduced or eliminated as specified by the Participant in writing delivered to the Company within thirty days of his receipt of such opinion or, if the Participant fails to so notify the Company, then as the Company shall reasonably determine, so that under the bases of calculations set forth in such opinion there will be no excess parachute payment. If such legal counsel so requests in connection with the opinion required by this Section, the Participant and the Company shall obtain, at the Company's expense, and the legal counsel may rely on in providing the opinion, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by the Participant. If the provisions of Sections 280G and 4999 of the Code (or any successor provisions) are repealed without succession, then this Section shall be of no further force or effect.

Section 15. RIGHTS AS A STOCKHOLDER

Except with respect to shares of Restricted Stock, a Participant shall not have any rights as a stockholder with respect to any share covered by any Plan Award until such Participant shall have become the holder of record of such share.

Section 16. TERM, AMENDMENT, MODIFICATION AND TERMINATION OF THE PLAN AND AGREEMENTS

(a) *Term.* Unless terminated earlier pursuant to subsection (b), the Plan shall terminate on May 11, 2014.

(b) *Amendment, Modification and Termination of Plan.* The Board may, from time to time, amend or modify the Plan or any outstanding Plan Award, including without limitation, to authorize the Committee to make Plan Awards payable in other securities or other forms of property of a kind to be determined by the Committee, and such other amendments as may be necessary or desirable to implement such Plan Awards, or may terminate the Plan or any provision thereof; *provided*, *however*, that no such action of the Board, without approval of the stockholders, may (1) increase the total number of shares of Stock with respect to which Plan Awards may be granted under the Plan or the individual limits specified in Section 4(a), (2) increase the total amount that may be paid to an individual with respect to a Performance Cash Award, as specified in Section 3(b), (3) extend the term of the Plan as set forth in paragraph (a) of this Section 16, (4) permit any person while a member of the Committee or any other committee of the Board administering the Plan to be eligible to receive or hold a Plan Award, or (5) permit the Company to decrease the grant price of any outstanding Option or Stock Appreciation Right.

(c) *Limitation and Survival*. No amendment to or termination of the Plan or any provision hereof, and no amendment or cancellation of any outstanding Plan Award, by the Board or the stockholders of the Company, shall, without the written consent of the affected Participant, adversely affect any outstanding Plan Award. The Committee's authority to act with respect to any outstanding Plan Award shall survive termination of the Plan.

(d) *Amendments for Changes in Law.* Notwithstanding the foregoing provisions, the Board shall have the authority to amend outstanding Plan Awards and the Plan to take into account changes in law and tax and accounting rules as well as other developments, and to grant Plan Awards that qualify for beneficial treatment under such rules, without stockholder approval. Further, the provisions of Code Section 409A are incorporated into the Plan by reference to the extent necessary for any Plan Award that is subject to Code Section 409A to comply with such requirements, and except as otherwise determined by the Committee, the Plan shall be administered in accordance with Section 409A as if the requirements of Code Section 409A were set forth herein.

Section 17. INDEMNIFICATION AND EXCULPATION

(a) *Indemnification*. Each person who is or shall have been a member of the Board, the Committee, or of any other committee of the Board administering the Plan or of any committee appointed by the foregoing committees, shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be or become a party or in which such person may be or become involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof (with the Company's written approval) or paid by such person in

satisfaction of a judgment in any such action, suit or proceeding, except a judgment in favor of the Company based upon a finding of such person's lack of good faith; *subject, however,* to the condition that, upon the institution of any claim, action, suit or proceeding against such person, such person shall in writing give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's behalf. The foregoing right of indemnification shall not be exclusive of any other right to which such person may be entitled as a matter of law or otherwise, or any power that the Company may have to indemnify or hold such person harmless.

(b) *Exculpation.* Each member of the Board, the Committee, or of any other committee of the Board administering the Plan or any committee appointed by the foregoing committees, and each officer and employee of the Company, shall be fully justified in relying or acting in good faith upon any information furnished in connection with the administration of the Plan by any appropriate person or persons other than such person. In no event shall any person who is or shall have been a member of the Board, the Committee, or of any other committee of the Board administering the Plan or of any committee appointed by the foregoing committees, or an officer or employee of the Company, be held liable for any determination made or other action taken or any omission to act in reliance upon any such information, or for any action (including the furnishing of information) taken or any failure to act, if in good faith.

Section 18. EXPENSES OF PLAN

The entire expense of offering and administering the Plan shall be borne by the Company and its participating Subsidiaries; *provided*, that the costs and expenses associated with the redemption or exercise of any Plan Award, including but not limited to commissions charged by any agent of the Company, may be charged to the Participants.

Section 19. FINALITY OF DETERMINATIONS

Each determination, interpretation, or other action made or taken pursuant to the provisions of the Plan by the Board, the Committee or any committee of the Board administering the Plan or any committee appointed by the foregoing committees, shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, the stockholders, the Committee and each of the members thereof, and the directors, officers, and employees of the Company and its Subsidiaries, the Participants, and their respective successors in interest.

Section 20. NO RIGHTS TO CONTINUED EMPLOYMENT OR TO PLAN AWARD

(a) *No Right to Employment.* Nothing contained in this Plan, or in any booklet or document describing or referring to the Plan, shall be deemed to confer on any Participant the right to continue as an Employee or director of the Company or Subsidiary, whether for the duration of any Performance Period, the duration of any vesting period under a Plan Award, or otherwise, or affect the right of the Company or Subsidiary to terminate the employment of any Participant for any reason.

(b) *No Right to Award.* No Employee or other person shall have any claim or right to be granted a Plan Award under the Plan. Having received an Award under the Plan shall not give a Participant or any other person any right to receive any other Plan Award under the Plan. A Participant shall have no rights in any Plan Award, except as set forth herein and in the applicable award grant.

Section 21. GOVERNING LAW AND CONSTRUCTION

The Plan and all actions taken hereunder shall be governed by, and the Plan shall be construed in accordance with, the laws of the State of Delaware without regard to the principle of conflict of laws. Titles and headings to Sections are for purposes of reference only, and shall in no way limit, define or otherwise affect the meaning or interpretation of the Plan.

Section 22. SECURITIES AND STOCK EXCHANGE REQUIREMENTS

(a) *Restrictions on Resale*. Notwithstanding any other provision of the Plan, no person who acquires Stock pursuant to the Plan may, during any period of time that such person is an affiliate of the Company (within the meaning of the rules and regulations of the Securities Exchange Commission) sell or otherwise transfer such Stock, unless such offer and sale or transfer is made (1) pursuant to an effective registration statement under the Securities Act of 1933 ("1933 Act"), which is current and includes the Stock to be sold, or (2) pursuant to an appropriate exemption from the registration requirements of the 1933 Act, such as that set forth in Rule 144 promulgated pursuant thereto.

(b) *Registration, Listing and Qualification of Shares of Common Stock.* Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Stock covered by a Plan Award upon any securities exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Plan Award or the purchase or receipt of Stock in connection therewith, no Stock may be purchased, delivered or received pursuant to such Plan Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any person receiving or purchasing Stock pursuant to a Plan Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Stock under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation, or requirement.

Exhibit 10.7.1

AMENDMENTS TO
VISTEON CORPORATION
DEFERRED COMPENSATION PLAN FOR
NON-EMPLOYEE DIRECTORS (the "Directors' Deferred Compensation Plan")

As approved by the Board of Directors on March 27, 2009, paragraph (h) of Section 2 of the Directors' Deferred Compensation Plan shall be amended to read as follows:

(h) "Exchange" means the principal securities exchange on which the Company's stock is traded or the over-the-counter market if the Company's stock is not traded on a securities exchange.

As approved by the Board of Directors on March 27, 2009, Sections 4(b), 6(a), 7(c)(1) and 7(c)(2) of the Directors' Deferred Compensation Plan shall be amended by deleting the phrase "regular way" everywhere it appears therein.

EXHIBIT 10.8

VISTEON CORPORATION

RESTRICTED STOCK PLAN

FOR NON-EMPLOYEE DIRECTORS

(Amended as of December 10, 2003)

SECTION 1. PURPOSE AND EFFECTIVE DATE

The Visteon Corporation Restricted Stock Plan for Non-Employee Directors has been established to align the interests of the non-employee members of the Board of Directors of Visteon Corporation (the "Company") with those of the Company's stockholders by providing equity incentives that will motivate the non-employee members of the Board of Directors to achieve long-range goals, thereby promoting the long-term financial interest of Visteon Corporation, including the growth in value of the Company's equity and enhancement of long-term stockholder return. The Plan is effective as of September 14, 2000.

SECTION 2. DEFINITIONS

(a) "Act" means the Securities Act of 1933, as amended.

(b) "Administrative Committee" means the non-participating members of the Board.

(c) "Affiliate" or "Affiliates" means affiliate as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(d) "Annual Meeting Date" means the date each year on which occurs the annual meeting of the Company's stockholders.

(e) "Beneficial Owner" means beneficial owner as defined in Rule 13d-3 under the Exchange Act.

(f) "Board" means the Board of Directors of the Company.

(g) "Change in Control" means the occurrence of any one of the following events:

i. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below;

ii. within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of this Plan, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

iii. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or

more of the combined voting power of the Company's then outstanding securities;

iv. the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

v. any other event that the Administrative Committee, in its sole discretion, determines to be a Change in Control for purposes of this Plan.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(h) "Company" means Visteon Corporation, or any successor thereto.

(i) "Date of Grant" means the date a Plan Award is granted to a Participant.

(j) "Deferred Compensation Plan" means the Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, as amended and in effect from time to time.

(k) "Disability" means unable to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Participant" means each member of the Board who is not a common-law employee of the Company or an Affiliate.

(n) "Person" means person as defined in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include: (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Company stock.

(o) "Plan" means this Visteon Corporation Restricted Stock Plan for Non-Employee Directors, as amended and in effect from time to time.

(p) "Plan Awards" means awards of Restricted Shares and Visteon Stock Units.

(q) "Restricted Shares" means Shares issued to a Participant but that are subject to the restrictions set forth in Section 6 of the Plan.

(r) "Shares" means shares of the Company's common stock, par value $1.00 per share.

(s) "Visteon Stock Units" means hypothetical shares of the Company's common stock, par value $1.00 per share, that are credited to a Participant's account under the Deferred Compensation Plan.

SECTION 3. ADMINISTRATION BY THE ADMINISTRATIVE COMMITTEE

While the Plan is intended to be generally self-administering, the Administrative Committee shall have the full power and discretionary authority to: (a) interpret and administer the Plan and any instrument or award agreement relating to or made under the Plan; (b) establish, amend, suspend or waive such rules and regulations and appoint such

agents as it shall deem appropriate for the proper administration of the Plan; and (c) make any other determination, and take any other action, that the Administrative Committee deems necessary or desirable for the administration of the Plan. The decisions and determinations of the Administrative Committee need not be uniform and may be made differently among Participants, and shall be final, binding and conclusive on all interested parties.

SECTION 4. PLAN AWARDS

Subject to the restrictions set forth in Section 6 below, Participants shall automatically receive the following grants:

(a) On the date this Plan is approved by the Board, each Participant shall receive a grant of 3,000 Restricted Shares, which grant shall be effected within 30 days of the date of Board approval.

(b) On the date of each annual meeting of the Company's stockholders, each Participant, including a newly-elected non-employee member of the Board whose election to the Board coincides with the Annual Meeting Date, shall receive either a grant of 3,000 Restricted Shares or a credit of 3,000 Visteon Stock Units, as elected by the Participant in accordance with Section 5.

The Board may make additional Plan Awards, in such amount as the Board may determine, to a newly-appointed Participant whose appointment to the Board does not coincide with the Annual Meeting Date; provided that any such Plan Award shall be made by the Board without the participation of the affected Board member.

Each Plan Award shall be evidenced by a written award agreement between the Company and Participant, in such form as is determined by the Administrative Committee.

SECTION 5. PARTICIPANT ELECTIONS

(a) A Participant may elect, in such form and manner as the Administrative Committee may prescribe, whether to receive grants pursuant to Subsection (b) of

Section 4 in the form of Restricted Shares or in the form of Visteon Stock Units; provided, that if the Participant fails to make an effective election, or if at any Date of Grant the Participant does not have a valid election in effect, grants under Subsection (b) of Section 4 shall be made in the form of Restricted Shares.

(b) A validly executed election shall become effective with respect to grants made on Annual Meeting Dates that occur after the date on which the Participant's election is received and accepted by the Administrative Committee, or as soon thereafter as practicable. A Participant's election, once effective, shall remain in effect until modified by the Participant in accordance with subsection (c) below.

(c) A Participant may modify his or her then current election by filing a revised election form, properly completed and signed, with the Administrative Committee. A validly executed revised election will be effective with respect to grants made on Annual Meeting Dates that occur after the date on which the Participant's revised election is received and accepted by the Administrative Committee, or as soon thereafter as practicable. A Participant's revised election, once effective, shall remain in effect until again modified by the Participant under this subsection (c).

(d) A Participant who has elected to receive Visteon Stock Units and who is otherwise eligible for a Plan Award shall receive the requisite number of Visteon Stock Units as a credit to the Participant's account under the Deferred Compensation Plan. Although credited under the Deferred Compensation Plan, the Participant's right to receive a Deferred Compensation Plan benefit based on such Visteon Stock Units shall be subject to the vesting provisions set forth in subsections (b) and (c) of Section 6 below. In all other respects, the Participant's interest with respect to the Visteon Stock Units shall be governed by the terms and conditions of the Deferred Compensation Plan.

SECTION 6. RESTRICTIONS

(a) Restricted Shares may not be transferred or otherwise alienated or hypothecated prior to the date on which the Participant becomes vested in such Restricted

Shares. Subject to Section 7, the Participant may transfer or otherwise alienate or hypothecate Restricted Shares in which the Participant is vested.

(b) A Participant shall obtain a vested interest with respect to a Plan Award, based upon the period of continuous service from the Date of Grant of such Plan Award to the date on which the Participant terminates service as a member of the Board ("Period of Service"), as determined in accordance with the following schedule:

Period of Service	Vested Percentage of Plan Award
Less Than 1 Year	0
At Least 1 But Less Than 2 Years	33 1/3
At Least 2 But Less Than 3 Years	66 2/3
At Least 3 Years	100

If the foregoing vesting schedule results in the Participant being vested in a number of Restricted Shares that is not an integer, the Participant's vested interest shall be rounded up to the next whole number. Any Restricted Shares that are not vested on the date on which the Participant terminates service as a member of the Board shall be forfeited.

(c) A Participant, even if not fully vested in accordance with subsection (b) above, shall be fully vested with respect to a Plan Award in the event of a Change in Control or if the Participant's Period of Service is terminated as a result of the Participant's death or Disability.

SECTION 7. CERTIFICATE LEGEND; TRANSFER AFTER LAPSE OF RESTRICTIONS

(a) In addition to any legends placed on certificates for Shares under Subsection (b) hereof, each certificate for Restricted Shares shall bear the following legend:

"The sale or other transfer of the shares of stock represented by this certificate, whether voluntarily or by operation of law, is subject to certain restrictions set forth in the Visteon Corporation Restricted Stock Plan for Non-Employee

Directors and an Award Agreement between Visteon Corporation and the registered owner hereof. A copy of such Plan and Agreement may be obtained from the Secretary of Visteon Corporation."

(b) Except as otherwise provided herein, after the lapse of the restrictions described in Section 6, the Restricted Shares shall thereafter be freely transferable by the Participant and new certificates for the Shares without the legend described in Subsection (a) above shall be issued to the Participant upon his or her request. Notwithstanding the foregoing, the Participant agrees and acknowledges with respect to the Shares that: (i) the Participant will not sell or otherwise dispose of such Shares except pursuant to an effective registration statement under the Act and any applicable state securities laws, which the Company may but shall not be required to file, or in a transaction which, in the opinion of counsel for the Company, is exempt from such registration, and (ii) a legend may be placed on the certificates for the Shares to such effect.

(c) Notwithstanding anything herein to the contrary, in the event of any underwritten public offering of the Company's securities pursuant to an effective registration statement filed under the Act and upon the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Participant shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares (other than those included in the registration) acquired under this Plan without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters.

SECTION 8. BENEFICIARY

Each Participant may designate one or more beneficiaries who shall be entitled to receive the Restricted Shares in the event the Participant dies while a member of the Board. The

Participant may from time to time revoke or change the beneficiary without the consent of any prior beneficiary by filing a new designation with the Secretary of the Company. The last such designation received by the Secretary of the Company shall be controlling. If no beneficiary designation is in effect at the time the Participant dies, or if no designated beneficiary survives the Participant, the Participant's Restricted Shares shall be transferred to the Participant's estate.

If the Participant dies after ceasing to be a member of the Board, any non-forfeited Shares held by the Participant shall be transferred to the Participant's estate.

SECTION 9. VOTING RIGHTS; DIVIDENDS AND OTHER DISTRIBUTIONS

During the restriction period described in Section 6 hereof, the Participant shall be entitled to exercise full voting rights with respect to the Restricted Shares and shall be entitled to receive all dividends and other distributions paid with respect to such Restricted Shares. If any such dividends or distributions are paid in shares of the Company's common stock, such shares shall be subject to the same restrictions as the Restricted Shares with respect to which they were paid.

SECTION 10. ADJUSTMENTS

In the event that the Administrative Committee shall determine that any dividend or other distribution (whether in the form of cash, stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of stock or other securities of the Company, issuance of warrants or other rights to purchase stock or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Administrative Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Administrative Committee may, in such manner as it may deem equitable, adjust any or all of: (a) the number and type of Shares subject to the Plan and which thereafter may be made the subject of awards under the Plan, and (b) the number and type of Shares subject to outstanding awards.

SECTION 11. TERM, AMENDMENT AND TERMINATION

(a) Unless terminated earlier pursuant to subsection (b) below, the Plan shall terminate on May 9, 2011.

(b) The Board reserves the right to amend or terminate this Plan, or amend any award agreement, at any time; provided that the authority of the Administrative Committee to administer the Plan and the Board to amend any award agreement shall extend beyond the date of the Plan's termination.

(c) No amendment or termination of the Plan, and no amendment of any award agreement, shall adversely affect the rights of any Participant with respect to any Restricted Shares then outstanding without the written consent of the Participant.

SECTION 12. MISCELLANEOUS

(a) The granting of awards of Restricted Shares under the Plan and the issuance of Shares in connection therewith shall be subject to all applicable laws, rules and

regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(b) This Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware, without reference to conflict of law principles thereof.

(c) If any provision of the Plan or any award agreement or any award of Restricted Shares is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or award, or would disqualify the Plan, any award agreement or any award under any law deemed applicable by the Administrative Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrative Committee, materially altering the intent of the Plan, any award agreement or the award, such provision shall be stricken as to such jurisdiction, person or award, and the remainder of the Plan, any such award agreement and any such award shall remain in full force and effect.

(d) The Plan shall be binding upon, and inure to the benefit, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

Exhibit 10.9

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN

(As amended and restated effective January 1, 2009)

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN

The Visteon Corporation Deferred Compensation Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan was originally adopted effective July 1, 2000, and is amended and restated effective January 1, 2009, as set forth herein.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

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

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

(b) Affiliate: A person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the Company, within the meaning of Code Sections 414(b) and (c); provided that Code Sections 414(b) and (c) shall be applied by substituting "at least fifty percent (50%)" for "at least eighty percent (80%)" each place it appears therein.

(c) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at the time of the Participant's death, the Participant's surviving spouse, or if there is no surviving spouse, the estate of the Participant, shall be deemed to be the sole Beneficiary. If multiple beneficiaries have been designated and one or more of the Beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving Beneficiary or Beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's Beneficiary, the Committee may

deem the estate of the Participant to be the sole Beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

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

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

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

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

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

(i) Deferrals: An amount credited, in accordance with a Participant's election under Article III or as directed by the Committee, to the Participant's Account in lieu of the payment of an equal amount of cash compensation to the Participant. All Deferrals under the Plan relate to periods prior to January 1, 2006. No Deferrals have been made or are permitted after December 31, 2005.

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

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

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

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

(m) Incentive Plan: The Visteon Corporation 2004 Incentive Plan, as amended, (including for this purpose any predecessor or transitional short-term or long-term incentive compensation program in effect for periods prior to January 1, 2001), the Visteon Corporation Employees' Equity Incentive Plan, or any other incentive plan or plans that is subsequently adopted by the Company as a successor thereto.

(n) Investment Options: Subject to Section 4.04, the hypothetical investment accounts that the Committee may from time to time establish, which may, but need not, be based upon one or more of the investment options available under the Visteon Investment Plan. The Committee may determine to discontinue any previously established Investment Option, may make an Investment Option available only for reallocations or transfer of Account balances out of it, and may determine the timing for any applicable "sunset" period.

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

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

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

(r) Separation from Service: The date on which a Participant terminates employment from the Company and all Affiliates, provided that (1) such termination constitutes a separation from service for purposes of Code Section 409A, and (2) the facts and circumstances indicate that the Company (or the Affiliate) and the Participant reasonably believed that the Participant would perform no further services (either as an employee or as an independent contractor) for the Company (or the Affiliate) after the Participant's termination date, or believed that the level of services the Participant would perform for the Company (or the Affiliate) after such date (either as an employee or as an independent contractor) would permanently decrease such that the Participant would be providing insignificant services to the Company or an Affiliate. For this purpose, a Participant is deemed to provide insignificant services to the Company or an Affiliate, and thus to have incurred a bona fide Separation from Service, if the Participant provides services at an annual rate that is less than twenty percent (20%) of the services rendered by such Participant, on average, during the immediately preceding thirty-six (36) months of employment (or his or her actual period of employment if less). Notwithstanding the foregoing, if a Participant takes a leave of absence from the Company or an Affiliate for the purpose of military leave, sick leave or other bona fide leave of absence, the Participant's employment will be deemed to continue for the first six (6) months of the leave of absence, or if longer, for so long as the Participant's right to reemployment is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six (6) months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to twenty-nine (29) months without causing a Separation from Service.

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

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

(u) Visteon Stock Units: The hypothetical shares of Visteon Common Stock. To the extent that a cash dividend would have been payable with respect to the Visteon Stock Units had the Units been actual shares of Visteon Common Stock, the amount of the cash dividend shall be

converted into additional Visteon Stock Units and credited to the Participant's Account as such and shall be distributable at the same time and in the same form as are distributed the Visteon Stock Units on which the dividend equivalent credit is based..

Section 1.02. Construction and Applicable Law.

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

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

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

Participation is limited to those Employees who (a) were employed in a Covered Employment Classification, or who were specifically designated for participation by the Committee, and (b) who made or received Deferrals with respect to periods of employment prior to January 1, 2006. Effective January 1, 2006, no additional Employee shall become a Participant in the Plan.

ARTICLE III. DEFERRALS

Section 3.01. Deferrals.

The Plan is limited to Deferrals made by or on behalf of Participants with respect to periods prior to January 1, 2006. No Deferrals are permitted with respect to periods after December 31, 2005.

ARTICLE IV. ACCOUNTING AND HYPOTHETICAL INVESTMENT

Section 4.01. Accounting.

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

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

(b) any Deferrals credited to the Participant's Account on or after July 1, 2000 and prior to January 1, 2006, plus (or minus)

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

(d) any distributions from the Account.

Section 4.02. Hypothetical Investment of Participant Accounts.

In accordance with rules prescribed by the Committee, each Participant shall designate, in writing or in such other manner as the Committee may prescribe, how his or her Account is to be credited among the Investment Options. When selecting more than one Investment Option, the Participant shall designate, in whole multiples of 1% or such other percentage determined by the Committee, the percentage of his or her Deferrals to be credited to each Investment Option. A Participant's election shall remain in effect unless and until modified by a subsequent election that becomes effective in accordance with the rules established by the Committee. Other than a reallocation of a Participant's Account pursuant to a revised investment election submitted by the Participant, the deemed investment allocation of a Participant will not be adjusted on account of differences in the investment return realized by the various Investment Options that the Participant has designated.

Section 4.03. Deemed Investment Gain or Loss.

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

Section 4.04. Accounts are For Record Keeping Purposes Only.

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

ARTICLE V. DISTRIBUTIONS

Section 5.01. Distribution of Account.

(a) Subject to subsection (c) below, each Participant made a distribution election with respect to each Deferral to this Plan. With respect to Deferrals originally made to the Ford Motor Company Deferred Compensation Plan that were transferred to this Plan effective July 1, 2000, the Participant's distribution election with respect to each such Deferral made under the Ford Motor Company Deferred Compensation Plan and in effect as of June 30, 2000, shall be the Participant's distribution election with respect to each such Deferral under this Plan unless such distribution election has been superseded by a revised distribution election made under this Plan.

(b) In December, 2007, a Participant who at that time was actively employed by the Company or an Affiliate was permitted to revise his or her distribution election with respect to the Deferrals made in any Plan Year, provided that a revised distribution election made during calendar years 2006 or 2007 with respect to the Deferrals made in any Plan Year will not be given effect, and the Participant's immediately prior valid distribution election with respect to such Deferral will continue in effect, if the revised election would operate to cause amounts that would otherwise be distributable in the year in which the revised distribution election is made to be deferred for distribution in a subsequent calendar year, or to cause amounts that would otherwise be distributable in a subsequent calendar year to become distributable in the year in which the revised election is made. In the case of a Participant who terminated employment with the Company and its Affiliates prior to December 31, 2007, the Participant's distribution elections as in effect at the Participant's termination of employment shall be irrevocable. In the case of a Participant who was actively employed on December 31, 2007, the Participant's distribution elections as in effect on December 31, 2007 shall be irrevocable.

(c) Distribution of a particular Deferral is "triggered" by the earlier to occur of the Participant's Separation from Service (applicable to all Participants) or the date selected by the Participant for distribution of that Deferral (applicable if the Participant selected a particular year for distribution of the Deferral). Accordingly, except as otherwise provided in Section 5.02 or 7.07, distribution of the portion of the Participant's Account that is attributable to a Deferral shall be made as follows:

(i) If the Participant elected distribution with respect to a particular Deferral with distribution to occur in a specific year, and if the Participant has not incurred a Separation from Service prior to the first day of such calendar year, i.e., distribution is "triggered" by the occurrence of the stated date rather than by the Participant's Separation from Service, the Participant shall receive a single sum as soon as practicable following March 15 of the year selected by the Participant for distribution with respect to the particular Deferral;

(ii) If distribution is "triggered" by the Participant's Separation from Service and such Separation from Service occurs prior to the Participant's attainment of age 55 with 10 or more years of service, the Participant shall receive a single sum distribution with respect to the particular Deferral on the first day of the seventh month following the Participant's Separation from Service, notwithstanding any prior selection by the Participant of a subsequent year for distribution or a different form of distribution;

(iii) If distribution is "triggered" by the Participant's Separation from Service and such Separation from Service occurs on or after attainment of age 55 with 10 or more years of service, the Participant shall receive distribution with respect to the particular Deferral in the form (single sum or installment) elected by the Participant. The single sum distribution (or the first installment of the installment distribution) will be made on the first day of the seventh month following the Participant's Separation from Service. In the case of an installment distribution, subsequent installments will be distributed as soon as practicable following March 15 of each subsequent calendar year (after the calendar year in which the first installment is distributed) as necessary in order to complete the number of annual installments (not to exceed ten) as were selected by the Participant with respect to the particular Deferral;

(iv) If the Participant dies, either before distribution with respect to a Deferral has begun or with respect to the undistributed portion of a Deferral for which the Participant has elected an installment distribution, the Participant's Beneficiary shall receive a single sum distribution with respect to the particular Deferral as soon as practicable following March 15 of the calendar year following the calendar year in which occurs the Participant's death, notwithstanding any prior selection by the Participant of a subsequent year for distribution or a different form of distribution.

(d) If installment distributions are payable, the amount of the first installment will be an amount determined by dividing the value of the Participant's Account or part thereof relating to a particular Deferral, as of the applicable valuation date as determined below, by the number of installments selected by the Participant. Each subsequent distribution will be an amount determined by dividing the value of the Participant's Account or part thereof relating to a particular Deferral, as of the applicable valuation date as determined below, by the number of remaining installment payments under the method selected by the Participant. Except for installment distributions under clause (iii) of subsection (c) above, all distributions shall be in the form of a lump sum payment. Unless otherwise determined by the Committee, the Account or part thereof relating to a particular Deferral shall be valued, for purposes of the distribution, as of (i) the close of business on March 15 (in the case of a distribution to be made as soon as practicable following March 15) or the next preceding day for which valuation information is available, or (ii) in the case of any other distribution, the valuation date immediately prior to the date of payment.

Section 5.02. Hardship Distributions.

At the written request of a Participant, the Committee, in its sole discretion, may authorize distribution of all or any part of the Participant's Account prior to his or her scheduled distribution date or dates, or accelerate payment of any installment payable with respect to any Deferral, upon a showing of unforeseeable emergency by the Participant. For purposes of this Section, "unforeseeable emergency" shall mean severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent

(as defined in Internal Revenue Code Section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Withdrawals of amounts because of unforeseeable emergency shall only be permitted only if, as determined in accordance with regulations published by the Secretary of the Treasury, the amounts distributed with respect to the emergency do not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship. Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home. The Committee shall determine the applicable distribution date and the date as of which the amount to be distributed shall be valued with respect to any financial hardship withdrawal or distribution.

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

Section 6.01. Transactions Affecting Visteon Common Stock.

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

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

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

ARTICLE VII. GENERAL PROVISIONS

Section 7.01. Administration.

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

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

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

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

Section 7.02. Restrictions to Comply with Applicable Law.

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

Section 7.03. Claims Procedures.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee, not later than ninety (90) days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. If the Committee denies the claim, it shall deliver, within one hundred thirty-five (135) days of the date the first payment was made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A, a written notice of such denial decision. If the claim is denied in whole or

in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 180 days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. In order that the Committee may expeditiously decide such an appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to the commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 7.04. Participant Rights Unsecured.

(a) Unsecured Claim. The right of a Participant or his Beneficiary to receive a distribution hereunder shall be an unsecured claim, and neither the Participant nor any Beneficiary shall have any rights in or against any amount credited to his Account or any other specific assets of a Participating Employer. The right of a Participant or Beneficiary to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by

will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by him or his guardian or legal representative.

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

Section 7.05. Withholding.

The Company shall withhold from any benefit payment amounts required to be withheld for Federal and State income and other applicable taxes. No later than the date as of which an amount first becomes includible in the income of the Participant for employment tax purposes, the Participant shall pay or make arrangements satisfactory to the Company regarding the payment of any such tax. In addition, if prior to the date of distribution of any amount hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2), where applicable, becomes due, the Company may direct that the Participant's benefit be reduced to reflect the amount needed to pay the Participant's portion of such tax.

Section 7.06. Amendment or Termination of Plan.

(a) There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President – Human Resources, may at any time or for any reason amend or terminate the Plan; provided, that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President – Human Resources by more than a de minimis amount; and provided further, that any termination of the Plan shall be implemented in accordance with the requirements of Code Section 409A. No amendment or termination may reduce or eliminate any

Account balance accrued to the date of such amendment or termination (except as such Account balance may be reduced as a result of investment losses allocable to such Account).

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

Section 7.07. Deduction from Distributions.

Anything contained in the Plan notwithstanding, a Participating Employer may deduct from any distribution hereunder, at the time payment is otherwise due and payable under the Plan, all amounts owed to the Company or a Participating Employer by the Participant for any reason, or a Participating Employer may offset any amounts owing to it or an Affiliate by the Participant for any reason against the Participant's benefit, whether or not the benefit is then payable, up to the maximum amount that may be offset without violating Code Section 409A.

Section 7.08. No Assignment of Benefits.

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

Section 7.09. Administrative Expenses.

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

Section 7.10. Successors and Assigns.

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

Section 7.11. Designated Payment Dates.

Whenever a provision of this Plan specifies payment to be made on a particular date, the payment will be treated as having been made on the specified date if it is made as soon as practicable following the designated date, provided that (a) the Participant is not permitted, either directly or indirectly, to designate the taxable year of payment and (b) payment is made no later than the 15th day of the third calendar month following the designated payment date.

Section 7.12. Permitted Delay in Payment.

If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms of Federal securities law or any other applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

Section 7.13. Disregard of Six Month Delay.

Notwithstanding anything herein to the contrary, if at the time of a Participant's Separation from Service, the stock of the Company or any other related entity that is considered a "service recipient" within the meaning of Section 409A of the Code is not traded on an established securities market or otherwise, then the provision of the Plan requiring that payments be delayed for six months following Separation from Service shall cease to apply. In such event,

in the case of a benefit payment of which is triggered by the Participant's Separation from Service, the lump sum payment of a Participant's benefit shall be made within 90 days following the Participant's Separation from Service.

VISTEON CORPORATION

Dorothy L. Stephenson
Senior Vice President, Human Resources

December 18, 2008
Date

Exhibit 10.11

VISTEON CORPORATION

PENSION PARITY PLAN

(As amended and restated effective January 1, 2009)

VISTEON CORPORATION

PENSION PARITY PLAN

The Visteon Corporation Pension Parity Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan was originally adopted effective July 1, 2000, and is amended and restated effective January 1, 2009, as set forth herein.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

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

(a) Affiliate: A person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the Company, within the meaning of Code Sections 414(b) and (c); provided that Code Sections 414(b) and (c) shall be applied by substituting "at least fifty percent (50%)" for "at least eighty percent (80%)" each place it appears therein.

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

(c) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at the time of the Participant's death, the Participant's surviving spouse, or if there is no surviving spouse, the estate of the Participant, shall be deemed to be the sole Beneficiary. If multiple beneficiaries have been designated and one or more of the Beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving Beneficiary or Beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's Beneficiary, the Committee may deem the estate of the Participant to be the sole Beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

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

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

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

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

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

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

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

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

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

(m) Retirement Plan: The Visteon Pension Plan (including both the Contributory and Noncontributory Service component and the Balance Plus component), the Salaried Retirement Plan of Visteon Systems, LLC (for periods prior to its merger into the Visteon Pension Plan), or such other qualified defined benefit retirement plans as the Committee may designate. The Retirement Plan includes the following components:

(i) Contributory/Noncontributory Service Program. The portion of the Retirement Plan, excluding the Cash Balance Program.

(ii) Cash Balance Program. The portions of the Retirement Plan that calculate benefit accruals using a cash balance and/or pension equity formula.

(n) Separation from Service: The date on which a Participant terminates employment from the Company and all Affiliates, provided that (1) such termination constitutes a separation from service for purposes of Code Section 409A, and (2) the facts and circumstances indicate that the Company (or the Affiliate) and the Participant reasonably believed that the Participant would perform no further services (either as an employee or as an independent contractor) for the Company (or the Affiliate) after the Participant's termination date, or believed that the level of services the Participant would perform for the Company (or the Affiliate) after such date (either as an employee or as an independent contractor) would permanently decrease such that the Participant would be providing insignificant services to the Company or an Affiliate. For this purpose, a Participant is deemed to provide insignificant services to the Company or an Affiliate, and thus to have incurred a bona fide Separation from Service, if the Participant provides services at an annual rate that is less than twenty percent (20%) of the services rendered by such Participant, on average, during the immediately preceding thirty-six (36) months of employment (or his or her actual period of employment if less). Notwithstanding the foregoing, if a Participant takes a leave of absence from the Company or an Affiliate for the purpose of military leave, sick leave or other bona fide leave of absence, the Participant's employment will be deemed to continue for the first six (6) months of the leave of absence, or if longer, for so long as the Participant's right to reemployment is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six (6) months, where such impairment causes the Participant to be unable to perform the duties of his or her

position of employment or any substantially similar position of employment, the leave may be extended for up to twenty-nine (29) months without causing a Separation from Service.

Section 1.02. Construction and Applicable Law.

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

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

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

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

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

ARTICLE III. PENSION PARITY BENEFIT

Section 3.01. Calculation of Pension Parity Benefit.

The Pension Parity Benefit, when expressed in the form of a monthly life annuity with no survivor benefits commencing at the Participant's attainment of age sixty-five (or if later, the Participant's age at Separation from Service), shall equal the difference between (i) the benefit that the Participant would have accumulated under the Retirement Plan if such benefit were calculated without regard to the Limitations, and (ii) the benefit actually accumulated by the Participant under the Retirement Plan.

Section 3.02. Payment of Pension Parity Benefit.

(a) Payments Commencing Prior to January 1, 2007. The Pension Parity Benefit shall be paid by the Participating Employer commencing at the same time as is paid the corresponding benefit under the Retirement Plan; provided that in the case of a Participant whose payments commenced after December 31, 2004 and prior to January 1, 2007, the first payment shall occur not earlier than the first day of the seventh month following the Participant's Separation from Service. For a Participant whose benefit under the Retirement Plan commenced prior to the first day of the seventh month following the Participant's Separation from Service, the Participant's first Pension Parity Benefit payment will include any monthly installments that would have been payable to the Participant if the Pension Parity Benefit had commenced to the Participant on the same date as the Participant's benefit under the Retirement Plan commenced to be paid. The Pension Parity Benefit will be paid in the same form and for the same period as is paid the corresponding benefit under the Retirement Plan. Accordingly, the Pension Parity Benefit shall be paid to the person receiving payment of the corresponding benefit under the Retirement Plan with each payment being made, as nearly as practicable, at the same time as the corresponding benefit from the Retirement Plan.

(b) Payments Commencing on or After January 1, 2007. Pension Parity Benefit payments that commence on or after January 1, 2007 shall be paid to the Participant in the form of a single lump sum payment on the first day of the seventh month following the Participant's Separation from Service; provided that in the case of a Participant whose Separation from Service occurred after December 31, 2004 but prior to January 1, 2007 and whose Pension Parity Benefit has not been paid or commenced to be paid by December 31, 2008 because the

Participant had not commenced benefits under the Retirement Plan, the Participant's Pension Parity Benefit will be paid to the Participant in the form of a single lump sum payment during the first 90 days of 2009. The amount of the lump sum payment will be equal to the present value of the monthly amount calculated under Section 3.01 above, with such present value determined by using, (i) for distributions prior to January 1, 2009, the discount rates and mortality tables that were used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which benefit payment date, and (ii) for distributions after December 31, 2008, the discount rates and mortality tables that are used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's Separation from Service (the "Financial Statement Factors"). The lump sum present value is calculated in three ways, and the Participant is entitled to the greatest of the three. Under the first calculation, the lump sum is equal to the sum of (i) the lump sum value determined when the monthly amount calculated under Section 3.01 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service, and (ii) six months of interest, at the rate determined by reference to the Financial Statement Factors, on the amount determined under clause (i). Under the second calculation, the lump sum is the amount determined when the monthly amount calculated under Section 3.01 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service plus six months. Under the third calculation, which is applicable only if the Participant will be under age 55 at the benefit payment date, the lump sum is the amount determined when the monthly amount calculated under Section 3.01 is multiplied by a deferred to age 55 annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service.

(c) Participants Separating From Service Prior to January 1, 2005. Notwithstanding subsections (a) and (b) above, the Pension Parity Benefit of a Participant whose Separation from Service occurred prior to January 1, 2005 (and whose Pension Parity Benefit is not subject to the requirements of Code Section 409A) shall be distributed in accordance with the terms of the Plan as in effect on the date of the Participant's Separation from Service.

Section 3.03. Death Benefits.

(a) Death During Employment. If a Participant dies on or after January 1, 2007 but during employment:

(i) With respect to the Participant's employment that is covered under the Contributory/Noncontributory Service Program, a death benefit will be paid under this Plan if and only if the Participant is survived by a spouse who is entitled to a survivor annuity under the Contributory/Noncontributory Service Program with respect to the same period of service. If a benefit is payable, it shall be paid to the same spouse who is entitled to the survivor annuity under the Retirement Plan, although payment of the benefit under this Plan will be made in the form of a single lump sum payment on the first day of the seventh month following the Participant's death. The amount of the lump sum payment will be equal to the present value of the difference between (i) the monthly survivor annuity benefit that would have been payable to the spouse with respect to the Participant's employment covered under the Contributory/Noncontributory Service Program if the Participant's benefit (and the spouse's survivor annuity benefit) were calculated without regard to the Limitations, and (ii) the monthly survivor annuity benefit actually payable to the spouse with respect to the Participant's participation in the Contributory/Noncontributory Service Program. For purposes of this calculation, the monthly survivor annuity benefit shall be calculating by assuming commencement of the survivor annuity benefit on the first day of the month following the date on which the Participant would have attained age sixty-five (or if the Participant had already attained sixty-five years of age, the first day of the month following Participant's death) The present value will be determined by using the discount rates and mortality tables that were used to calculate the obligations for the Retirement Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which the distribution to the spouse is paid.

(ii) With respect to the Participant's employment that is covered under the Cash Balance Program, a death benefit will be paid to the Participant's Beneficiary. Payment will be made in the form of a single lump sum payment on the first day of the seventh month following the Participant's death. The amount of the lump sum payment will be equal to the difference between (i) the lump sum death benefit that would have been payable with respect to the Participant's employment covered under the Cash Balance Program if the Participant's benefit (and the Beneficiary's survivor benefit) were calculated without regard to the Limitations, and (ii) the lump sum death benefit actually payable with respect to the Participant's participation in the Cash Balance Program

(b) Death After Termination But Prior to Benefit Payment. In the event a Participant who terminates from employment with an entitlement to a benefit dies on or after January 1, 2007 but prior to payment of such benefit, the benefit shall be paid to the Participant's Beneficiary in the form of single sum payment (calculated in accordance with Section 3.02(b)) on the first day of the seventh month following the Participant's Separation from Service.

(c) Death After Benefit Payment. If a Participant dies on or after the date on which a lump sum payment of the Participant's Pension Parity Benefit has been made, no further benefits are payable following the Participant's death.

Section 3.04. Pension Parity Calculation Is For Record Keeping Purposes Only.

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

ARTICLE IV. GENERAL PROVISIONS

Section 4.01. Administration.

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

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

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

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

Section 4.02. Restrictions to Comply with Applicable Law.

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

Section 4.03. Claims Procedures.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee, not later than ninety (90) days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. If the Committee denies the claim, it shall deliver, within one hundred thirty-five (135) days of the date the first payment was made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A, a written notice of such denial decision. If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 180 days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. In order that the Committee may expeditiously decide such an appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to the commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 4.04. Participant Rights Unsecured.

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

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

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

Section 4.05. Tax Withholding.

The Company shall withhold from any benefit payment amounts required to be withheld for Federal and State income and other applicable taxes. No later than the date as of which an amount first becomes includible in the income of the Participant for employment tax purposes, the Participant shall pay or make arrangements satisfactory to the Company regarding the payment of any such tax. In addition, if prior to the date of distribution of any amount hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2), where applicable, becomes due, the Company may direct that the Participant's benefit be reduced to reflect the amount needed to pay the Participant's portion of such tax.

Section 4.06. Deductions and Offsets.

Anything contained in the Plan notwithstanding, a Participating Employer may deduct from any distribution hereunder, at the time payment is otherwise due and payable under the Plan, all amounts owed to the Company or a Participating Employer by the Participant for any reason, or the Company may offset any amounts owing to it or an Affiliate by the Participant for any reason against the Participant's benefit, whether or not the benefit is then payable, up to the maximum amount that may be offset without violating Code Section 409A.

Section 4.07. Amendment or Termination of Plan.

There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President, Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President, Human Resources by more than a de minimis amount; and provided further, that any termination of the Plan shall be implemented in accordance with the requirements of Code Section 409A. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate

future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 4.08. Effect of Inimical Conduct.

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

Section 4.09. No Assignment of Benefits.

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

Section 4.10. Administrative Expenses.

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

Section 4.11. Successors and Assigns.

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

Section 4.12. Designated Payment Dates.

Whenever a provision of this Plan specifies payment to be made on a particular date, the payment will be treated as having been made on the specified date if it is made as soon as practicable following the designated date, provided that (a) the Participant is not permitted, either directly or indirectly, to designate the taxable year of payment and (b) payment is made no later than the 15th day of the third calendar month following the designated payment date.

Section 4.13. Permitted Delay in Payment.

If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms of Federal securities law or any other applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

Section 4.14. Disregard of Six Month Delay.

Notwithstanding anything herein to the contrary, if at the time of a Participant's Separation from Service, the stock of the Company or any other related entity that is considered a "service recipient" within the meaning of Section 409A of the Code is not traded on an established securities market or otherwise, then the provision of the Plan requiring that payments be delayed for six months following Separation from Service shall cease to apply. In such event, in the case of a benefit payment of which is triggered by the Participant's Separation from Service, the lump sum payment of a Participant's benefit shall be made within 90 days following the Participant's Separation from Service.

VISTEON CORPORATION

Dorothy L. Stephenson
Senior Vice President, Human Resources

December 18, 2008
Date

Exhibit 10.12

VISTEON CORPORATION

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(As amended and restated effective January 1, 2009)

VISTEON CORPORATION

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The Visteon Corporation Supplemental Executive Retirement Plan (the "Plan") has been adopted to promote the best interests of Visteon Corporation (the "Company") and the stockholders of the Company by attracting and retaining key management employees possessing a strong interest in the successful operation of the Company and its subsidiaries or affiliates and encouraging their continued loyalty, service and counsel to the Company and its subsidiaries or affiliates. The Plan was originally adopted effective July 1, 2000, and is amended and restated effective January 1, 2009, as set forth herein.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

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

(a) Affiliate: A person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the Company, within the meaning of Code Sections 414(b) and (c); provided that Code Section 414(b) and (c) shall be applied by substituting "at least fifty percent (50%)" for "at least eighty percent (80%) each place it appears therein.

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

(c) Beneficiary: The person or entity designated by a Participant to be his or her beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of beneficiary shall be valid and in effect only if a properly executed designation, in such form as the Committee shall prescribe, is filed and received by the Committee or its delegate prior to the Participant's death. If a Participant designates his or her spouse as beneficiary, such beneficiary designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of beneficiary is not in effect at the time of the Participant's death, the Participant's surviving spouse, or if there is no surviving spouse, the estate of the Participant, shall be deemed to be the sole beneficiary. If multiple beneficiaries have been designated and one or more of the beneficiaries predecease the Participant, then upon the Participant's death, payment shall be made exclusively to the surviving beneficiary or beneficiaries unless the Participant's designation specifies an alternate method of distribution. Further, in the event that the Committee is uncertain as to the identity of the Participant's beneficiary, the Committee may deem the estate of the Participant to be the sole beneficiary. Beneficiary designations shall be in writing (or in such other form as authorized by the Committee for this purpose, which may include on-line designations), shall be filed with the Committee or its delegate, and shall be in such form as the Committee may prescribe for this purpose.

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

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

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

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

(h) Covered Employment Classification: The employment positions classified by the Company (or by a Participating Employer with the consent of the Company) as Leadership Level One, Leadership Level Two, Leadership Level Three, Leadership Level Four, Corporate Officer, Executive Leader, Senior Director, Director or, prior to January 1, 2006, Senior Leader.

(i) Credited Service: For purposes of determining supplemental benefits under Article II, the years and any fractional year of credited service attributable to employment through June 30, 2006, without duplication and not exceeding one year for any calendar year, of the Participant under all the Retirement Plans; provided, that solely for purposes of this Plan as applied to a Participant who is a Transferred Group I or II Employee as defined under the Visteon Pension Plan, and subject to Section 2.03, the Participant's credited service under all of the Retirement Plans shall be deemed to include, to the extent not otherwise considered under the Retirement Plans, the Participant's credited service recognized under the General Retirement Plan of Ford Motor Company for employment through June 30, 2000. For purposes of determining the Pension Equity Benefit under Section 3.03, the service that is or would be recognized for the Participant under the pension equity component of the BalancePlus Program, taking into account the modifications set forth in Section 3.03 of this Plan.

(j) Eligibility Service: Subject to Section 2.06, service with a Participating Employer while employed in a Covered Employment Classification; provided, that in the case of a Participant who was covered under the Ford Motor Company Supplemental Executive Retirement Plan on June 30, 2000, Eligibility Service recognized for such Participant under the

Ford Motor Company Supplemental Executive Retirement Plan as of June 30, 2000 shall be recognized as Eligibility Service under this Plan.

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

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

(m) Participant: Subject to Section 2.06, an Employee who is employed in a Covered Employment Classification, and where the context so requires, a former Employee entitled to receive a benefit hereunder.

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

(o) Pension Equity Benefit: The amount calculated under Section 3.03(a)(i)(B) and Section 3.03(c). This amount is determined (with certain modifications) by reference to the pension equity formula of the BalancePlus Program. A pension equity benefit under Section 3.03 will be calculated for each Participant, whether or not the Participant is actually covered under the BalancePlus Program and/or the pension equity component of the BalancePlus Program.

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

(q) Retirement Plans: The Visteon Pension Plan (other than the Balance Plus Program) and the Salaried Retirement Plan of Visteon Systems, LLC (as in effect prior to its merger into the Visteon Pension Plan), all as amended and in effect from time to time. The Retirement Plan includes the following components:

(i) Contributory/Noncontributory Service Program: The portion of the Retirement Plan, excluding the Cash Balance Program.

(ii) Cash Balance Program: The portion of the Retirement Plan that calculates benefit accruals using a cash balance and/or pension equity formula, including, without limitation, the BalancePlus Component.

(r) Separation from Service: The date on which a Participant terminates employment from the Company and all Affiliates, provided that (1) such termination constitutes a separation from service for purposes of Code Section 409A, and (2) the facts and circumstances indicate that the Company (or the Affiliate) and the Participant reasonably believed that the Participant would perform no further services (either as an employee or as an independent contractor) for the Company (or the Affiliate) after the Participant's termination date, or believed that the level of services the Participant would perform for the Company (or the Affiliate) after such date (either as an employee or as an independent contractor) would permanently decrease such that the Participant would be providing insignificant services to the Company or an Affiliate. For this purpose, a Participant is deemed to provide insignificant services to the Company or an Affiliate, and thus to have incurred a bona fide Separation from Service, if the Participant provides services at an annual rate that is less than twenty percent (20%) of the services rendered by such Participant, on average, during the immediately preceding thirty-six (36) months of employment (or his or her actual period of employment if less). Notwithstanding the foregoing, if a Participant takes a leave of absence from the Company or an Affiliate for the purpose of military leave, sick leave or other bona fide leave of absence, the Participant's employment will be deemed to continue for the first six (6) months of the leave of absence, or if longer, for so long as the Participant's right to reemployment is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six (6) months,

where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to twenty-nine (29) months without causing a Separation from Service.

(s) SERP Eligibility Date: The date on which the Participant has, for each of at least five years of Eligibility Service immediately preceding the Participant's termination of the employment with a Participating Employer, been selected to participate in the Company's Annual Incentive program and has been granted a target bonus under such program of at least 30% (for Participants terminating prior to July 1, 2006, 40%) of the Participant's annual base salary rate in effect on the date the target bonus amount is established.

Section 1.02. Construction and Applicable Law.

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

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

ARTICLE II. SUPPLEMENTAL BENEFITS FOR PARTICIPANTS WITH RETIREMENT PLAN SERVICE (OTHER THAN SERVICE RECOGNIZED UNDER THE CASH BALANCE PROGRAMS)

Section 2.01. Eligibility.

(a) Prior to July 1, 2006. Subject to Section 2.06, a Participant whose termination of employment (other than termination of employment on account of death) occurs prior to July 1, 2006 shall be eligible to receive a supplemental benefit as provided in this Article II if the Participant:

(i) is employed in a Covered Employment Classification at termination of employment and either (A) retires directly from employment with a Participating Employer on normal or disability retirement under the Retirement Plan, or (B) terminates employment with the approval of the Participating Employer at or after age 55;

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

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

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

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

(b) After June 30, 2006. A Participant who is covered under the Contributory/Noncontributory Service Program or under the Salaried Retirement Plan of Visteon Systems, LLC (as in effect prior to its merger into the Visteon Pension Plan) and whose

termination of employment (other than termination of employment on account of death) occurs after June 30, 2006 shall be eligible to receive a supplemental benefit as provided in this Article II if the Participant:

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

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

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

(a) Final Five Year Average Base Salary: The average of the Participant's Monthly Base Salary for the five December 31 measurement dates coincident with or immediately preceding the first date on which the Participant retires from or otherwise ceases to be employed in a Covered Employment Classification with the Company and its Affiliates.

(b) Monthly Base Salary: Subject to Section 2.06, the monthly base salary paid to a Participant while employed in a Covered Employment Classification on a December 31 measurement date coincident with or immediately preceding the first date on which the Participant retires from or otherwise ceases to be employed in a Covered Employment Classification with the Company and its Affiliates. The Participant's monthly base salary shall be determined prior to giving effect to any salary reduction agreement to which Section 125 or Section 402(a)(8) of the Code applies, and shall not include any other kind of extra or additional compensation. For purposes of this subsection, base salary paid by Ford Motor Company prior to July 1, 2000 shall be treated as if paid by the Company.

Section 2.03. Amount of Supplemental Benefit.

(a) Subject to Section 2.06, any reductions pursuant to subsections (b) and (c) below and to any limitations and reductions pursuant to other provisions of the Plan, the supplemental benefit, when expressed in the form of a monthly life annuity with no survivor benefits commencing on the first day of the month next following the Participant's termination of

employment, shall be an amount equal to the Participant's Final Five Year Average Base Salary multiplied by the Participant's years of Credited Service,, and further multiplied by the Applicable Percentage based on the Covered Employment Classification in which the Participant served immediately prior to his or her retirement, as follows:

Covered Employment Classification Immediately Prior to Retirement	Applicable Percentage
Chairman	0.90%
President	0.80%
Executive Vice President	0.80%
Senior Vice President	0.75%
Elected Vice President	0.70%
Executive Leader (other than a Participant who was a Senior Leader on January 1, 2006 and who became an Executive Leader on such date coincident with the elimination of the Senior Leader classification) or Leadership Level Two	0.40%
Director, Senior Director or Senior Leader (including Participants who were classified as Senior Leaders on January 1, 2006 and who became either Executive Leaders or Senior Directors coincident with the elimination of the Senior Leader classification), Leadership Level Three, or Leadership Level Four	0.20%

(b) For a Participant who is a Transferred Group I or II Employee as defined under the Visteon Pension Plan and who is entitled to a benefit under the Ford Motor Company Supplemental Executive Retirement Plan, the monthly supplement benefit payable hereunder shall be reduced by the amount of the supplemental benefit to which the Participant is entitled under the Ford Motor Company Supplemental Executive Retirement Plan (or to which the Participant would have been entitled under such plan except for any forfeiture of benefits attributable to the Participant's conduct), assuming commencement on the first day of the month

next following the Participant's termination of employment. In addition, the Committee may further adjust the monthly supplemental benefit payable to a Participant who is a Transferred Group I or II Employee if such action is necessary or desirable as a result of changes in the Ford Motor Company Supplemental Executive Retirement Plan or if such action is otherwise necessary or desirable in order to avoid duplicative benefits or to ensure that the Participant's aggregate benefit from this Plan and from the Ford Motor Company Supplemental Executive Retirement Plan, and the allocation of benefits between such plans, is consistent with the Employee Transition Agreement dated April 1, 2000 by and between the Company and Ford Motor Company, and any amendments thereto.

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

Section 2.04. Payments.

(a) Payments Commencing Prior to January 1, 2007. Subject to the earning-out conditions set forth in Article VI, supplemental benefits for a Participant who satisfies the eligibility requirements set forth in Section 2.01, in the amount determined under Section 2.03, shall be payable out of the Company's general funds monthly, commencing either (1) in the case of a Participant whose payments commenced prior to January 1, 2005, on the first day of the month following the Participant's termination of employment, or (2) in the case of a Participant whose payments commenced after December 31, 2004 and prior to January 1, 2007, on the first day of the seventh month following the Participant's Separation from Service. For a Participant whose payments commenced on the first day of the seventh month following the Participant's Separation from Service, the first payment shall equal seven months of supplemental benefit payments and thereafter, beginning on the first day of the eighth month following the Participant's Separation from Service, supplemental benefit payments shall be made monthly. Payments to a Participant hereunder shall cease at the end of the month in which the Participant

dies. There is no pre-retirement or post-retirement death benefit payable under this Article II following the death of the Participant.

(b) Payments Commencing on or After January 1, 2007. Supplemental benefit payments that commence on or after January 1, 2007 shall be paid to the Participant in the form of a single lump sum payment on the first day of the seventh month following the Participant's Separation from Service. The amount of the lump sum payment will be equal to the present value of the monthly amount calculated under Section 2.03 above, with such present value determined by using (i) for distributions prior to January 1, 2009, the discount rates and mortality tables that were used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's benefit payment date, and (ii) for distributions after December 31, 2008, the discount rates and mortality tables that are used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's Separation from Service (the "Financial Statement Factors"). The lump sum present value is calculated in three ways, and the Participant is entitled to the greatest of the three. Under the first calculation, the lump sum is equal to the sum of (i) the lump sum value determined when the monthly amount calculated under Section 2.03 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service, and (ii) six months of interest, at the rate determined by reference to the Financial Statement Factors, on the amount determined under clause (i). Under the second calculation, the lump sum is the amount determined when the monthly amount calculated under Section 2.03 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service plus six months. Under the third calculation, which is applicable only if the Participant will be under age 55 at the benefit payment date, the lump sum is the amount determined when the monthly amount calculated under Section 2.03 is multiplied by a deferred to age 55 annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service.

Section 2.05. Death Benefits.

(a) Prior to January 1, 2007. There is no pre-retirement death benefit (with respect to a Participant who dies during employment) or post-retirement death benefit (with respect to a Participant who dies after termination of employment).

(b) On or After January 1, 2007.

(i) Death During Employment. If the Participant dies during employment, no benefit is payable under the Plan.

(ii) Death After Termination But Prior to Benefit Payment. In the event a Participant who terminates from employment with an entitlement to a benefit dies prior to payment of such benefit, the benefit will be paid to the Participant's Beneficiary in the form of a single lump sum payment (calculated in accordance with Section 2.04) on the first day of the seventh month following the Participant's Separation from Service.

(iii) Death After Benefit Payment. If a Participant dies on or after the date on which a lump sum payment of the Participant's supplement benefit has been made, no further benefits are payable following the Participant's death.

Section 2.06. Special Rules for Certain Employees Affected by 2001 Work Force Restructuring Program. The following rules shall apply to an Employee who (i) was employed in a Covered Employment Classification immediately prior to the Company's 2001 Work Force Restructuring (the "Restructuring"), and (ii) continued to be employed by a Participating Employer following the Restructuring but, as a result of the Restructuring, ceased to be employed in a Covered Employment Classification:

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

(b) The Employee will continue to accumulate Eligibility Service for employment with a Participating Employer following the Restructuring, and such employment shall be

treated, for purposes of Section 1.01(n), 2.01(a)(iii) and 2.02(b), as if it were employment in an Eligible Employment Classification.

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

ARTICLE III. SUPPLEMENTAL BENEFITS FOR SERVICE RECOGNIZED UNDER THE CASH BALANCE PROGRAMS

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

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

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

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

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

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

(b) Compensation: The Participant's compensation as defined in the Cash Balance Program that is applicable for purposes of determining the Participant's cash balance accruals, plus for any month after the Participant's SERP Eligibility Date, if not otherwise recognized, any Annual Incentive amounts actually paid to the Participant (or that would have been paid to the Participant except for the Participant's election to defer all or a portion of such payment), all as determined without regard to the compensation limitation of Code Section 401(a)(17).

(c) Final Average Compensation: The final average compensation that would be determined for the Participant under the BalancePlus Program (or that would be determined for the Participant under the BalancePlus Program assuming if the Participant is treated as being eligible for the pension equity component of the BalancePlus Program) for purposes of determining pension equity accruals, plus the average of the three highest consecutive Annual Incentive amounts paid to the Participant (or that would have been paid to the Participant except

for the Participant's election to defer all or a portion of such payment) during the 120 month period immediately preceding the Participant's termination of employment, all as determined without regard to the compensation limitation of Code Section 401(a)(17).

Section 3.03. Amount of Supplemental Benefit.

(a) Subject to any limitations and reductions pursuant to other provisions of the Plan, the supplemental benefit, when expressed in the form of a life annuity without survivor benefits, shall be an amount equal to:

(i) The greater of (A) the monthly annuity benefit that the Participant would have received under the Cash Balance Program (excluding any pension equity component) if the Participant's benefit under such program had been calculated in accordance with the modifications described in subsection (b) below, or (B) the monthly Pension Equity Benefit calculated in accordance with subsection (c) below; minus

(ii) The monthly annuity benefit to which the Participant is actually entitled under the Cash Balance Program (including any pension equity component); minus

(iii) The monthly annuity benefit to which the Participant is actually entitled under the Visteon Corporation Pension Parity Plan (prior to conversion of the benefit to a single sum form of payment).

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

(i) The limitations of Code Section 415 are disregarded;

(ii) For purposes of calculating a Participant's cash balance benefit, the benefit is calculated by applying the definition of Compensation set forth

in Section 3.02(b) above in lieu of the definition set forth in the Cash Balance Program; and

(c) The Pension Equity Benefit for purposes of subsection (a)(i)(B) above is the monthly annuity benefit to which the Participant would have been entitled under the pension equity component of the BalancePlus Program if the benefit were calculated consistent with the following:

(i) The Participant is treated as being eligible for the pension equity component of the BalancePlus Program, whether or not the Participant is actually covered under the BalancePlus Program and/or the pension equity component of the BalancePlus Program;

(ii) The limitations of Code Section 415 are disregarded;

(iii) For purposes of calculating the Pension Equity Benefit:

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

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

(C) The benefit is calculating by disregarding Credited Service (or other service) that is attributable to employment prior to July 1, 2006 by a Participant who during such period was covered under the Contributory/Noncontributory Service Program or the Salaried Retirement Plan of Visteon Systems, LLC (as in effect prior to its merger into the Visteon Pension Plan).

(D) The Participant's Credited Service is calculating without regard to the provision in the BalancePlus Program that limits Credited

Service to periods of eligible employment through June 30, 2006, i.e., eligible employment after June 30, 2006 is recognized.

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

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

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

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

Section 3.04. Payment of Supplemental Benefit.

(a) Payments Commencing Prior to January 1, 2007. The Participant's monthly supplemental benefit shall be paid by the Participating Employer commencing either (1) in the case of a Participant whose payments commenced prior to January 1, 2005, on the first day of the month following the Participant's termination of employment, or (2) in the case of a Participant whose payments commenced after December 31, 2004 and prior to January 1, 2007, on the first day of the seventh month following the Participant's Separation from Service. For a Participant whose payments commenced on the first day of the seventh month following the Participant's Separation from Service, the first payment shall equal seven months of allowance payments and

thereafter, beginning on the first day of the eighth month following the Participant's Separation from Service, allowance payments shall be made monthly. In all other respects, the benefit will be paid in the same form and for the same period the corresponding benefit under the Balance Plus Program is paid. Accordingly, except as provided in Section 3.05, the supplemental benefit shall be paid to the person receiving payment of the corresponding benefit under payable at the same time and in the same form as paid the Participant's benefit under the Balance Plus Program with each payment being made, as nearly as practicable, at the same time as the corresponding benefit from the Balance Plus Plan. The interest rates, mortality factors, annuity conversion factors, early commencement reductions, assumptions for converting from one form of benefit to another, and all other actuarial conversion and adjustment factors, shall be the same as those applicable in calculating the Participant's actual annuity benefit under the Balance Plus Program.

(b) Payments Commencing on or After January 1, 2007. Payments that commence on or after January 1, 2007 shall be paid to the Participant in the form of a single lump sum payment on the first day of the seventh month following the Participant's Separation from Service. The amount of the lump sum payment will be equal to the present value of the gross monthly amount calculated under Section 3.03 above, with such present value determined by using (i) for distributions prior to January 1, 2009, the discount rates and mortality tables that were used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's benefit payment date, and (ii) for distributions after December 31, 2008, the discount rates and mortality tables that are used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's Separation from Service (the "Financial Statement Factors"). The lump sum present value is calculated in three ways, and the Participant is entitled to the greatest of the three. Under the first calculation, the lump sum is equal to the sum of (i) the lump sum value determined when the monthly amount calculated under Section 3.03 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service, and (ii) six months of interest, at the rate determined by reference to the Financial Statement Factors, on the amount determined under clause (i). Under the second calculation, the lump sum is the amount determined when the monthly amount calculated under Section 3.03 is multiplied by an

immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service plus six months. Under the third calculation, which is applicable only if the Participant will be under age 55 at the benefit payment date, the lump sum is the amount determined when the monthly amount calculated under Section 3.03 is multiplied by a deferred to age 55 annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service.

Section 3.05. Death Benefits.

(a) If a Participant whose benefit commencement date was prior to January 1, 2007 dies on or after the date on which payment of the Participant's supplemental benefit has commenced, the only death benefits payable shall be those (if any) that are payable under the form of annuity benefit applicable to the Participant. If a Participant whose benefit payment date occurs on or after January 1, 2007 dies on or after the date on which payment of the Participant's lump sum supplemental benefit has been made, no further benefits are payable following the Participant's death.

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

(c) If the Participant dies after the Participant's SERP Eligibility Date but prior to the date on which payment of the Participant's supplemental benefit has been paid or commenced to be paid, and if such death occurs after June 30, 2006, a single sum death benefit shall be paid to the Participant's Beneficiary. The amount of the death benefit will be equal to the actuarially equivalent single sum value (calculated in accordance with Section 3.04) of the monthly annuity benefit that other-wise would have been payable under Section 3.03.

ARTICLE IV. CONDITIONAL ANNUITIES

Section 4.01. Eligibility. The Committee, in its discretion, may award to a Participant who is a Corporate Officer or an employee in Leadership Level One additional retirement income in the form of a Conditional Annuity, which shall become payable if the Participant shall retire directly from employment with a Participating Employer either (i) on normal or (prior to July 1, 2006) disability retirement or (ii) with the approval of the Participating Employer at or after age 55 on early retirement. This Article III shall only apply to a Participant whose original date of hire is prior to January 1, 2002.

Section 4.02. Amount of Conditional Annuity.

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

(b) The aggregate amount payable under the Conditional Annuities awarded to any eligible Participant and the amount payable to an eligible Participant as a conditional annuity under the Ford Motor Company Supplemental Executive Retirement Plan, when such amounts are expressed in the form of a life annuity without survivor benefits, shall not exceed an amount equal to the Applicable Percentage of such Participant's Final Three Year Average Base Salary, determined in accordance with the following table:

Number of Years for Which a Conditional Annuity is Awarded	Applicable Percentage	
	Chairman And President	All Other Eligible Corporate Officers
1	30%	20%
2	35	25
3	40	30
4	45	35
5 or more	50	40

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

(c) "Final Three Year Average Base Salary" means the average of the Participant's Monthly Base Salary (as defined in Section 2.02) for the three December 31 measurement dates coincident with or immediately preceding the first date on which the Participant retires from or otherwise ceases to be employed in a Covered Employment Classification with the Company and its Affiliates.

Section 4.03. Payments.

(a) Payments Commencing Prior to January 1, 2007. Subject to the earning-out conditions set forth in Article IV, Conditional Annuities, in the amount determined under Section 4.02, shall be payable out of the Company's general funds monthly beginning either (1) in the case of a Participant whose payments commenced prior to January 1, 2005, on the first day of the month when the Participant's retirement benefit under any Retirement Plan or under the Company's Executive Separation Allowance Plan begins, or (2) in the case of a Participant whose payments commenced after December 31, 2004 and prior to January 1, 2007, on the first day of the seventh month following the Participant's Separation from Service. For a Participant whose payments commenced on the first day of the seventh month following the Participant's Separation from Service, the first payment shall equal seven months of allowance payments and thereafter, beginning on the first day of the eighth month following the Participant's Separation from Service, payments shall be made monthly. Except as provided in Section 4.04, payments

with respect to a Participant hereunder shall cease at the end of the month in which such Participant dies.

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

(b) Payments Commencing on or After January 1, 2007. Payments that commence on or after January 1, 2007 shall be paid to the Participant in the form of a single lump sum payment on the first day of the seventh month following the Participant's Separation from Service. The amount of the lump sum payment will be equal to the present value of the gross monthly amount calculated under Section 4.02 above, with such present value determined by using (i) for distributions prior to January 1, 2009, the discount rates and mortality tables that were used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's benefit payment date, and (ii) for distributions after December 31, 2008, the discount rates and mortality tables that are used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year immediately prior to the year in which occurs the Participant's Separation from Service (the "Financial Statement Factors"). The lump sum present value is calculated in three ways, and the Participant is entitled to the greatest of the three. Under the first calculation, the lump sum is equal to the sum of (i) the lump sum value determined when the monthly amount calculated under Section 4.02 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service, and (ii) six months of interest, at the rate determined by reference to the Financial Statement Factors, on the amount determined under clause (i). Under the second calculation, the lump sum is the amount determined when the monthly amount calculated under Section 4.02 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service plus six months. Under the third calculation, which is applicable only if the Participant will be under age 55 at the benefit payment date, the lump sum is the amount determined when the monthly amount calculated under Section 4.02 is

multiplied by a deferred to age 55 annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service.

Section 4.04. Death Benefits. Upon death before retirement but at or after age 55, or death after retirement but prior to the lump sum payment of the Participant's Conditional Annuities benefit, the Participant's Beneficiary shall be paid a lump sum equal to 30 times (representing 30 months) the aggregate monthly amount payable under such Participant's Conditional Annuities if the Participant had been age 55 at death, increased by one-third of one month for each full month by which the Participant's age at death shall exceed age 55. With respect to a Participant whose benefit commenced prior to January 1, 2007, if death occurs within 120 months following retirement, the monthly payments under the Conditional Annuity shall be continued to the Participant's Beneficiary for the remaining balance of the 120 month period following retirement. If a Participant dies on or after the date on which a lump sum payment of the Participant's Conditional Annuities benefit has been made, no further benefits are payable following the Participant's death.

ARTICLE V. ADDITIONAL BENEFITS

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

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

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

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

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

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

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

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

(c) For payments commencing prior to January 1, 2007, the supplemental benefit under subsection (a) above shall be paid commencing either (1) in the case of a Participant whose payments commenced prior to January 1, 2005, on the first day of the month following the Participant's termination of employment, or (2) in the case of a Participant whose payments commenced after December 31, 2004 and prior to January 1, 2007, on the first day of the seventh month following the Participant's Separation from Service. For a Participant whose payments commenced on the first day of the seventh month following the Participant's Separation from Service, the first payment shall equal seven months of allowance payments and thereafter, beginning on the first day of the eighth month following the Participant's Separation from Service, allowance payments shall be made monthly. The benefit shall be paid in the same form and for the same duration as is paid the Participant's benefit under the General Retirement Plan of Ford Motor Company. The supplemental benefit under subsection (b) above shall be paid in accordance with Article II of this Plan as if the benefit had been initially calculated under that Article. For payments made or commencing on or after January 1, 2007, the supplemental benefit under both subsection (a) above and subsection (b) above shall be paid in accordance with Article II of this Plan as if the benefits had been initially calculated under that Article.

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

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

Section 5.02. Additional Benefits for Certain Officers.

(a) This paragraph applies to a Participant who was the Company's Chief Operating Officer on September 15, 2000. Such Participant shall be entitled to an additional benefit under Article II of this Plan and an additional cash balance benefit or pension equity benefit under Article III of this Plan. The additional benefit under Article II of this Plan shall be calculated by crediting the Participant with one additional year of Credited Service or fraction thereof for each year of Credited Service or fraction thereof accrued by the Participant under Article II of this Plan. The additional cash balance benefit shall be equal to the sum of the contribution credits accrued under the Visteon Pension Plan, the Visteon Corporation Pension Parity Plan and Article III of this Plan, and interest credits thereon. The additional pension equity benefit under Article III of this Plan shall be calculated by crediting the Participant with one additional year of Credited Service or fraction thereof for each year of Credited Service or fraction thereof accrued by the Participant under Article III of this Plan. The additional benefits shall be determined by assuming that the Participant's employment continued through December 31, 2008 and that the Participant received a Monthly Base Salary for December 2008 equal to the Participant's Monthly Base Salary on November 30, 2008.

(b) This paragraph applies to a Participant who was the Company's Vice President, Corporate Controller and Chief Accounting Officer on December 30, 2004. Such Participant shall be entitled to an additional cash balance benefit or an additional pension equity benefit under this Plan. The additional cash balance benefit shall be equal to the sum of the contribution credits accrued under the Visteon Pension Plan, the Visteon Corporation Pension Parity Plan and Article III of this Plan during the Participant's first five years of service, and interest credits thereon. The additional pension equity benefit shall be calculated by crediting the Participant with one additional year of Credited Service or fraction thereof for each year of Credited Service

or fraction thereof accrued by the Participant under Article III of this Plan, not to exceed five additional years.

(c) This paragraph applies to a Participant who was the Company's Chief Operating Officer on May 23, 2005. Such Participant shall be entitled to an additional cash balance benefit or an additional pension equity benefit under this Plan. The additional cash balance benefit shall be equal to the sum of the contribution credits accrued under the Visteon Pension Plan, the Visteon Corporation Pension Parity Plan and Article III of this Plan, and interest credits thereon. The additional pension equity benefit shall be calculated by crediting the Participant with one additional year of Credited Service or fraction thereof for each year of Credited Service or fraction thereof accrued by the Participant under Article III of this Plan. In addition, the Participant shall be credited as of May 23, 2005 with an opening cash balance of $1,200,000.00 under Article III. Upon retirement, the Participant's benefit under this Plan shall be adjusted so that the Participant's aggregate accrued benefit payable from all qualified and nonqualified retirement plans upon retirement from the Company will not be less than the greater of the actuarial equivalent value of (a) the aggregate benefit payable to the participant under the Visteon Pension Plan, the Visteon Corporation Pension Parity Plan and this Plan minus the $1,200,000.00 opening cash balance and interest credits attributable thereto or (b) the $1,200,000.00 SERP opening cash balance plus interest credits accrued to the date of retirement. The foregoing provisions will not apply if, prior to the fifth anniversary of the Participant's employment with the Company, the Company terminates the Participant's employment for Cause (termination due to Disability shall not be considered to be for Cause) or the Participant terminates employment with the Company for other than Good Reason. The terms Cause, Disability and Good Reason shall have the meanings assigned to such terms in the May 20, 2005 Letter Agreement between the Participant and the Company.

(d) This paragraph applies to a Participant who was the Company's Vice President, Treasurer and Chief Tax Officer on February 1, 2006. Such Participant shall be entitled to an additional cash balance benefit or an additional pension equity benefit under this Plan. The additional cash balance benefit shall be equal to the sum of the contribution credits accrued under the Visteon Pension Plan, the Visteon Corporation Pension Parity Plan and Article III of this Plan during the Participant's first five years of service, and interest credits thereon. The

additional pension equity benefit shall be calculated by crediting the Participant with one additional year of Credited Service or fraction thereof for each year of Credited Service or fraction thereof accrued by the Participant under Article III of this Plan, not to exceed five additional years.

(e) This paragraph applies to a Participant who was the Company's Senior Vice President, Human Resources on December 14, 2006. Such Participant shall be entitled to an additional cash balance benefit or an additional pension equity benefit under this Plan. The additional cash balance benefit shall be equal to the sum of the contribution credits accrued under the Visteon Pension Plan, the Visteon Corporation Pension Parity Plan and Article III of this Plan during the Participant's first five years of service, and interest credits thereon. The additional pension equity benefit shall be calculated by crediting the Participant with one additional year of Credited Service or fraction thereof for each year of Credited Service or fraction thereof accrued by the Participant under Article III of this Plan, not to exceed five additional years.

(f) Any additional benefits under this Section that are calculated by reference to the benefit formula described in Article II of this Plan shall be paid in accordance with Article II of this Plan as if the benefits had been initially calculated under that Article. Similarly, any additional benefits under this Section that are calculated by reference to the benefit formula described in Article III of this Plan shall be paid in accordance with Article III of this Plan as if the benefits had been initially calculated under that Article.

ARTICLE VI. EARNING OUT CONDITIONS

Section 6.01. Conditions Applicable to Continued Payment of Award.

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

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

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

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

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

ARTICLE VII. GENERAL PROVISIONS

Section 7.01. Administration and Interpretation.

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

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

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

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

Section 7.03. Deductions and Offsets. Anything contained in the Plan notwithstanding, a Participating Employer may deduct from any distribution hereunder, at the time payment is otherwise due and payable under the Plan, all amounts owed to the Company or a Participating Employer by the Participant for any reason, or the Company may offset any amounts owing to it or an Affiliate by the Participant for any reason against the Participant's benefit, whether or not the benefit is then payable, up to the maximum amount that may be offset without violating Code Section 409A.

Section 7.04. Tax Withholding. A Participating Employer shall withhold from any benefit payment amounts required to be withheld for Federal and State income and other applicable taxes. No later than the date as of which an amount first becomes includible in the income of the Participant for employment tax purposes, the Participant shall pay or make arrangements satisfactory to the Company regarding the payment of any such tax. In addition, if prior to the date of distribution of any amount hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2), where applicable, becomes due, the Company may direct that the Participant's benefit be reduced to reflect the amount needed to pay the Participant's portion of such tax.

Section 7.05. Claims Procedure.

(a) Claim for Benefits. Any Participant or Beneficiary (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee. not later than ninety (90) days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. If the Committee denies the claim, it shall deliver, within one hundred thirty-five (135) days of the date the first payment was made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section

409A, a written notice of such denial decision. The written decision shall be within 90 days of receipt of the claim by the Committee (or 180 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). If the claim is denied in whole or in part, the claimant shall be furnished with a written notice of such denial containing (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim and (v) an explanation of the Participant's or Beneficiary's right to bring suit under ERISA following an adverse determination upon appeal.

(b) Appeal. If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 180 days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A In order that the Committee may expeditiously decide such appeal, the written notice of appeal should contain (i) a statement of the ground(s) for the appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefore and the expected date of determination prior to commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 7.06. Participant Rights Unsecured.

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

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

Section 7.07. No Contract of Employment. The Plan is an expression of the Company's present policy with respect to Company executives who meet the eligibility requirements set forth herein. The Plan is not a contract of employment, nor does it provide any Participant with a right to continue in the employment of the Company or any other entity. No Participant, Beneficiary or other person shall have any legal or other right to any benefit payments except in accordance with the terms of the Plan, and then only while the Plan is in effect and subject to the Company's right to amend or terminate the Plan as provided in Section 7.07 below.

Section 7.08. Amendment or Termination. There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President, Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President, Human Resources by more than

a de minimis amount; and provided further, that any termination of the Plan shall be implemented in accordance with the requirements of Code Section 409A. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 7.09. Administrative Expenses. Costs of establishing and administering the Plan will be paid by the Participating Employers.

Section 7.10. No Assignment of Benefits. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant to subsection (b) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Beneficiary.

Section 7.11. Successors and Assigns. This Plan shall be binding upon and inure to the benefit of the Participating Employers, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

Section 7.12. Designated Payment Dates. Whenever a provision of this Plan specifies payment to be made on a particular date, the payment will be treated as having been made on the specified date if it is made as soon as practicable following the designated date, provided that (a) the Participant is not permitted, either directly or indirectly, to designate the taxable year of payment and (b) payment is made no later than the 15th day of the third calendar month following the designated payment date.

Section 7.13. Permitted Delay in Payment. If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms Federal securities law or any other

applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

Section 7.14. Disregard of Six Month Delay. Notwithstanding anything herein to the contrary, if at the time of a Participant's Separation from Service, the stock of the Company or any other related entity that is considered a "service recipient" within the meaning of Section 409A of the Code is not traded on an established securities market or otherwise, then the provision of the Plan requiring that payments be delayed for six months following Separation from Service shall cease to apply. In such event, in the case of a benefit payment of which is triggered by the Participant's Separation from Service, the lump sum payment of a Participant's benefit shall be made within 90 days following the Participant's Separation from Service.

VISTEON CORPORATION

Dorothy L. Stephenson
Senior Vice President, Human Resources

December 18, 2008
Date

Exhibit 10.14

VISTEON CORPORATION

EXECUTIVE SEPARATION ALLOWANCE PLAN

(As amended and restated effective January 1, 2009)

VISTEON CORPORATION

EXECUTIVE SEPARATION ALLOWANCE PLAN

This Plan has been established for the purpose of providing certain eligible employees with an Executive Separation Allowance in the event of their separation from employment with the Company under certain circumstances. The Plan is an expression of the Company's present policy with respect to separation allowances for employees who meet the eligibility requirements set forth below; it is not a part of any contract of employment and no employee or other person shall have any legal or other right to any Executive Separation Allowance. The Plan was originally adopted effective July 1, 2000, and is amended and restated effective January 1, 2009, as set forth herein.

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

"Affiliate" shall mean, a person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the Visteon Corporation, within the meaning of Code Sections 414(b) and (c); provided that Code Section 414(b) and (c) shall be applied by substituting "at least fifty percent (50%)" for "at least eighty percent (80%) each place it appears therein.

"Code" means the Internal Revenue Code of 1986, as interpreted by the rulings and regulations promulgated pursuant thereto, all as from time to time amended and in effect. Any reference to a specific provision of the Code shall be deemed to include a reference to any successor provision thereto.

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

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

"Elected Officer" shall mean an officer of the Company elected by the Board of Directors of Visteon Corporation.

"Eligible Surviving Spouse" shall mean a spouse to whom an employee has been married at least one year at the date of the employee's death.

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

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

“Participant” shall mean an employee who meets the eligibility criteria set forth in Section 2.

“**Plan**” means the Visteon Corporation Executive Separation Allowance Plan, as from time to time amended and in effect.

“**Separation from Service**” shall mean the date on which a Participant terminates employment from the Company and all Affiliates, provided that (1) such termination constitutes a separation from service for purposes of Code Section 409A, and (2) the facts and circumstances indicate that the Company (or the Affiliate) and the Participant reasonably believed that the Participant would perform no further services (either as an employee or as an independent contractor) for the Company (or the Affiliate) after the Participant’s termination date, or believed that the level of services the Participant would perform for the Company (or the Affiliate) after such date (either as an employee or as an independent contractor) would permanently decrease such that the Participant would be providing insignificant services to the Company or an Affiliate. For this purpose, a Participant is deemed to provide insignificant services to the Company or an Affiliate, and thus to have incurred a bona fide Separation from Service, if the Participant provides services at an annual rate that is less than twenty percent (20%) of the services rendered by such Participant, on average, during the immediately preceding thirty-six (36) months of employment (or his or her actual period of employment if less). Notwithstanding the foregoing, if a Participant takes a leave of absence from the Company or an Affiliate for the purpose of military leave, sick leave or other bona fide leave of absence, the Participant’s employment will be deemed to continue for the first six (6) months of the leave of absence, or if longer, for so long as the Participant’s right to reemployment is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six (6) months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to twenty-nine (29) months without causing a Separation from Service.

"Service" shall mean an eligible employee's years of service (including fractions of years) used in determining eligibility for retirement benefits under the Visteon Pension Plan or the Salaried Retirement Plan of Visteon Systems, LLC.

"Subsidiary" shall mean, as applied with respect to any person or legal entity specified, (i) a person or legal entity, a majority of the voting stock of which is owned or controlled, directly or indirectly, by the person or legal entity specified, or (ii) any other type of business organization in which the person or legal entity specified owns or controls, directly or indirectly, a majority interest.

Section 2. **Eligibility.** Each Executive Leader or Elected Officer (or, prior to January 1, 2002, each Leadership Level One or Two Employee) who is separated from employment with the approval of the Company and who:

(1) was employed by the Company on or before December 31, 2001;

(2) attained the level of Executive Leader, Elected Officer, Leadership Level One or Leadership Level Two on or before June 30, 2004;

(3) has at least five years' service on the Executive Roll, or its equivalent;

(4) has at least five years of contributory membership under the Visteon Pension Plan (which, for purposes of this Section 2, shall be deemed to include contributory service under the Ford Motor Company General Retirement Plan) or the Salaried Retirement Plan of Visteon Systems, LLC prior to its merger into the Visteon Pension Plan. For purposes of this subsection (4), contributory service includes waiting period service or pre-participation service that is counted as contributory service under the plans and service after June 30, 2006, for Participants who were contributing members on June 30, 2006; and

(5) is at least 55 years of age at the time of separation from employment.

shall be eligible to receive an Executive Separation Allowance as provided herein. The Eligible Surviving Spouse of an employee who (i) has not separated from employment with the

Company, and (ii) meets the eligibility conditions set forth in subsections (1), (2) and (4) of this Section 2 on or before June 30, 2004, and is at least 55 years of age at the time of death, shall be eligible to receive the Executive Separation Allowance that the deceased employee would have been eligible to receive if such employee had separated from employment with the approval of the Company on the date of the employee's death.

The eligibility conditions set forth in subsections (3) and (4) of Section 2 may be waived by the Chief Executive Officer or the President.

Section 3. **Calculation of Amount.**

A. **Base Monthly Salary.** For purposes of the Plan, the "Base Monthly Salary" of a Participant shall be the highest monthly base salary rate of such employee during the employee's 12 months of service immediately preceding separation from employment with the Company, prior to giving effect to any salary reduction agreement pursuant to an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, (i) to which Section 125 or Section 402(e)(3) of the Internal Revenue Code of 1986, as amended, applies, or (ii) which provides for the elective deferral of compensation. It shall not include supplemental compensation or any other kind of extra or additional compensation. For purposes of this subsection, base salary paid by Ford Motor Company prior to July 1, 2000 shall be treated as if paid by the Company.

B. **Amount of Executive Separation Allowance.** Subject to any limitation in other provisions of the Plan, the monthly amount of the Executive Separation Allowance of a Participant under Section 2 above shall be such employee's Base Monthly Salary multiplied by a percentage, not to exceed 60%, equal to the sum of (i) 15%, (ii) five tenths of one percent (.5%) for each month (or fraction thereof) that such employee's age at separation exceeds 55, not to exceed thirty percent (30%), and (iii) one percent (1%) for each year of such employee's service in excess of 15, prorated for fractions of a year.

The monthly amount shall be reduced by any payments paid or payable to the Participant, the Participant's surviving spouse, contingent annuitant, or other beneficiary under the Visteon

Pension Plan, the Salaried Retirement Plan of Visteon Systems, LLC, the Ford Motor Company General Retirement Plan, the Ford Motor Company Executive Separation Allowance Plan, or any other private retirement plan, other than the Visteon Corporation Supplemental Executive Retirement Plan or the Ford Motor Company Supplemental Executive Retirement Plan, to which the Company or its subsidiaries shall have contributed. The reduction shall be equal to the monthly benefit that is payable to or on behalf of the Participant assuming commencement of such benefit on the first day of the month following the Participant's attainment of age sixty-five (65), regardless of the date on which such benefits actually commence.

C. **Additional Allowance for Certain Transferred Employees.** A Participant who retired on June 30, 2000 from Ford Motor Company, and who was an Elected Officer on June 28, 2000, shall, upon meeting the eligibility requirements in Section 2, receive the additional allowance equal to the difference between (i) and (ii) below, where:

(i) is the aggregate monthly amount of Executive Separation Allowance to which the Participant would have been entitled under the Ford Motor Company Executive Separation Allowance Plan if the Participant's employment with the Company on and after July 1, 2000, and the Base Monthly Salary attributable to such employment, had instead been employment with, and Base Monthly Salary from, Ford Motor Company; and

(ii) is the aggregate monthly amount of Executive Separation Allowance under the Ford Motor Company Executive Separation Allowance Plan and the Visteon Corporation Executive Separation Allowance Plan to which the Participant is actually entitled.

The additional allowance described in this subsection 3C shall be paid in accordance with the provisions of Section 4 below and shall be paid at the same time and for the same duration as the allowance described in subsection 3B above. The monthly retirement benefits calculated under subsection C above shall be determined based upon the terms of the Ford Motor Company Executive Separation Allowance Plan as in effect on June 30, 2000. The Committee has full

authority and discretion to adjust (including to reduce) the benefit amounts calculated above to reflect changes in the design of the Ford Motor Company Executive Separation Allowance Plan or to take into account such other factors as the Committee, in its sole discretion, deems relevant.

Section 4. **Payments.**

A. **Payments Commencing Prior to January 1, 2007.**

Executive Separation Allowance payments, in the net amount determined in accordance with Section 3B (and if applicable, Section 3C) above, shall be made monthly, commencing either (1) in the case of a Participant whose payments commenced prior to January 1, 2005, on the first day of the month following the Participant's termination of employment, or (2) in the case of a Participant whose payments commenced after December 31, 2004 and prior to January 1, 2007, on the first day of the seventh month following the Participant's Separation from Service. For a Participant whose payments commenced on the first day of the seventh month following the Participant's Separation from Service, the first payment shall equal seven months of allowance payments and thereafter, on the first day of the eighth month following the Participant's Separation from Service, allowance payments shall be made monthly. Payments to a Participant shall cease on the last day of the month in which such employee attains age 65 or dies, whichever occurs first. In the event of death of a Participant prior to attaining age 65 but while receiving allowance payments, or in the event of death during employment of a Participant whose Eligible Surviving Spouse meets the eligibility conditions set forth in Section 2 for payments hereunder, payments shall be made to such Participant's Eligible Surviving Spouse, if any, until the death of such spouse or, if earlier, until the last day of the month in which the Participant would have attained age 65.

Any Executive Separation Allowance payments resumed after reemployment with the Company or a Subsidiary under Section 7 shall be paid on the basis of the percentage of Base Monthly Salary applicable at the time of the initial determination under Section 3B (and if applicable, Section 3C).

B. **Payments Commencing on or After January 1, 2007.**

Executive Separation Allowance payments that commence on or after January 1, 2007 shall be paid to the Participant in the form of a single lump sum payment on the first day of the seventh month following the Participant's Separation from Service.

In the event a Participant who separates from employment with an entitlement to an Executive Separation Allowance dies prior to payment of such allowance, the Executive's Separation Allowance will be paid to the Participant's surviving spouse (or if the Participant is not survived by a spouse, to the Participant's estate) in the form of a single lump sum payment on the first day of the seventh month following the Participant's Separation from Service.

In the event a Participant dies during employment and the Participant is survived by an Eligible Surviving Spouse who meets the eligibility conditions set forth in Section 2 for survivor benefits hereunder, a lump sum payment shall be made to such Participant's Eligible Surviving Spouse. Payment will be made on the first day of the seventh month following the Participant's Separation from Service by reason of death.

The amount of the lump sum payment will be equal to the present value of the monthly amount calculated under Section 3 above, with such present value determined by using (i) for distributions prior to January 1, 2009, the discount rates and mortality tables that were used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's benefit payment date, and (ii) for distributions after December 31, 2008, the discount rates and mortality tables that were used to calculate the obligations for the Plan as disclosed in the Company's audited financial statements for the year ended immediately prior to the year in which occurs the Participant's Separation of Service. (the "Financial Statement Factors"). The lump sum present value is calculated in two ways, and the Participant is entitled to the greater of the two. Under the first calculation, the lump sum is equal to the sum of (i) the lump sum value determined when the monthly amount calculated under Section 3 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service, and (ii) six months of interest, at the rate determined by reference to the

Financial Statement Factors, on the amount determined under clause (i). Under the second calculation, the lump sum is the amount determined when the monthly amount calculated under Section 3 is multiplied by an immediate annuity factor that is determined by reference to the Financial Statement Factors and the Participant's age at Separation from Service plus six months. For purposes of calculating such present value, the monthly amount calculated under Section 3 above shall be assumed to commence with a payment for the month following the month in which occurs the Participant's Separation from Service with monthly payments continuing until the Participant's attainment of age sixty-five (65). If a Participant dies on or after the date on which a lump sum payment of the Participant's benefit has been made, no further benefits are payable following the Participant's death.

Section 5. **Conditions On Eligibility for Benefits.**

Anything herein contained to the contrary notwithstanding, the right of any Participant to receive the Executive Separation Allowance hereunder shall accrue only if, during the entire period ending with the scheduled payment date, such Participant shall have earned out such payment by refraining from engaging in any activity that is directly or indirectly in competition with any activity of the Company or any Subsidiary or Affiliate thereof. The Committee shall have the sole and absolute discretion to determine whether a Participant's activities constitute competition with the Company and the Committee may promulgate such rules and regulations in this regard as it deems appropriate.

In the event of a Participant's nonfulfillment of the condition set forth in the immediately preceding paragraph, the Executive Separation Allowance shall not be paid to such Participant; provided, however, that the nonfulfillment of such condition may at any time (whether before, at the time of, or subsequent to, termination of the Participant's employment) be waived by the Committee upon its determination that, in its sole judgment, there shall have not been, and will not be, any substantial adverse effect upon the Company or any Subsidiary or Affiliate thereof by reason of the nonfulfillment of such condition.

Anything herein contained to the contrary notwithstanding, the Executive Separation Allowance payment shall not be paid to, or with respect to, any person as to whom it

has been determined that such person at any time (whether before, or subsequent to termination of, the employee's employment) acted in a manner detrimental to the best interests of the Company. Any such determination shall be made by the Committee, and shall apply to any amounts payable after the date of the applicable Committee's action hereunder, regardless (in the case of Executive Separation Allowance payments that commenced prior to January 1, 2007) of whether the person has commenced receiving the Executive Separation Allowance**.** Conduct which constitutes engaging in an activity that is directly or indirectly in competition with any activity of the Company or any Subsidiary or Affiliate thereof shall be governed by the immediately preceding paragraphs of this Section 5 and shall not be subject to any determination under this paragraph.

Section 6. **Deductions and Offsets.** Anything contained in the Plan notwithstanding, the Company may deduct from any payment of Executive Separation Allowance to a Participant or such Participant's Eligible Surviving Spouse, at the time such payment is otherwise due and payable under the Plan, all amounts owing to it or an Affiliate by such Participant for any reason, or the Company may offset any amounts owing to it or an Affiliate by the Participant for any reason against the Participant's benefit, whether or not the benefit is then payable, up to the maximum amount that may be offset without violating Code Section 409A).

Section 7. **Person Reemployed by the Company or a Subsidiary.** In the event a Participant who separated from employment with the Company or a Subsidiary prior to January 1, 2007 under circumstances that would make the Participant eligible to receive an Executive Separation Allowance is reemployed by the Company or a Subsidiary before the employee has received payment of the full amount of the employee's Executive Separation Allowance, no further allowance shall be paid during such period of reemployment.

Section 8. **Administration and Interpretation.** Except as the Committee and the Chief Executive Officer and the President are authorized to administer the Plan in certain respects, the Senior Vice President, Human Resources shall have full power and authority on behalf of the Company to administer and interpret the Plan. In the event of a change in a designated officer's title, the officer or officers with functional responsibility for executive separation allowance

plans shall have the power and authority to administer and interpret the Plan. All decisions with respect to the administration and interpretation of the Plan shall be final and shall be binding upon all persons.

Section 9. **Restrictions to Comply with Applicable Law.** Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan, unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

Section 10. **Taxes.** The Company shall withhold from any benefit payment amounts required to be withheld for Federal and State income or other applicable taxes. No later than the date as of which an amount first becomes includible in the income of the Participant for employment tax purposes, the Participant shall pay or make arrangements satisfactory to the Company regarding the payment of any such tax. In addition, if prior to the date of distribution of any amount hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2), where applicable, becomes due, the Company may direct that the Participant's benefit be reduced to reflect the amount needed to pay the Participant's portion of such tax.

Section 11. **Claims Procedure.**

A. **Claim for Benefits.** Any Participant or Eligible Surviving Spouse (hereafter referred to as the "claimant") under this Plan who believes he or she is entitled to benefits under the Plan in an amount greater than the amount received may file, or have his or her duly authorized representative file, a claim with the Committee not later than ninety (90) days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. Any such claim shall be filed in writing stating the nature of the claim, and the facts supporting the claim, the amount claimed and the name and address of the claimant. The Committee shall consider the claim and answer in writing stating whether the claim is granted or denied. If the Committee denies the claim, it shall deliver, within one hundred thirty-five (135) days of the date the first payment was made (or should have been made) in accordance with the

terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A, a written notice of such denial decision. The written decision shall contain (i) the specific reasons for the denial, (ii) a specific reference to the Plan provisions on which the denial is based, (iii) an explanation of the Plan's appeal procedures set forth in subsection (b) below, (iv) a description of any additional material or information which is necessary for the claimant to submit or perfect an appeal of his or her claim, and (v) an explanation of the claimant's right to bring suit under ERISA following an adverse determination upon appeal.

B. **Appeal.** If a claimant wishes to appeal the denial of his or her claim, the claimant or his or her duly authorized representative shall file a written notice of appeal to the Committee within 180 days after the payment (or first payment) is made (or should have been made) in accordance with the terms of the Plan or in accordance with regulations issued by the Secretary of the Treasury under Code Section 409A. In order that the Committee may expeditiously decide such appeal, the written notice of appeal should contain (i) a statement of the ground(s) for the appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Committee shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefor and the expected date of determination prior to commencement of the extension). The Committee's written decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the claimant's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 12. **Participant Rights Unsecured.**

A. **Unsecured Claim.** The right of a Participant or his or her Eligible Surviving Spouse to receive a distribution hereunder shall be an unsecured claim, and neither the

Participant nor any Eligible Surviving Spouse shall have any rights in or against any amount credited to his or her account or any other specific assets of the Company or a Subsidiary or Affiliate. The right of a Participant or Eligible Surviving Spouse to the payment of benefits under this Plan shall not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of a Participant hereunder are exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

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

Section 13. **No Contract of Employment.** The Plan is an expression of the Company's present policy with respect to Company executives who meet the eligibility requirements set forth herein. The Plan is not a contract of employment, nor does it provide any Participant with a right to continue in the employment of the Company or any other entity. No Participant, Eligible Surviving Spouse or other person shall have any legal or other right to any benefit payments except in accordance with the terms of the Plan, and then only while the Plan is in effect and subject to the Company's right to amend or terminate the Plan as provided in Section 14 below.

Section 14. **Amendment or Termination.** There shall be no time limit on the duration of the Plan. However, the Company, by action of the Senior Vice President, Human Resources, may at any time and for any reason, amend or terminate the Plan; provided that the Committee shall have the exclusive amendment authority with respect to any amendment that, if adopted, would increase the benefit payable to the Senior Vice President, Human Resources by more than a de minimis amount; and provided further, that any termination of the Plan shall be

implemented in accordance with the requirements of Code Section 409A. Any Plan amendment or termination may reduce or eliminate a Participant's benefit under the Plan, including, without limitation, an amendment to eliminate future benefit payments for some or all Participants, whether or not in pay status at the time such action is taken.

Section 15. **Administrative Expenses.** Costs of establishing and administering the Plan will be paid by the Company.

Section 16. **No Assignment of Benefits.** No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment, nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Eligible Surviving Spouse.

Section 17. **Successors and Assigns.** This Plan shall be binding upon and inure to the benefit of the Company, its Subsidiaries and Affiliates, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

Section 18. **Designated Payment Date**. Whenever a provision of this Plan specifies payment to be made on a particular date, the payment will be treated as having been made on the specified date if it is made as soon as practicable following the designated date, provided that (a) the Participant is not permitted, either directly or indirectly, to designate the taxable year of payment and (b) payment is made no later than the 15th day of the third calendar month following the designated payment date.

Section 19. **Permitted Delay in Payment**. If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms Federal securities law or any other applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

Section 20. **Disregard of Six Month Delay**. Notwithstanding anything herein to the contrary, if at the time of a Participant's Separation from Service, the stock of the Company or any other related entity that is considered a "service recipient" within the meaning of Section 409A of the Code is not traded on an established securities market or otherwise, then the provision of the Plan requiring that payments be delayed for six months following Separation from Service shall cease to apply. In such event, in the case of a benefit payment of which is triggered by the Participant's Separation from Service, the lump sum payment of a Participant's benefit shall be made within 90 days following the Participant's Separation from Service.

VISTEON CORPORATION

Dorothy L. Stephenson
Senior Vice President, Human Resources

December 18, 2008
Date

EXHIBIT 10.18

HOURLY EMPLOYEE CONVERSION AGREEMENT

This Agreement relating to certain employment and labor matters and employee benefit plans ("Hourly Employee Conversion Agreement") dated effective as of December 22, 2003 is made and entered into by and among Visteon Corporation, a Delaware corporation ("Visteon") and Ford Motor Company, a Delaware corporation ("Ford").

RECITALS

1. Visteon employs directly approximately 584 U.S. hourly employees ("Visteon Employees") who are engaged in the business of manufacturing and assembling automotive parts and services ("Visteon Business").

2. The Visteon Employees are represented by the International Union, United Automobile Aerospace and Agricultural Implement Workers of America, UAW and its affiliated Locals 228, 400, 600, 723, 737, 845, 849, 892, 898, 1111, 1216, and 1895 (collectively, "UAW" or the "Union") and are covered under the terms and conditions of the Visteon-UAW Collective Bargaining Agreement dated June 29, 2000, and any extensions or successor agreements and various local agreements by and between Visteon and the UAW ("Visteon CBA").

3. Pursuant to the terms of a Memorandum of Understanding dated as of September 15, 2003 by and between the UAW, Ford and Visteon, the Parties thereto agreed that all Visteon Employees hired during the term of the 1999-2003 UAW-Ford Collective Bargaining Agreement would be deemed to be "Ford Employees" and would be covered in all respects by successive UAW-Ford National Agreements so long as they remain Ford Employees and during their retirement.

4. Accordingly, the Parties desire that Visteon transfer to Ford the Visteon Employees as of the Transition Date as hereafter defined and the Transferred Employees shall become immediately subject to the terms and conditions of the collective bargaining agreement effective as of September 15, 2003 by and between Ford and the UAW ("Ford CBA").

5. Pursuant to the terms of the Amended and Restated Hourly Employee Assignment Agreement dated as of April 1, 2000 by and between Visteon and Ford, and as such agreement may be further amended ("Assignment Agreement"), the Visteon Employees will be assigned to work in the Visteon Business unless otherwise deployed by Ford. If assigned to Visteon, Transferred Employees will be considered "Ford Assigned Employees" as defined in the Assignment Agreement or as defined in any amendments, whether now or in the future, to such Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Unless otherwise defined herein, the capitalized terms used herein shall have the following meanings:

1.01 "EMPLOYEE CENSUS" shall mean the employee census described in Section 2.01.

1.02 "GOVERNANCE COUNCIL" shall mean the governance council established pursuant to Section 6 of the Relationship Agreement between Ford and Visteon to be dated subsequent to the date of this Agreement, or if not executed, the Governance Council shall mean those persons with decision-making authority regarding the dispute.

1.03 "INSURANCE CONVERSION DATE" shall mean January 1, 2004, at 12:01 a.m.

1.04 "TRANSFERRED EMPLOYEES" SHALL MEAN

(i) Active Visteon Employees as defined in Section 1.06(i) who are transferred to Ford pursuant to the terms hereof and who are at work on the day immediately prior to the Transition Date including those on contractual paid time off (i.e., Jury Duty Pay, Bereavement Pay, Short Term Military Pay, Vacation Pay and Paid Holiday);

(ii) Inactive Visteon Employees as defined in Section 1.06(ii) who are transferred pursuant to the terms hereof, whether or not they return to active employment;

(iii) Visteon Employees who have a break in seniority but who are subsequently restored to seniority, with or without filing a grievance, shall be included as a Transferred Employee on the date such seniority is restored, and the Insurance Conversion Date shall be the first of the month following the date seniority is restored; and

1.05 "TRANSITION DATE" shall mean December 22, 2003, or such other time as provided under the terms of this Agreement with respect to an individual employee.

1.06 "VISTEON EMPLOYEES" SHALL MEAN

(i) U.S. persons represented by the Union, who have seniority status under the Visteon CBA as of the day immediately prior to the Transition Date, who are full-time employees, and who are actively at work at Visteon on the day immediately prior to the Transition Date including those on contractual paid time off with reinstatement rights (i.e., Jury Duty Pay, Bereavement Pay, Short Term Military Pay, Vacation, Paid Holiday), and those on reduced or alternate work schedules ("Active Visteon Employees"); and

(ii) U.S. persons represented by the Union on full time status who are not at work at Visteon the day immediately prior to the Transition Date but who have retained seniority status under the Visteon CBA and who, under the terms of the Visteon CBA, are entitled to reinstatement on return to employment, including those on leave of absence, layoff status, workers' compensation leave or long term disability leave ("Inactive Visteon Employees"). For avoidance of doubt, Inactive Visteon Employees shall not include Visteon employees without reinstatement rights such as former Visteon employees who have terminated service by quit, death or probationary layoff.

ARTICLE II

EMPLOYMENT RESPONSIBILITY

2.01 EMPLOYEE CENSUS.

An employee census is attached as Schedule 2.01 ("Employee Census"). The Employee Census sets forth:

(i) a list of all Active Visteon Employees by name and social security number;

(ii) a list of all Inactive Visteon Employees by name and social security number;

(iii) the job classification of each Visteon Active or Inactive Employee;

(iv) the Visteon Service Date of each Visteon Active or Inactive Employee;

(v) the wage rate applicable to each Visteon Active or Inactive Employee; and

(vi) the reason for any absence of any Visteon Inactive Employee and the date any leave expires.

Visteon shall revise the Employee Census as of the Transition Date to reflect any applicable changes. The revised Employee Census shall be delivered to Ford within ten days of the Transition Date.

2.02 EMPLOYMENT TRANSFER AND TERMS OF EMPLOYMENT.

Visteon shall transfer the employment of Visteon Employees to Ford effective as of the Transition Date and such employees shall become Transferred Employees effective on the Transition Date. On such date, the Transferred Employees shall be subject to the terms and conditions of the Ford CBA.

2.03 SENIORITY.

Ford shall recognize Visteon seniority under the Visteon CBA earned as of the Transition Date as if such seniority were seniority under the Ford CBA. Ford shall recognize Visteon service for all purposes under the Ford- UAW benefit plans as if such service were Ford service, assuming Ford receives appropriate benefit asset transfers from Visteon as described in Article III.

2.04 TRANSPARENCY.

Except as otherwise provided in this Agreement, for all purposes under the Ford CBA, Ford shall recognize the Transferred Employee's employment history at Visteon, including, but not limited to attendance, discipline, vacation records and all other types of employment records or transactions with respect to a Transferred Employee, as if the Transferred Employee had been covered under the Ford CBA since the date of hire at Visteon.

2.05 GRIEVANCES.

All unresolved grievances pertaining to Visteon Employees as of the Transition Date shall be processed to conclusion under the terms of the Visteon CBA. Ford and Visteon shall consult with each other concerning cases that may establish precedents with respect to the interpretation of each other's collective bargaining agreements. A former Visteon employee who filed a grievance over a discharge prior to the Transition Date and who is ultimately reinstated to work pursuant to the Visteon grievance procedure after the Transition Date shall be reinstated as a Transferred Employee. The Insurance Conversion Date for such an employee shall be the first day of the month following the reinstatement date. While the grievance is pending, Visteon shall retain full responsibility for such former Visteon employee for all purposes to the extent provided in the Visteon CBA.

2.06 JOINT PROGRAMS.

Any local training fund balances accrued under the Visteon CBA as of the Transition Date shall continue to be used for the employees of the plant, regardless of whether they are Transferred Employees, employees of Ford assigned to Visteon under the Assignment Agreement or employees hired by Visteon after the Transition Date (to

the extent permitted under any applicable CBA), as agreed by the UAW-Ford NEDTEC Joint Governing Body.

2.07 EMPLOYMENT AND MEDICAL RECORDS.

(a) EMPLOYMENT RECORDS. Visteon shall transfer to Ford any employment records of any kind related to the Transferred Employees as soon as practicable after the Transition Date. To the extent that any state law requires employee consent to such transfer, the Parties shall use their respective best efforts to obtain employee consent to such transfer. Employee records shall remain in the physical custody of the appropriate Visteon hourly labor supervisors at the plants where the Visteon Employees are assigned to work as of the Transition Date. In the event a Transferred Employee is reassigned to a non-Visteon location, Visteon shall cause the employment records to be transferred to the receiving location as soon as practicable following the reassignment.

(b) MEDICAL RECORDS. For purposes of this Section (b), a "medical record" shall include, but is not limited to, reports, histories and physicals, progress notes, and other patient information (e.g., x-rays and x-ray readings, medical surveillance examinations, laboratory reports, operative reports, consultations, etc.). The medical record may be maintained in hard copy and/or on computerized systems.

Visteon confirms that all Visteon Employees received a post-offer preplacement health assessment prior to hire at Visteon and that the assessment, the equivalent of a Ford post-offer preplacement screen, included the following: Medical history, height, weight, blood pressure, pulse, full visual acuity, urine testing for sugar and albumin, urine drug testing and physical examination. Ford shall not require a post-offer pre-placement screen for a Transferred Employee.

Visteon shall conduct exit health assessments for all Transferred Employees enrolled in a medical surveillance program prior to the Transferred Employee leaving the Visteon facility to return to a Ford facility. Transferred Employees whose most recent assessments were conducted more than six months before the date of return to the Ford facility shall be given an exit health assessment for the medical surveillance program(s) that they were enrolled in.

For the period that the Transferred Employee continues to work at the Visteon facility, the medical record will be retained at the Visteon location but Ford shall have access to such record as

reasonably required. If the Transferred Employee transfers from a Visteon location to a Ford location after the Transition Date, the Visteon location will retain the original medical record. Visteon will copy the entire medical record that is hard copy and send to Ford within thirty (30) days of the transfer. Ford will incur any reasonable costs associated with the copying and mailing of the medical record. In addition, upon request of the Ford location, Visteon will provide Ford with a copy of the computerized record if available. Ford will incur any reasonable costs associated with the copying and mailing of the computerized medical record.

ARTICLE III

EMPLOYEE BENEFIT PLANS

3.01 DEFINED BENEFIT PENSION PLANS.

(a) FORD-UAW RETIREMENT PLAN.

The Ford-UAW Retirement Plan shall provide retirement benefits for credited service on or after the Transition Date for Transferred Employees subject to the following:

(i) For purposes of determining vesting and eligibility for benefits, service credited under the Visteon-UAW Retirement Plan shall be recognized under the Ford-UAW Retirement Plan; and

(ii) Subject to receipt of the asset transfer described below, the Ford-UAW Retirement Plan shall pay a benefit related to service with Visteon prior to the Transition Date.

After the Transition Date, Transferred Employees shall participate in the Ford-UAW Retirement Plan and shall accrue the same benefits for service as those other Ford hourly employees represented by the UAW who participate in the Ford-UAW Retirement Plan.

(b) LIABILITY AND ASSET TRANSFERS FROM THE VISTEON-UAW RETIREMENT PLAN TO THE FORD-UAW RETIREMENT PLAN.

(i) Visteon and Ford shall take such steps that are necessary to transfer to the Ford-UAW Retirement Plan any credited service and benefits accrued under the Visteon-UAW Retirement Plan with respect to a Transferred Employee to the date immediately prior to the Transition Date to the extent permitted by law provided the Ford-UAW Retirement Plan and the Visteon-UAW Retirement Plan each respectively retain their tax-qualified status after the

transfer and the Ford-UAW Retirement Plan is not required to be amended to provide for any additional benefit rights or features not currently contained in the Ford-UAW Retirement Plan, except as specifically provided in this Section. Visteon shall amend the Visteon-UAW Retirement Plan to vest Transferred Employees in 100% of their benefits accrued under the Visteon-UAW Retirement Plan prior to the transfer of liabilities and assets to the Ford-UAW Retirement Plan as described in this subparagraph (b). Ford shall amend the Ford-UAW Retirement Plan, subject to Union approval, to provide that credited service under the Visteon-UAW Retirement Plan with respect to a Transferred Employee shall be treated for all purposes as Ford-UAW Retirement Plan credited service. Future service shall be accrued under the Ford-UAW Retirement Plan. A Transferred Employee shall not be treated as having a separation from employment for purposes of the Visteon-UAW Retirement Plan or the Ford-UAW Retirement Plan and shall not be entitled to an immediate distribution of plan benefits solely because of the employment transfer.

(ii) As soon as practicable after the latest of (A) the date on which the PBO Value is determined and verified pursuant to (iii) below, (B) the expiration of thirty days following the filing, if required, of Form 5310 with the IRS and PBGC in respect of the Ford-UAW Retirement Plan and the Visteon-UAW Retirement Plan ("Asset Transfer Date"), Visteon shall cause the trustee of the Visteon-UAW Retirement Plan to transfer assets to the Ford-UAW Retirement Plan in an amount equal to the PBO Value as determined in (iii) below. The assets shall consist of cash or cash equivalents, or marketable securities, and shall include interest from the Transition Date until the Asset Transfer Date at the 90 day Treasury Bill rate on a bond equivalent yield in effect on the last business day of the month immediately preceding the Payment Date, as quoted in the Wall Street Journal.

(iii) As of a date mutually agreed by Visteon and Ford ("Valuation Date"), in respect of each Transferred Employee then a participant in the Visteon-UAW Retirement Plan, the Visteon Actuary shall measure the projected benefit obligation, as defined in SFAS No. 87, of the liabilities related to the Transferred Employees as of the Transition Date ("Transferred Employee PBO Value" or "PBO Value") in accordance with the principles stated below:

(A) The present value of liabilities will be determined under SFAS No. 87 as the projected benefit obligation, using the actuarial assumptions and methods that are published in the most recent actuarial valuation for accounting purposes adjusted to reflect current condition (e.g. accelerated vesting) not reflected in the most recent valuation for the Visteon-UAW Retirement Plan prepared by Towers Perrin; and

(B) A discount rate as of the Transition Date equal to the annual effective yield equivalent to the nominal semi-annual yield published by Moody's Investors Service at www.Moodys.com for its AA Corporate Bond Index, rounded to the nearest 1/4%, provided such rate is a reasonable proxy for the Ford SFAS 87 discount rate for the Ford-UAW Retirement Plan in effect as of the Valuation Date. If such rate is not a reasonable proxy as determined solely by Ford, then the Visteon Actuary and the Ford Actuary shall determine an acceptable discount rate no later than thirty days after the Transition Date.

In no event shall the PBO Value as calculated on the basis described above result in an asset transfer less than the amount necessary to reflect the requirements of the provisions of Code Section 411(d) and 414(1) and the Treasury Regulations issued thereunder and the actuarial methods and assumptions established by the PBGC with respect to spin-offs of pension plans where liabilities, for purposes of Code Section 411(d) and 414(1), are calculated using a discount rate or rates and other assumption specified by the PBGC and in effect for plans terminating on the Valuation Date. The determination of the PBO Value by the Visteon Actuary shall be submitted to the Ford Actuary for verification but such verification shall relate only to the calculation of the PBO Value on the basis set forth above. If the Visteon Actuary and the Ford Actuary are unable to agree on a verification, Visteon and Ford shall jointly designate a third independent actuary whose verification shall be final and binding. Ford and Visteon shall each pay one-half of the costs of such third actuary.

(iv) Assets transferred pursuant to this Section 3.01 shall increase the balance of the Visteon Pension Account described in Section 1.1 of Attachment A to the Assignment Agreement. If a Transferred Employee thereafter ceases to be a Ford Assigned Employee as

defined in the Assignment Agreement, Visteon's pension obligation to Ford and the balance of the Visteon Pension Account shall be reduced in accordance with Section 9 of Attachment A to the Assignment Agreement.

3.02 ASSET TRANSFER-RETIREE HEALTH CARE AND LIFE INSURANCE OBLIGATIONS.

Visteon will pay to Ford an amount equal to the SFAS 106 APBO transferred to Ford with respect to the Transferred Employees to the extent the Transferred Employee is not assigned to a Visteon plant location under the terms of the Assignment Agreement. The amount shall be calculated in a manner that is consistent with the calculation of the pension asset transfer provided in Section 3.01(b) above.

3.03 SAVINGS PLANS.

Visteon Employee contributions to the Visteon Investment Savings Plan for Hourly Employees (VISPHE) shall cease effective with the first pay period beginning after the Transition Date. Transferred Employees as of the Transition Date may commence pretax and after tax contributions up to an aggregate of 40% of base wages in the Ford Motor Company Tax Efficient Savings Plan for Hourly Employees ("TESPHE") beginning as of the first pay ending date after the Transition Date. Unless otherwise modified, the contribution elections that the Transferred Employee had in place under VISPHE shall be honored by the TESPHE.

Transferred Employees may elect a direct rollover of their account balances in VISPHE to the TESPHE during a period beginning on the Transition Date and ending on January 9, 2004 ("Election Period"), unless a different period is agreed by the Parties. Outstanding VISPHE loan balances of Transferred Employees who elect a direct rollover of their account balance will be transferred to TESPHE.

Contributions to TESPHE after the Transition Date and account balances of Transferred Employees who elect a direct rollover as described in the preceding paragraph will be mapped as provided in Schedule 3.03 to identical or substantially similar investment options if available under TESPHE. To the extent there is no identical or substantially similar investment option available under TESPHE, such account balances will be transferred to the TESPHE Interest Income Fund until redirected by the Transferred Employee. Investments in the VISPHE Visteon Stock Fund will be liquidated as of market close on the date the rollover election becomes effective and an amount equal to the realized cash will be invested in the TESPHE Interest Income Fund.

Transferred Employees who do not elect a direct rollover to TESPHE may retain their account balances of $3,500 or more in VISPHE or withdraw them at any time after the Transition Date. VISPHE accounts with balances less than $3,500 will be distributed to the Transferred Employees who do not elect a direct rollover as described above. Transferred Employees with outstanding loan balances in VISPHE who elect to leave their account balances in VISPHE will be provided with coupon books for monthly loan repayments. Outstanding loans of Transferred Employees who receive a distribution from VISPHE will be defaulted and foreclosed unless repaid prior to distribution.

After the Election Period, TESPHE will accept rollovers of eligible VISPHE distributions if so elected by the Transferred Employee on the same basis as TESPHE receives rollovers from other employer's qualified defined contribution plans. For avoidance of doubt, after the Election Period, TESPHE will not accept a rollover of any loan and the rollover distribution will not be mapped as provided in Schedule 3.03.

Ford and Visteon agree to use their best efforts to request and obtain any approvals necessary from the Internal Revenue Service and to make any amendments to their plans and trusts as may be necessary or appropriate to effect the transfers contemplated by these provisions. Visteon shall give notice to VISPHE plan participants of any applicable black-out period to the extent required under federal law.

3.04 HEALTH BENEFITS.

Transferred Employees as of the Transition Date shall be eligible for the Ford-UAW HSMDDV Program effective as of the Insurance Conversion Date. Such employees shall be subject to the Ford waiting period for such coverages but Visteon service will be counted towards the waiting period. The Ford-UAW alternative plans shall be available to Transferred Employees based on such employee's zip code of residence or work zip code. Visteon shall continue coverage for Transferred Employees under the Visteon-UAW HSMDDV Program until the Insurance Conversion Date.

3.05 LIFE INSURANCE PROGRAMS.

(a) COMPANY PAID LIFE INSURANCE COVERAGE.

Transferred Employees as of the Transition Date shall be eligible for coverage through the Ford-UAW Group Life Insurance Program effective as of the Insurance Conversion Date. Transferred Employees shall be required to execute a new beneficiary designation form, as required by Ford's plan administrator. In the event of a death prior to receipt of a new beneficiary designation form, Ford shall use the last beneficiary form of record under the Visteon-UAW Group Life Insurance Program. Visteon shall continue coverage for Transferred Employees under the Visteon-UAW Group Life Insurance Program until the Insurance Conversion Date.

(b) EMPLOYEE PAID OPTIONAL LIFE INSURANCE COVERAGE, DEPENDENT GROUP LIFE INSURANCE AND OPTIONAL ACCIDENT INSURANCE.

Payroll deduction of premiums for optional life insurance coverage, dependent group life insurance coverage and optional accident insurance coverage under the Visteon employee paid optional insurance programs shall cease the day prior to the Insurance Conversion Date. Transferred Employees shall have current Visteon coverage amounts continued under the Ford optional life insurance program, the dependent group life insurance

program and the optional accident insurance program with coverage to be effective on the Insurance Conversion Date. Transferred Employees shall be required to execute a new beneficiary designation form, as required by Ford's plan administrator, in the case of optional life coverage. In the event of a death prior to receipt of a new beneficiary designation form, Ford shall use the last beneficiary form of record under the Visteon employee paid optional life insurance program.

(c) ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Visteon shall continue coverage for Transferred Employees under the Visteon-UAW Accidental Death and Dismemberment Insurance Program until the Insurance Conversion Date. Transferred Employees as of the Transition Date shall be eligible for coverage through the Ford-UAW Accidental Death and Dismemberment Insurance Program effective as of the Insurance Conversion Date. In the event of accidental death, Ford shall use the beneficiary designated under the Ford-UAW Life Insurance Program.

(d) SEAT BELT USER PROGRAM

Transferred Employees shall be eligible for coverage through the Ford Safety Belt User Program for accidents that occur on or after the Insurance Conversion Date. If the accident occurs prior to the Insurance Conversion Date, but the loss of life occurs after the Insurance Conversion Date, Visteon shall be responsible for payment of any benefit under the Visteon Safety Belt User Program.

3.06 DISABILITY INSURANCE PROGRAMS.

Transferred Employees as of the Transition Date shall be eligible for coverage through the Ford-UAW Disability Insurance Program (Accident and Sickness Insurance and Extended Disability Benefits) effective as of the Insurance Conversion Date. Visteon shall continue coverage for Transferred Employees under the Visteon-UAW Disability Insurance Program (Accident and Sickness Insurance and Extended Disability Benefits) until the Insurance Conversion Date.

3.07 SUB/GIS.

Transferred Employees employed on or after the Transition Date shall be covered under the Ford-UAW SUB Plan and GIS Program assuming they meet Ford's eligibility requirements for coverage. Inactive Visteon Employees who attempt to return to work at Ford from workers' compensation leave or long term disability leave with no restrictions but who cannot otherwise be placed at work shall be covered under the Ford-UAW SUB Plan and GIS Program assuming they meet Ford's eligibility requirements for coverage.

3.08 UAW-FORD LEGAL SERVICES PLAN.

Cases opened prior to the Transition Date shall be completed under the Visteon CBA. Cases opened on or after the Transition Date shall be completed under the Ford CBA.

ARTICLE IV

OTHER EMPLOYEE MATTERS

4.01 WORKERS' COMPENSATION (W.C.).

All claims and liabilities, which relate to injuries affecting Transferred Employees that occur on or after the Transition Date shall be processed under the Ford self-insured W.C. Program. All claims and liabilities which relate to injuries affecting Transferred Employees Which occurred prior to the Transition Date shall be processed to conclusion under the Visteon self insured W.C. Program.

4.02 PROFIT SHARING.

Transferred Employees shall become eligible to participate in the Profit Sharing Plan for Hourly Employees of Ford Motor Company ("Ford Profit Share Plan") on or after the Transition Date, but shall receive a profit share for the entire calendar year 2003 based on Ford profits, if any, for 2003. Any profit share payable under the Ford Profit Share Plan shall be payable to the extent and according to the timing specified in the Ford Profit Share Plan. Visteon shall reimburse Ford for the cost of the 2003 profit share payments under the terms of the Assignment Agreement, even with respect to any Transferred Employees who are not currently assigned to Visteon locations under the Assignment Agreement at the time the profit share payment is paid. In addition, Ford shall pay a prorated Ford profit share in respect of any Visteon employee who died during 2003, with the cost to be recovered from Visteon through the Assignment Agreement.

4.03 VEHICLE PURCHASE PLAN.

On or after the Transition Date, Transferred Employees shall be eligible to participate in the Ford Vehicle Purchase and Assignment Plans applicable to Ford-UAW hourly employees. To the extent sales were entered into prior to the Transition Date, they shall be completed under the terms of the Visteon CBA.

4.04 FAMILY SUPPORT, GARNISHMENTS AND LEGAL HOLDS.

(a) FAMILY SUPPORT.

Ford shall notify governmental agencies in advance of the Transition Date of the change of employer in order that such agencies may refile with Ford.

(b) GARNISHMENTS.

Neither Visteon nor Ford shall notify any creditor of a Transferred Employee of the change of employer. A Visteon Employee or a Transferred Employee may notify his or her creditor of the change of employer.

(c) LEGAL HOLDS.

Ford shall Inform the applicable courts in advance of the Transition Date of the change of employer and the need to refile with Ford.

4.05 EMPLOYEE WAGE AND BENEFIT LIABILITIES

Visteon shall pay, discharge and be responsible for (i) all wages and other compensation arising out of or relating to the employment of the Transferred Employees prior to the Transition Date; (ii) any benefits arising under Visteon employee benefit plans and programs relating to claims incurred or events that took place prior to the Transition Date, including benefits with respect to claims incurred prior to the Transition Date but reported after the Transition Date; and (iii) workers' compensation claims, expenses, liabilities, or administrative responsibilities of any kind whatsoever with respect to injuries incurred prior to the Transition Date, regardless of when reported.

Ford shall pay, discharge and be responsible for (i) all wages and other compensation arising out of or relating to the employment of the Transferred Employees on or after the Transition Date; (ii) any benefits arising under the Ford CBA applicable to Transferred Employees relating to claims incurred or events that took place on or after the Transition Date with respect to insurance claims; and (iii) workers' compensation claims, expenses, liabilities, or administrative responsibilities of any kind whatsoever with respect to injuries incurred after the Transition Date.

4.06 COMMUNICATIONS

No communication to or with respect to Visteon Employees covering the transactions contemplated by this Agreement shall be released without the mutual agreement of Visteon and Ford.

ARTICLE V

INDEMNIFICATION

5.01 INDEMNITY.

Ford shall indemnify Visteon against and agrees to hold it harmless from any and all damage, loss, claim, liability and expense (including without limitation, reasonable attorneys' fees and expenses in connection with any action, suit or proceeding brought against Visteon) incurred or suffered by Visteon arising out of (i) breach of any agreement made by Ford hereunder; (ii) employment claims of Transferred Employees

based on conditions or actions of Ford which arise or take place subsequent to the Transition Date; or (iii) any claim by Transferred Employees (or their dependents or beneficiaries), arising out of or in connection with the operation, administration, funding or termination of any of Ford's employee benefit plans or programs applicable to Transferred Employees after the Transition Date, including, without limitation, claims made to the to the Pension Benefit Guaranty Corporation ("PBGC"), the Department of Labor ("DOL"), or Internal Revenue Service ("IRS").

Visteon shall indemnify Ford against and agrees to hold it harmless from any and all damage, loss, claim, liability and expense (including without limitation, reasonable attorneys' fees and expenses in connection with any action, suit or proceeding brought against Ford) incurred or suffered by Ford arising out of (i) breach of any agreement made by Visteon hereunder; (ii) employment claims of Transferred Employees whenever made based on conditions or actions of Visteon which arose or took place prior to the Transition Date; or (iii) any claim by Transferred Employees (or their dependents or beneficiaries), arising out of or in connection with the operation, administration, funding or termination of any of Visteon's employee benefit plans or programs applicable to Transferred Employees prior to the Transition Date or in connection with the operation and administration of any such plans on or after the Transition Date, including, without limitation, claims made to the PBGC, the DOL or IRS.

5.02 PROCEDURE FOR INDEMNITY.

The procedure for indemnification under this Article V shall be the same procedure set forth in Section 7(c) through (j) of the Master Transfer Agreement between Ford and Visteon dated April 1, 2000.

ARTICLE VI

GENERAL PROVISIONS

6.01 TERMINATION.

This Agreement may be terminated at any time before the Transition Date, without liability on the part of any Party hereto exercising such right of termination, by the mutual consent of the Parties as evidenced by an instrument in writing.

6.02 NO THIRD-PARTY BENEFICIARIES.

No provision of this Agreement is intended or shall be construed to confer upon any person other than the Parties hereto any rights or remedies of any nature or kind whatsoever, including but not limited to Transferred Employees.

6.03 AMENDMENTS.

No amendment to this Agreement will be binding upon either Party unless it is in writing and is signed by a duly authorized representative of each Party. This Agreement supercedes any prior agreements between the Parties concerning the subject matter herein.

6.04 WAIVERS AND EXTENSIONS.

Either Party to this Agreement may waive any right, breach, or default, which such Party has the right to waive, provided that such waiver will not be effective against the waiving Party unless it is in writing, is signed by such Party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any proceeding or succeeding breach thereof nor of any other agreement or provision herein contained. No waiver or extension of time for performance of any obligations or acts shall be deemed a waiver or extension of the time for performance of any other obligations or acts.

6.05 TITLES AND HEADINGS.

Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

6.06 SCHEDULES.

Each of the Schedules referred to herein and attached hereto is an integral part of this Agreement and is incorporated herein by reference.

6.07 ASSIGNMENT.

This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns, but no rights, interests or obligations of either Party herein may be assigned without the prior written consent of the other, which consent shall not be unreasonably withheld.

6.08 SEVERABILITY.

If any provision of this Agreement, or portion thereof, is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such provision, or portion thereof, shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this Agreement shall remain in full force and effect.

6.09 GOVERNING LAW.

This Agreement will be construed and enforced in accordance with the laws of the State of Michigan, excluding its conflict of laws rules. Each Party consents, for purposes of enforcing this Agreement, to personal jurisdiction, service or process and venue in any state or federal court within the State of Michigan having jurisdiction over the subject matter. The Parties exclude the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods, if otherwise applicable.

6.10 NOTICES.

Any notice under this Agreement must be in writing (letter, facsimile) and will be effective when received by the addressee at its address indicated below. The Parties by notice may designate other addresses to which notices will be sent.

If to Ford:

Ford Motor Company
Office of the Secretary
One American Road
11th Floor World Headquarters
Dearborn, Michigan 48126-2798
Fax:(313)248-7036

If to Visteon:

Visteon Corporation
One Parklane Boulevard, Ste. 728 East
Dearborn, Michigan 48126
Attention: General Counsel
Fax:(313)755-2342

All such notices and communications hereunder shall be deemed given when received, as evidenced by the acknowledgment of receipt issued with respect thereto by the applicable postal authorities, or the signed acknowledgment of the receipt of the person to whom such notice or communication shall have been addressed, or facsimile transmission answerback, as applicable.

6.11 FORCE MAJEURE.

If the failure of any Party hereto to fulfill its obligations within the time periods set forth in this Agreement arises because of circumstances such as acts of God, acts of government, floods, fires, explosions accidents, strikes or other labor disturbances, wars, civil insurrection, sabotage terrorist action, nuclear or environmental disaster or other similar circumstances wholly outside the control of the defaulting Party (collectively, "Force Majeure Event"), then such failure shall be excused hereunder for the duration of such Force Majeure Event.

6.12 TIME OF THE ESSENCE.

Time is strictly of the essence in the performance of every covenant, obligations or promise set forth in this Agreement.

6.13 DISPUTE RESOLUTION.

If a dispute arises between the Parties relating to this Agreement, the following shall be the sole and exclusive procedure for enforcing the terms hereof and for seeking relief, including but not limited to damages, hereunder; provided, however, that a Party

may seek injunctive relief from a court where appropriate solely for the purpose of maintaining the status quo while this procedure is being followed:

(a) The Parties promptly shall hold a meeting of the Governance Council to attempt in good faith to negotiate a mutually satisfactory resolution of the dispute; provided, however, that no Party shall be under any obligation whatsoever to reach, accept or agree to any such resolution; provided further, that no such meeting shall be deemed to vitiate or reduce the obligations and liabilities of the Parties or be deemed a waiver by a Party hereto of any remedies to which such Party would otherwise be entitled.

(b) If the Parties are unable to negotiate a mutually satisfactory resolution as provided above, any Party may so notify the other. In that event, the Parties agree to participate in good faith in mediation of the dispute. Such mediation shall conclude no later than forty-five (45) days from the date that the mediator is appointed. If the Parties are not successful in resolving the dispute through mediation, then the Parties agree to submit the matter to binding arbitration before a sole arbitrator in accordance with the CPR Rules for Non-Administered Arbitration. Within five business days after the selection of the arbitrator, each Party shall submit its requested relief to the other Party and to the arbitrator with a view toward settling the matter prior to commencement of discovery. If no settlement is reached, then discovery shall proceed. Upon the conclusion of the discovery, each Party shall again submit to the arbitrator its requested relief (which may bemodified from the initial submission) and the arbitrator shall select only the entire requested relief submitted by one Party or the other, as the arbitrator deems most appropriate. The arbitrator shall not select one Party's requested relief as to certain claims or counterclaims and the other Party's requested relief as to other claims or counterclaims. Rather, the arbitrator must only select one or the other Party's entire requested relief on all of the asserted claims and counterclaims, and the arbitrator will enter a final ruling that adopts in whole such requested relief. The arbitrator will limit the arbitrator's final ruling to selecting the entire requested relief the arbitrator considers the most appropriate from those submitted by the Parties.

(c) Mediation and, if necessary, arbitration shall take place in the City of Dearborn, Michigan unless the Parties agree otherwise or the mediator or the arbitrator selected by the Parties orders otherwise. Punitive or exemplary damages shall not be awarded. This clause is subject to the Federal Arbitration Act, 28 U.S.C.A. Section 1, et seq., or comparable legislation in non-U.S. jurisdictions, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction.

6.14 COUNTERPARTS.

This Agreement may be executed in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

This Agreement may be executed in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

IN WITNESS WHEREOF, Ford and Visteon have caused this Agreement to be executed in multiple counterparts by their duly authorized representatives.

FORD MOTOR COMPANY	VISTEON CORPORATION
By: /s/ Don Leclair	By: /s/ Daniel R. Coulson
Title: Group Vice President & CFO	Title: Executive Vice President & Chief Financial Officer
Date: 12/19/03	Date: 12/19/03

AMENDMENTS TO
VISTEON CORPORATION
NON-EMPLOYEE DIRECTOR STOCK UNIT PLAN
(the "Directors' Unit Plan")

As approved by the Board of Directors on March 27, 2009, paragraph (h) of Section 2 of the Directors' Unit Plan shall be amended to read as follows:

(h) "Exchange" means the principal securities exchange on which the Company's stock is traded or the over-the-counter market if the Company's stock is not traded on a securities exchange.

As approved by the Board of Directors on March 27, 2009, paragraph (a) of Section 4 of the Directors' Unit Plan shall be amended to read as follows:

(a) Mandatory Deferrals. On the day after the date of each regular annual meeting of stockholders of the Company, the Mandatory Deferral Account of each Participant who is then an Outside Director shall be credited with a number of additional Visteon Stock Units equal to the result obtained by (i) dividing (A) $70,000; provided, however, that such amount shall be $59,925 from and after April 1, 2009 until such time as the Board shall determine that a higher amount up to $70,000 shall be in effect (B) by the average of the high and low prices at which a share of Company Stock shall have been sold on the Exchange on such date; and (ii) rounding the quotient to four decimal places (each a "Mandatory Deferral").

As approved by the Board of Directors on March 27, 2009, Sections 5(a), 6(c)(1) and 6(c)(2) of the Directors' Unit Plan shall be amended by deleting the phrase "regular way" everywhere it appears therein.

Exhibit 10.21

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, which was originally effective June 1, 2006 (the "Effective Date") and is hereby amended and restated effective as of October 3, 2008 (the "Restatement Date"), is made by and between **Visteon Corporation**, a Delaware corporation (the "Company"), and **Terrence G. Gohl** (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its stockholders to foster the continued employment of key management personnel; and

WHEREAS, the Board recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the Effective Date and shall continue in effect through the fifth anniversary of the Effective Date; provided, however, that commencing on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the Term shall automatically be extended for one additional year unless, not later than 90 days prior to each such date, the Company or the Executive shall have given notice not to extend the Term; and provided, further, that if a Change in Control shall have occurred during the Term, the Term shall expire no earlier than 24 months beyond the month in which such Change in Control occurred.

3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants set forth in Section 4 hereof, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described herein. Except as provided in Section 9.1 hereof, no Severance Payments shall be payable under this Agreement unless there shall have been (or, under the terms of the second sentence of Section 6.1 hereof, there shall be deemed to have been) a termination of the Executive's employment with the Company following a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise

agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.

4. The Executive's Covenants.

4.1 The Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control during the Term, the Executive will remain in the employ of the Company until the earliest of (i) a date which is six months from the date of such Potential Change of Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Executive's employment for any reason.

4.2 The Executive agrees that, during the Term and for a period ending on the date 18 months after a termination of the Executive's employment following a Change in Control under circumstances entitling the Executive to payments and benefits under Section 6 hereof, the Executive will not, without the prior written consent of the Chairman of the Board or the Chief Executive Officer of the Company, engage in or perform any services of a similar nature to those performed by the Executive at the Company for any other corporation or business which is primarily engaged in the design, manufacture, development, promotion or sale of climate, instrument and door panels or electronic components for the automotive industry within North America, Latin America, Asia, Australia or Europe in competition with the Company or any of the Company's subsidiaries or Affiliates, or any joint ventures to which the Company or any of the Company's subsidiaries or Affiliates are a party.

4.3 During the Term and thereafter, the Executive will not (other than in the regular course and in furtherance of the Company's business) divulge, furnish or make available to any person any confidential knowledge, information or materials, whether tangible or intangible, regarding proprietary matters relating to the Company, including, without limitation, trade secrets, customer and supplier lists, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition or disposition plans, new personnel employment plans, methods of manufacture, technical processes, designs and design projects, inventions and research projects and financial budgets and forecasts of the Company except (1) information which at the time is available to others in the business or generally known to the public other than as a result of disclosure by the Executive not permitted hereunder, and (2) when required to do so by a court of competent jurisdiction, by any governmental agency or by any administrative body or legislative body (including a committee thereof) with purported or apparent jurisdiction to order the Executive to divulge, disclose or make accessible such information.

5. Compensation Other Than Severance Payments.

5.1 Following a Change in Control and during the Term, during any period that the Executive fails to perform the Executive's full-time duties with the Company as a result of incapacity due to physical or mental illness, the Company shall pay to the Executive an amount

that when added to the amount paid to the Executive under the Company's short-term and/or long-term disability plans, will result in the Executive receiving his full salary at the rate in effect at the commencement of any such period, together with all compensation and benefits payable to the Executive under the terms of any other compensation or benefit plan, program or arrangement maintained by the Company during such period, until the Executive's employment is terminated by the Company for Disability.

5.2 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay the Executive's full salary to the Executive through the Date of Termination at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

5.3 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation or benefit plans, programs and arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason.

6. Severance Payments.

6.1 If (i) the Executive's employment is terminated following a Change in Control and within two (2) years after a Change in Control, other than (A) by the Company for Cause, (B) by reason of death or Disability, or (C) by the Executive without Good Reason, or (ii) the Executive voluntarily terminates his employment for any reason during the 30 day period commencing on the first anniversary of a Change in Control, then, in either such case, the Company shall pay the Executive the amounts, and provide the Executive the benefits, described in this Section 6.1 ("Severance Payments"), and Section 6.2, in addition to any payments and benefits to which the Executive is entitled under Section 5 hereof. For purposes of this Agreement, the Executive's employment shall be deemed to have been terminated following a Change in Control by the Company without Cause or by the Executive with Good Reason, if (i) the Executive's employment is terminated by the Company without Cause prior to a Change in Control (whether or not a Change in Control ever occurs) and such termination was at the request or direction of a Person who has entered into an agreement with the Company the consummation of which would constitute a Change in Control, or (ii) the Executive terminates his employment for Good Reason prior to a Change in Control (whether or not a Change in Control ever occurs) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person. For purposes of any determination regarding the applicability of the

immediately preceding sentence, any position taken by the Executive shall be presumed to be correct unless the Company establishes to the Board by clear and convincing evidence that such position is not correct.

(A) In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay to the Executive, on the first day of the seventh (7th) month following the month in which occurs the Executive's Separation from Service, a lump sum severance payment, in cash, equal to one and one half (1½) times the sum of (i) the Executive's base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, and (ii) the Executive's target annual bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, the fiscal year in which occurs the first event or circumstance constituting Good Reason. The amount payable pursuant to this Section 6.1(A) shall be reduced by the amount of any cash severance or salary continuation benefit paid or payable to the Executive under any other plan, policy or program of the Company or any of its Affiliates or any written employment agreement between the Executive and the Company or any of its Affiliates.

(B) For the 18 month period immediately following the Date of Termination, the Company shall arrange to provide the Executive and his dependents life, accident and health insurance benefits substantially similar to those provided to the Executive and his dependents immediately prior to the Date of Termination or, if more favorable to the Executive, those provided to the Executive and his dependents immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive immediately prior to such date or occurrence; provided, however, that, unless the Executive consents to a different method (after taking into account the effect of such method on the calculation of "parachute payments" pursuant to Section 6.2 hereof), such health and life insurance benefits shall be provided through a third-party insurer. Benefits otherwise receivable by the Executive pursuant to this Section 6.1(B) shall be reduced to the extent benefits of the same type are received by or made available to the Executive during the 18 month period following the Executive's termination of employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive); provided, however, that the Company shall reimburse the Executive for the excess, if any, of the cost of such benefits to the Executive over such cost immediately prior to the Date of Termination or, if more favorable to the Executive, the first occurrence of an event or circumstance constituting Good Reason. Notwithstanding anything in this Section 6.1(B) to the contrary, with respect to the first six (6) months following the Executive's Separation from Service, if the premiums payable by the Company for group term life insurance on the Executive's life exceeds the amount of the "limited payments" exemption set forth in Section 1.409A-1(b)(9)(v)(B) of the Income Tax Regulations (or any successor provision thereto), then, to the extent required in order to comply with Code Section 409A, the Executive, in advance, shall pay to the Company an amount equal to the premiums for any such life insurance policy, other than with respect to life insurance coverage to which the Executive would be entitled independent of this Agreement. Promptly following the end of such six (6) month period, the

Company will make a cash payment to the Executive equal to the difference between the aggregate amount paid by the Executive for such coverage and the amount that the Executive would have paid for such life insurance coverage if such cost had been determined pursuant to this Section 6.1(B) other than the preceding sentence.

(C) Each option to purchase shares of common stock of the Company outstanding as of the Date of Termination shall become fully vested and exercisable as of such date and shall remain exercisable during the shorter of (i) the remaining term of such option (such remaining term to be determined as if the Executive were still actively employed) or (ii) ten (10) years from the date on which the option originally was granted, and each grant of restricted stock or similar grant, the award of which is contingent only upon the continued employment of the Executive to a subsequent date, shall become fully vested as of the Date of Termination.

(D) Unless payable to the Executive under the terms of any annual or long-term incentive plan, the Company shall pay to the Executive on the first day of the seventh (7^{th}) month following the month in which occurs the Executive's Separation from Service, a lump sum amount, in cash, equal to the sum of (i) any unpaid incentive compensation (including performance share awards) which has been allocated or awarded to the Executive for a completed fiscal year or other measuring period preceding the Date of Termination under any such plan and which, as of the Date of Termination, is contingent only upon the continued employment of the Executive to a subsequent date, and (ii) a pro rata portion to the Date of Termination of the aggregate value of all contingent incentive compensation awards (including performance share awards) to the Executive for all then uncompleted periods under any such plan, calculated as to each such award by multiplying the award that the Executive would have earned on the last day of the performance award period, assuming the achievement, at the target level (or if higher, at the then projected actual final level), of the individual and corporate performance goals established with respect to such award, by the fraction obtained by dividing the number of full months and any fractional portion of a month during such performance award period through the Date of Termination by the total number of months contained in such performance award period. Notwithstanding the forgoing, if and to the extent the Executive had elected to defer receipt of any such award, and if the Executive's deferral election is irrevocable as of the Date of Termination for purposes of Code Section 409A, the amount calculated above shall be credited to the Executive's account under the applicable deferred compensation plan in lieu of being distributed directly to the Executive.

(E) The benefits then accrued by or payable to the Executive under the Company's Supplemental Executive Retirement Plan, Executive Separation Allowance Plan, Deferred Compensation Plan, Pension Parity Plan, or any successor to any such plan, and the benefits then accrued by or payable to the Executive under any other nonqualified plan providing supplemental retirement or deferred compensation benefits shall become fully vested notwithstanding any eligibility conditions that would otherwise apply with respect to such benefits and the benefit, as so vested, will be paid in accordance with the terms of the applicable plan or program; provided that if the Executive has not attained fifty-five (55) years of age, the Executive's benefit under the Executive Separation Allowance Plan will commence to be paid

upon the Executive's attainment of age fifty-five (55). With respect to the Supplemental Executive Retirement Plan, Executive Separation Allowance Plan, and any other nonqualified nonaccount balance plan or portion of a plan providing supplemental retirement or deferred compensation benefits, the Company shall transfer an amount in cash sufficient to pay all benefits then accrued by or payable to the Executive under the terms of such plans into an irrevocable grantor trust (a so-called "Rabbi Trust") whose trustee shall be an entity unaffiliated with and independent of the Company, which trust shall be required to pay such benefits in accordance with and subject to the applicable terms of each plan (as modified by this Agreement) and the trust instrument; provided that if such transfer to the Rabbi Trust would be treated, under Code Sections 83 and 409A(b), as a taxable transfer to the Executive, such transfer to the Rabbi Trust shall not be made until such time as the transfer will not be treated as a taxable event under Code Sections 83 and 409A; and provided further, that any amendment or termination of any such plan on or after the Change in Control date the effect of which would be to reduce or eliminate the benefit payable to the Executive shall be disregarded.

(F) The Company shall reimburse the Executive for expenses incurred for outplacement services suitable to the Executive's position for a period of two (2) years following the Executive's Separation from Service, (or, if earlier, until the first acceptance by the Executive of an offer of employment) in an amount not exceeding 25% of the sum of the Executive's annual base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstances constituting Good Reason, and target annual bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, the fiscal year in which occurs the first event or circumstance constituting Good Reason.

(G) For the six (6) month period immediately following the Date of Termination, the Company shall provide the Executive with the use of any Company provided automobile on the same terms and conditions that were applicable immediately prior to the Date of Termination or, if more favorable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason. The Executive's right to use a Company provided automobile cannot be exchanged for cash or another benefit.

6.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (all such payments and benefits, including the Severance Payments, being hereinafter called "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of section 280G of the Code in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount

of federal, state and local income taxes on such reduced Total Payments) is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments); provided, however, that the Executive may elect to have the noncash Severance Payments reduced (or eliminated) prior to any reduction of the cash Severance Payments.

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm (the "Auditor") which was, immediately prior to the Change in Control, the Company's independent auditor, does not constitute a "parachute payment" within the meaning of section 280G(b)(2) of the Code (including by reason of section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, in excess of the Base Amount allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code.

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If the Executive objects to the Company's calculations, the Company shall pay to the Executive such portion of the Severance Payments (up to 100% thereof) as the Executive determines is necessary to result in the proper application of subsection (A) of this Section 6.2.

6.3 The payments provided in subsections (A) and (D) of Section 6.1 hereof shall be made on the first day of the seventh (7^{th}) month following the month in which occurs the Executive's Separation from Service. At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

6.4 The Company also shall reimburse the Executive for all legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to

the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder. Such payments shall be made within five business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require; provided that no reimbursement pursuant to this Section 6.4 shall be made later than the end of the calendar year following the calendar year in which such fee or expense was incurred.

7. Termination Procedures and Compensation During Dispute.

7.1. Notice of Termination. After a Change in Control and during the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (i) or (ii) of the definition of Cause herein, and specifying the particulars thereof in detail.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control and during the Term, shall mean (i) if the Executive's employment is terminated for Disability, 30 days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such 30 day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than 30 days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than 15 days nor more than 60 days, respectively, from the date such Notice of Termination is given).

7.3 Dispute Concerning Termination. If within 15 days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 7.3), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the earlier of (i) the date on which the Term ends or (ii) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute given

by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

7.4 Compensation During Dispute. If a purported termination occurs following a Change in Control and during the Term and the Date of Termination is extended in accordance with Section 7.3 hereof, the Company shall continue to pay the Executive the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, salary) and continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was participating when the notice giving rise to the dispute was given, until the Date of Termination, as determined in accordance with Section 7.3 hereof. Amounts paid under this Section 7.4 are in addition to all other amounts due under this Agreement (other than those due under Section 5.2 hereof) and shall not be offset against or reduce any other amounts due under this Agreement.

8. No Mitigation. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 hereof or Section 7.4 hereof. Further, the amount of any payment or benefit provided for in this Agreement (other than Section 6.1(B) hereof) shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. If the successor to all or substantially all of the business and/or assets of the Company arises in connection with a transaction that constitutes a Change in Control Event (as defined for purposes of Code Section 409A), the failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control, except that, for purposes of implementing the foregoing, the date of the Change in Control Event (as defined for purposes of Code Section 409A) shall be deemed the Date of Termination. If the successor to all or substantially all of the business and/or assets of the Company arises in connection with a transaction that does not constitute a Change in Control Event (as defined for purposes of Code Section 409A), the failure of the Company to obtain such assumption and agreement prior to the effectiveness of such succession shall be a breach of this Agreement and, following the Executive's Separation from Service, shall entitle the Executive to Compensation from the Company in the same amount and on the same terms as the Executive would be entitled

to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the address inserted below the Executive's signature on the final page hereof and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Visteon Corporation
One Village Center Drive
Van Buren Township, MI 48111
Attention: General Counsel

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party; provided, however, that this Agreement shall supersede any agreement setting forth the terms and conditions of the Executive's employment with the Company only in the event that the Executive's employment with the Company is terminated on or following a Change in Control, by the Company other than for Cause or by the Executive other than for Good Reason. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. In addition, if prior to the date of payment of the Severance Payments hereunder, the taxes imposed under Sections 3101, 3121(a) and 3121(v)(2), where applicable, become due, the

Company may provide for an immediate payment of the amount needed to pay the Executive's portion of such tax (plus an amount equal to the taxes that will be due on such amount) and the Executive's Severance Payments shall be reduced accordingly. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6 and 7 hereof) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes. All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 days after notification by the Board that the Executive's claim has been denied. The Executive acknowledges that to avoid an additional tax on payments that may be payable or benefits that may be provided under this Agreement and that constitute deferred compensation that is not exempt from Section 409A of the Code, the Executive must make a reasonable, good faith effort to collect any payment or benefit to which the Executive believes the Executive is entitled hereunder no later than 90 days after the latest date upon which the payment could have been made or benefit provided under this Agreement, and if not paid or provided, must take further enforcement measures within 180 days after such latest date.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(B) "Auditor" shall have the meaning set forth in Section 6.2 hereof.

(C) "Base Amount" shall have the meaning set forth in section 280G(b)(3) of the Code.

(D) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(E) "Board" shall mean the Board of Directors of the Company.

(F) “Cause” for termination by the Company of the Executive’s employment shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive’s duties with the Company (other than any such failure resulting from the Executive’s incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive pursuant to Section 7.1 hereof) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties, or (ii) the willful engaging by the Executive in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, (x) no act, or failure to act, on the Executive’s part shall be deemed “willful” unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive’s act, or failure to act, was in the best interest of the Company and (y) in the event of a dispute concerning the application of this provision, no claim by the Company that Cause exists shall be given effect unless the Company establishes to the Board by clear and convincing evidence that Cause exists.

(G) “Change in Control” shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 40% or more of the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (III) below;

(II) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (a) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the

Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

(V) any other event that the Board, in its sole discretion, determines to be a Change in Control for purposes of this Agreement.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Company" shall mean Visteon Corporation, a Delaware corporation, and, except in determining under Section 15(G) hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(J) "Date of Termination" shall have the meaning set forth in Section 7.2 hereof.

(K) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within 30 days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(L) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(M) “Excise Tax” shall mean any excise tax imposed under section 4999 of the Code.

(N) “Executive” shall mean the individual named in the first paragraph of this Agreement.

(O) “Good Reason” for termination by the Executive of the Executive’s employment shall mean the occurrence (without the Executive’s express written consent) after any Change in Control, or prior to a Change in Control under the circumstances described in clauses (ii) and (iii) of the second sentence of Section 6.1 hereof (treating all references in paragraphs (I) through (VI) below to a “Change in Control” as references to a “Potential Change in Control”), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (IV), or (V) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(I) the assignment to the Executive of any duties inconsistent with the Executive’s status as a senior executive officer of the Company or a material adverse alteration in the nature or status of the Executive’s responsibilities from those in effect immediately prior to the Change in Control (including, without limitation, the Executive ceasing to be an executive officer of a public company);

(II) a reduction by the Company in the Executive’s annual base salary as in effect on the date hereof or as the same may be increased from time to time, except for across-the-board salary reductions similarly affecting all senior executives of the Company and all senior executives of any Person in control of the Company;

(III) the relocation of the Executive’s principal place of employment to a location more than 50 miles from the Executive’s principal place of employment immediately prior to the Change in Control or the Company’s requiring the Executive to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company’s business to an extent substantially consistent with the Executive’s present business travel obligations;

(IV) the failure by the Company to pay to the Executive any portion of the Executive’s current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;

(V) the failure by the Company to continue to provide the Executive with benefits substantially similar to the material benefits enjoyed by the Executive under any of the Company’s executive compensation (including bonus, equity or incentive compensation), pension, savings, life insurance, medical, health and accident, or disability plans in which the Executive was participating immediately prior to the Change in Control (except for across the board changes similarly affecting all senior executives of the Company and all senior

executives of any Person in control of the Company), the taking of any other action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control, or the failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change in Control; or

(VI) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 7.1 hereof; for purposes of this Agreement, no such purported termination shall be effective.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. For purposes of any determination regarding the existence of Good Reason, any claim by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes to the Board by clear and convincing evidence that Good Reason does not exist.

(P) "Notice of Termination" shall have the meaning set forth in Section 7.1 hereof.

(Q) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(R) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(II) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(III) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 15% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates); or

(IV) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(S) "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

(T) "Separation from Service" means the date on which the Executive separates from service (within the meaning of Code Section 409A) from the Company when the Company and Executive reasonably anticipate that no further services will be performed by the Executive for the Company after that date or that the level of bona fide services the Executive will perform after such date as an employee of the Company will permanently decrease to no more than 20% of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company over the immediately preceding 36-month period (or such lesser period of services). For purposes of this definition, the term Company includes each other corporation, trade or business that, with the Company, constitutes a controlled group of corporations or group of trades or businesses under common control within the meaning of Code Sections 414(b) or (c), applied by substituting "at least 50 percent" for "at least 80 percent" each place it appears, and the term "Company" shall be deemed to refer collectively to the Company and each other controlled group member as so defined. An Executive is not considered to have incurred a Separation from Service if the Executive is absent from active employment due to military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed the greater of (i) six months, or (ii) the period during which the Executive's right to reemployment by the Company is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six months, where such impairment causes the Executive to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended for up to 29 months without causing the Executive to have incurred a Separation from Service. Further, for purposes of determining whether the Executive has incurred a Separation from Service, if the Executive is not actively at work during the period that there exists a dispute pursuant to Section 7.3, the Executive shall be considered to be on a bona fide leave of absence for which his right to reemployment is guaranteed during the period that begins on the date on which the Executive last performs active services and ends on the Date of Termination that ultimately is established pursuant to Section 7.3.

(U) "Severance Payments" shall have the meaning set forth in Section 6.1 hereof.

(V) "Tax Counsel" shall have the meaning set forth in Section 6.2 hereof.

(W) "Term" shall mean the period of time described in Section 2 hereof (including any extension, continuation or termination described therein).

(X) “Total Payments” shall mean those payments so described in Section 6.2 hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective as of the Restatement Date.

VISTEON CORPORATION

By: */s/ Heidi A. Sepanik*

Name: Heidi A. Sepanik

Title: Secretary

EXECUTIVE

/s/ Terrence G. Gohl

Terrence G. Gohl

VISTEON EXECUTIVE SEVERANCE PLAN

Effective February 9, 2005

Amended and Restated as of December 15, 2008

VISTEON EXECUTIVE SEVERANCE PLAN

ARTICLE I. PURPOSE

Section 1.01. Purpose Statement.

Visteon Corporation (the "Company") has developed the Visteon Executive Severance Plan (the "Plan") to provide severance benefits to eligible officers and executives of the Company and its affiliates whose employment with the Company or affiliate is involuntarily terminated under certain circumstances. The Plan is an expression of the Company's present policy with respect to severance benefits for Executives who meet the eligibility requirements set forth herein; it is not a part of any contract of employment. It is intended to comply with ERISA and all other relevant laws.

ARTICLE II. DEFINITIONS

Section 2.01. Definitions.

The following words and phrases, when used in this document, shall have the following meanings, unless the context clearly indicates otherwise:

(a) “Base Salary” means Executive’s annual base rate of pay in effect at his or her Termination Date, excluding bonuses, one-time payments, incentives, and other awards that are not regularly paid throughout the year. The Plan Administrator’s determination of the Executive’s Base Salary shall be final and conclusive.

(b) “Company” means Visteon Corporation, or any successor thereto.

(c) “Elected Officer” means an officer of the Company elected by the Board of Directors of the Company who is on enrolled on the U.S. payroll of the Company or a subsidiary of the Company.

(d) “ERISA” means the Employee Retirement Income Security Act of 1974, and the rulings and regulations promulgated thereunder, all as amended and in effect from time to time.

(e) “Executive” shall mean an Elected Officer or Executive Leader.

(f) “Executive Leader” means an employee who is classified as an Executive Leader by the Company and enrolled on the U.S. payroll of the Company or a subsidiary of the Company, other than an employee who is assigned to Automotive Component Holdings, LLC (“ACH”) or Ford Motor Company (“Ford”) pursuant to the terms of the Salaried Lease Agreement dated as of October 1, 2005 between the Company and ACH or Ford, as applicable.

(g) “Plan Administrator” means the Organization and Compensation Committee of the Board of Directors of the Company.

(h) “Release” means a release and waiver of claims (including, if applicable, claims under the Age Discrimination in Employment Act of 1967, as amended) that is in such

form as the Plan Administrator may prescribe and that an Executive executes for the benefit of the Company, Visteon Systems, LLC, their respective affiliates, and their respective officers, directors, employees, agents, predecessors, successors and assigns.

(i) “Termination Date” is the date on which an Executive’s employment with the Company, Visteon Systems, LLC and their respective affiliates terminates.

ARTICLE III. AWARD OF SEVERANCE BENEFITS

Section 3.01. Award of Severance Pay.

Except as provided in Section 3.02 below, an Executive is eligible for a Basic Severance Benefit under Section 4.01, and may qualify for an Enhanced Severance Benefit under Section 4.02, if the Executive's employment with the Company or a subsidiary of the Company is involuntarily terminated by the Company or by a subsidiary of the Company. The Plan Administrator shall have final and exclusive discretion to determine whether an Executive's termination of employment is involuntary.

Section 3.02. Exclusions.

The Plan Administrator shall not grant severance benefits to an Executive in any of the following situations:

(a) The Executive voluntarily retires or resigns from employment;

(b) The Executive's position is eliminated and the Executive is offered another position which the Executive declines (unless the Plan Administrator has specifically authorized severance benefits in accordance with the discretion granted to the Plan Administrator under Section 3.01 above);

(c) The Executive is terminated, replaced, laid off or placed on leave for reasons related to absenteeism or inappropriate conduct;

(d) The Executive is terminated or separated for not returning, in a timely manner, from an approved leave of absence;

(e) The Executive's employment ends or is terminated because the Executive is physically or otherwise unable to perform the essential functions of his or her position, with or without any applicable reasonable accommodation;

(f) The Executive's employment terminates while receiving or seeking (or in connection with a condition or situation with respect to which the Executive has indicated an

intention to or is otherwise likely to seek) payments or benefits under a program, policy, plan or a law that provides payments or benefits to an Executive unable to work because of illness, injury or disability;

(g) The Executive is eligible to receive pay-in-lieu of notice, severance pay, termination pay or any other form of separation pay under any law;

(h) The Executive is terminated in connection with the sale by the Company, or a subsidiary or affiliate of the Company, of all or part of a division, plant, facility, operation, product line or other unit, or the outsourcing of functions to a third party vendor, where the Executive is offered employment with the purchaser, vendor or other transferee with a starting date within ninety (90) days of the Executive's Termination Date;

(i) The Executive's employment is governed by an employment contract (in which case, the employment contract, and not this Plan, shall govern the severance benefits, if any, to be provided to the Executive); or

(j) The Executive is eligible for benefits under any other severance plan, exit incentive plan, or reduction in force plan offered by the Company or a subsidiary or affiliate of the Company.

ARTICLE IV. AMOUNT OF SEVERANCE BENEFIT

Section 4.01. Basic Severance Benefit.

The Basic Severance Benefit for any Executive who becomes so entitled shall be an amount equal to four (4) weeks of Base Salary. Payment will be in a lump sum cash payment, after withholding of applicable income and payroll taxes and other authorized withholdings. In addition, the Executive will be eligible for the benefits described in Section 4.04 (a), (d) and (e).

Section 4.02. Enhanced Severance Benefit.

(a) In any case in which the Plan Administrator has authorized the payment of severance benefits and the Executive provides a Release in a form acceptable to the Company, then in lieu of the Basic Severance Benefit described in Section 4.01, the Executive shall receive an Enhanced Severance Benefit. The Enhanced Severance Benefit is an amount equal to one (1) year of Base Salary.

(b) The Enhanced Severance Benefit is paid as a lump sum cash payment, after withholding of applicable income and payroll taxes and other authorized withholdings. In addition, the Executive will be eligible for the benefits described in Section 4.04.

Section 4.03. Reduction of Benefits.

Benefits under Sections 4.01 or 4.02 will be reduced by the amount of any unpaid obligations that the Executive owes to the Company, a subsidiary or affiliate of the Company.

Section 4.04. Other Continued Benefits.

(a) An Executive who is eligible to receive Basic Severance Benefits or Enhanced Severance Benefits and who, on the Executive's Termination Date, was covered under the group medical and/or dental programs is eligible to continue such group medical and/or dental coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). If the Executive elects to continue medical and dental coverage in accordance with COBRA and the Executive is entitled to the Enhanced Severance Benefit under Section 4.02 the Company will pay, on the Executive's behalf, the COBRA premium

contribution for twelve (12) months (after which, the Executive may continue at his/her sole expense in accordance with the requirements of COBRA). Company contributions will cease after twelve (12) months or when the Executive becomes covered under another plan, whichever is earlier.

(b) The Company will provide professional career transition services to assist terminated Executives entitled to the Enhanced Severance Benefit in the preparation for and execution of their job search, which services may include career counseling, assessment of interests and skills, development of job search tools such as resumes and cover letters, preparation of a job discovery strategy, and interview skills coaching. The nature and scope of the career transition services, and the providers through which such services will be offered, will be determined by the Plan Administrator in its sole discretion. The Company will pay for these services for six (6) months or until the Executive becomes employed, whichever is earlier.

(c) An Executive entitled to the Enhanced Severance Benefit shall receive the unexpended after tax value of his or her Flex-Perqs account.

(d) An Executive's outstanding awards under the Visteon Corporation 2004 Incentive Plan shall be governed by the terms and conditions of each award or grant, and not by the terms of this Plan.

(e) An Executive who is eligible to receive retirement benefits under a retirement plan maintained by the Company or a subsidiary may apply for and commence retirement benefits in accordance with the terms of the applicable retirement plan. Retirement benefits are not governed by the terms of this Plan.

ARTICLE V. PAYMENT OF BENEFITS

Section 5.01. Entitlement to Benefits.

An Executive becomes entitled to severance benefits under Article IV on the date that the Executive has satisfied all of the requirements for receiving a severance benefit (including, if applicable, the Executive's execution of a Release and the expiration of any revocation period that is provided in accordance with applicable law or such policies as may from time to time be adopted by the Plan Administrator). All payments shall be subject to income tax withholding and other appropriate deductions.

Section 5.02. Payment of Benefits

Cash benefits under the Plan are intended to constitute "short-term deferrals" that are exempt from the requirements of Internal Revenue Code Section 409A. Accordingly, payment of the Basic Severance Benefit under Section 4.01, the Enhanced Severance Benefit under Section 4.02, and the unexpended after-tax value of the Flex-Perqs account, to the extent applicable to the Executive, shall be completed by the later of (i) the fifteenth (15th) day of the third month following the end of the first taxable year in which the Executive becomes entitled to benefits under the Plan, or (ii) the fifteenth (15th) day of the third month following the end of the Company's first taxable year in which the Executive becomes entitled to benefits under the Plan. The medical, dental and career transition benefits to which the Executive may become entitled under Section 4.04 are also intended to be exempt from Internal Revenue Code Section 409A, and the Plan Administrator (or its delegate) shall administer the Plan consistent with Internal Revenue Code Section 409A and the requirements for exemption of such benefits. The Plan Administrator may adopt additional rules and restrictions with respect to such benefits if the Plan Administrator determines that such rules and restrictions are necessary or appropriate in order to qualify (or continue to qualify) for exemption from Internal Revenue Code Section 409A.

ARTICLE VI. CLAIMS PROCEDURE

Section 6.01. Claims Procedure.

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

(b) Appeal. If an Executive wishes to appeal the denial of his or her claim, the Executive or his or her duly authorized representative shall file a written notice of appeal to the Plan Administrator within 90 days of receiving notice of the claim denial. In order that the Plan Administrator may expeditiously decide such appeal, the written notice of appeal should contain (i) a statement of the ground(s) for the appeal, (ii) a specific reference to the Plan provisions on which the appeal is based, (iii) a statement of the arguments and authority (if any) supporting each ground for appeal, and (iv) any other pertinent documents or comments which the appellant desires to submit in support of the appeal. The Plan Administrator shall decide the appellant's appeal within 60 days of its receipt of the appeal (or 120 days if additional time is needed and the claimant is notified of the extension, the reason therefore and the expected date of determination prior to commencement of the extension). The Plan Administrator's written

decision shall contain the reasons for the decision and reference to the Plan provisions on which the decision is based. If the claim is denied in whole or in part, such written decision shall also include notification of the Executive's right to bring suit for benefits under Section 502(a) of ERISA and the claimant's right to obtain, upon request and free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim for benefits.

Section 6.02. Standard of Review.

The Plan Administrator is vested with the discretionary authority and control to determine eligibility for coverage and benefits and to construe the terms of the Plan; any such determination or construction shall be final and binding on all parties unless arbitrary or capricious. To the extent that the Plan Administrator has appointed a delegate or delegates to administer the claims procedure, any such determination or construction of the delegate shall be final and binding on all parties to the same extent as if made by the Plan Administrator.

Section 6.03. Delegation to the Senior Vice President, Human Resources.

Subject to such limits as the Plan Administrator may from time to time prescribe, the Company's Senior Vice President, Human Resources may exercise any of the authority and discretion granted to the Plan Administrator hereunder, provided that the Senior Vice President, Human Resources shall not exercise any authority and responsibility with respect to non-ministerial matters affecting the Senior Vice President, Human Resources.

ARTICLE VII. AMENDMENT AND TERMINATION OF THE PLAN

Section 7.01. Right to Amend and Terminate the Plan.

The Company reserves the right, by action of the Senior Vice President, Human Resources, to amend, modify or terminate the Plan at any time, in its sole discretion, without prior notice to Executives; provided that the Organization & Compensation Committee of the Board of Directors of the Company shall have the exclusive authority to amend the Plan to expand eligibility or increase benefits, and with respect to amendments that, if adopted, would increase the benefits payable to the Senior Vice President, Human Resources by more than a de minimis amount.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.01. Non-Guarantee of Employment or Other Benefits.

Neither the establishment of the Plan, nor any modification or amendment hereof, nor the payment of any benefits hereunder shall be construed as giving any person any legal or equitable right against the Company, a subsidiary or affiliate of the Company, or the Plan Administrator, or the right to payment of any benefits (other than those specifically provided herein), or as giving any person the right to be retained in the service of the Company or a subsidiary or affiliate of the Company.

Section 8.02. Participant Rights Unsecured

The right of an Executive to receive severance benefits hereunder shall be an unsecured claim, and the Executive shall not have any rights in or against any specific assets of the Company. The right of an Executive to payment of benefits under this Plan shall not be subject to attachment or garnishment (except as otherwise provided in the Plan) and may not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of an Executive under this Plan are exercisable during the Executive's lifetime only by the Executive or the Executive's guardian or legal representative.

The undersigned, on behalf of the Company, has executed this Plan as amended and restated effective this 15th day of December, 2008.

VISTEON CORPORATION

Dorothy L. Stephenson
Senior Vice President, Human Resources

Exhibit 10.30.1

AMENDMENT NO. 1 TO

VISTEON HOURLY EMPLOYEE LEASE AGREEMENT

This Amendment No. 1 dated November 16, 2006 amends the Visteon Hourly Employee Lease Agreement effective October 1, 2005 (the "Lease Agreement") between Visteon Corporation, a Delaware corporation ("Visteon"), and Automotive Components Holdings, LLC, a Delaware limited liability company ("ACH"). ACH and Visteon are referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

The Parties wish to amend the Lease Agreement to allow the hire of certain temporary hourly employees and extend the indemnity from ACH to Visteon to address certain issues associated with ACH's plan to request Visteon to hire such employees, including certain former Ford hourly employees who have or will have accepted buyouts from Ford.

The Parties agree as follows:

The fifth "WHEREAS" clause is amended to read as follows: WHEREAS, pursuant to the terms of a Memorandum of Agreement dated as of May 24, 2005 by and between the UAW, Ford and Visteon ("MOA") the parties thereto agreed that all Visteon employees represented under the Master Visteon CBA as of the Effective Date would be converted to Ford employees and that after the Effective Date, Visteon would hire any new hourly employees under the terms of the Master Visteon CBA, except as otherwise agreed between ACH, Visteon and the UAW, and lease them to ACH **("Visteon New Hires").**

1. Section 6.01 is amended to read as follows:

Section 6.01. *ACH Indemnity,* ACH shall indemnify Visteon and its affiliates **("Visteon Indemnitees")** against and agrees to hold it harmless from any and all damage, loss, claim, liability and expense (including without limitation, reasonable attorneys' fees and expenses in connection with any action, suit or proceeding brought against any Visteon Indemnitee) incurred or suffered by a Visteon Indemnitee arising out of (i) the breach of any agreement made by ACH hereunder with respect to the Leased Employees; (ii) any claims related to the seniority, recall and transfer provisions of the Visteon/UAW Master Agreement by Leased Employees, including any claim for benefits or other rights that would accrue to the claimant had he or she attained seniority under the Visteon/UAW Master Agreement, but only to the extent that such damage, loss, liability or expense exceeds that which the Visteon Indemnitees would have incurred had the claimant become a permanent employee under the Master Visteon CBA and as otherwise reimbursed by ACH pursuant to Section 4.01; provided that ACH shall not have any obligation to reimburse Visteon for amounts payable to any Leased Employee who becomes a permanent employee of Visteon under the Master Visteon CBA without the consent of ACH, which consent shall not be unreasonably withheld in the event of a court order or other external mandate that would require such permanent employment; and

(iii) any claim made by a former Ford employee regarding his or her failure to be hired by Visteon for placement in an ACH facility.

2. Except as modified herein, all other provisions of the Lease Agreement are ratified and confirmed.

The Parties have signed this Amendment No. 1 as of November 16, 2006.

VISTEON CORPORATION

By: /s/ James F. Palmer
Title: Exec VP & CFO

AUTOMOTIVE COMPONENTS HOLDINGS, LLC

By: /s/ Marcia Glu
Title: Secretery

HEADQUARTERS
Keith Kleinsmith
Vice President — Human Resources
17000 Rotunda Drive, Suite B3-6
Dearborn, MI 48120-1100
USA

Phone: 1 313 755 4749

February 20, 2008

Visteon Corporation
One Village Center Drive
Van Buren Township, Michigan 48111
Attention: Dorothy L. Stephenson, Senior Vice President — Human Resources

Re: Visteon Hourly Employee Lease Agreement effective October 1, 2005, as amended by Amendment No, 1 dated November 16, 2006 (the "Agreement") between Visteon Corporation ("Visteon") and Automotive Components Holdings, LLC ("ACH")

Ladies and Gentlemen:

This letter is intended to reflect our understanding with respect to certain matters associated with the referenced Agreement, including an additional indemnity to be provided under the referenced Agreement in the event that ACH sub-assigns hourly Leased Employees to Zeledyne, L.L.C. ("Zeledyne"). All terms with initial capitalization used herein have the definitions given in the Agreement, unless otherwise stated herein.

For valuable consideration, Visteon and ACH have reached agreement on a modification of the Agreement, applicable solely to hourly Leased Employees assigned to ACH's automotive glass business ("Hourly Leased Employees") as follows:

1. ACH may elect to sub-assign Hourly Leased Employees to Zeledyne for a period not to exceed one month from the closing of the sale of ACH's automotive glass business to Zeledyne (the "Zeledyne Hourly Sub-Assignment").

2. The Agreement is amended to add at the end of Section 6.01 the following language:

"In the event of the Zeledyne Hourly Sub-Assignment, in addition to the indemnities specified in the Agreement, ACH shall also indemnify the Visteon Indemnitees against and hold them harmless from any and all damage, loss, claim, liability and expense (including without limitation, reasonable attorneys' fees and expenses in connection with any action, suit or proceeding brought against any Visteon Indemnitee) incurred or suffered by any Visteon Indemnitee arising out of any employment or other claims of any kind by any Hourly Leased Employees sub-assigned to Zeledyne to the extent based on events that occur during the term of the Zeledyne Hourly Sub-Assignment (the "Supplemental Indemnity"), provided that the Supplemental Indemnity shall not apply to:

(i) breach of any obligations of Visteon under the Agreement;

(ii) any payroll, or benefit claim by Hourly Leased Employees regardless of when they arise;

(iii) any claim by an Hourly Leased Employee (or their dependents or beneficiaries), or any other person, including without limitation, claims made to the Pension Benefit Guaranty

Corporation, the Department of Labor, the Internal Revenue Service, the Securities and Exchange Commission or comparable federal or national agencies in the United States, arising, out of or in connection with the operation, administration, funding or termination of any of the employee benefit plans applicable to the Hourly Leased Employees regardless of when they arise; and

(iv) any claim of any Leased Employees to the extent, arising out of events that occur before or after the term of the Zeledyne Hourly Sub-Assignment."

Please acknowledge your concurrence, which will serve to amend the Agreement, by signing and dating this letter and returning a copy to the undersigned. Except as modified above, the terms and conditions of the Agreement remain unchanged.

Yours truly,

AUTOMOTIVE COMPONENTS
HOLDINGS, LLC

By: /s/ Keith Kleinsmith
Keith Kleinsmith
Vice President — Human Resources

Concur:

VISTEON CORPORATION

By: /s/ Dorothy L. Stephenson
Dorothy L. Stephenson
Title: Senior vice President, Human Resources

Dated: February 21, 2008

Exhibit 10.34.2

CONFIDENTIAL
EXECUTION COPY

Amendment Number Two to Visteon Salaried Employee Transition Agreement

The Visteon Salaried Employee Transition Agreement dated as of October 1, 2005 by and between Ford Motor Company, a Delaware corporation, ("Ford") and Visteon Corporation, a Delaware corporation ("Visteon") (the "Agreement"), as amended by Amendment Number One to Visteon Salaried Employee Transition Agreement dated effective as of March 1, 2006, (the "Agreement") is hereby further amended effective as of January 1, 2008 as follows:

1. Article 7, Section 7.04 is hereby amended in its entirety and restated to provide as follows:

   "Section 7.04. The provisions of Section 2.06 shall apply except that to the extent that Visteon rolled into an Additional Visteon Salaried Employee's base salary a car allowance effective January 1, 2006 ("Visteon Car Allowance"), Ford shall reduce the starting Ford base salary by the amount of the Visteon Car Allowance. For any Additional Visteon Salaried Employee who transfers to Ford on or after January 1, 2008, Ford shall not reduce the starting base salary by the Visteon Car Allowance."

2. Article 7, Section 7.06 (ii) is hereby amended in its entirety and restated to provide as follows:

   "(ii) For purposes of Section 4.03, the amount of the Visteon Car Allowance provided to an Additional Visteon Salaried Employee on or after January 1, 2006 will be deducted from the Ford base salary effective on the Employment Date and the Additional Visteon Salaried Employee shall be administered in accordance with the terms of Section 4.03. For any Additional Visteon Salaried Employee who transfers to Ford on or after January 1, 2008, Ford shall not reduce the starting base salary by the Visteon Car Allowance and such employee shall be eligible to commence participation in the management vehicle lease program to the extent otherwise eligible thereunder."

3. Except as otherwise specifically modified hereby, the Visteon Salaried Employee Transition Agreement shall remain in full force and effect.

[signatures appear on following page]

IN WITNESS WHEREOF, Ford and Visteon have caused this Agreement to be executed in multiple counterparts by their duly authorized representatives.

FORD MOTOR COMPANY

By: /s/ Louis J. Ghilardi
Name: Louis J. Ghilardi
Title: Assistant Secretary

Date: April 23, 2008

VISTEON CORPORATION

By: /s/ Dorothy L. Stephenson
Name: Dorothy L. Stephenson
Title: Sr. V.P., Human Resources

Date: April 30, 2008

SCHEDULE 2
Form of Amended and Restated Master Receivables Purchase and Servicing Agreement

14 August 2006
(as amended on 13 November 2006 and as further amended and restated on 29 October 2008)

VISTEON UK LIMITED
VISTEON DEUTSCHLAND GMBH
VISTEON SISTEMAS INTERIORES ESPAÑA, S.L.U.
CÁDIZ ELECTRÓNICA, S.A.U.
VISTEON PORTUGUESA LTD.
VC RECEIVABLES FINANCING CORPORATION LIMITED
(as *Sellers* and, except for VC, together with US Sub-Servicer the ***Servicers***)

VISTEON ELECTRONICS CORPORATION
(as *Master Servicer, VEC* and ***US Sub-Servicer)***

VISTEON FINANCIAL CENTRE P.L.C.
(as *Master Purchaser*)

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
(as *Security Trustee*)

CITIBANK, N.A.
(as *MP Cash Manager)*

CITIBANK INTERNATIONAL PLC
(as *Funding Agent)*

CITICORP USA, INC.
(as *Collateral Monitoring Agent)*

VISTEON CORPORATION
(as *Parent)*

VISTEON EUROPEAN SECURITISATION FACILITY

MASTER RECEIVABLES PURCHASE AND SERVICING AGREEMENT

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

CONTENTS

THIS AGREEMENT is made on 14 August 2006 (as amended on 13 November 2006 and further amended and restated on 29 October 2008) as a **DEED**

BETWEEN:

(1) **VISTEON FINANCIAL CENTRE P.L.C.,** a company incorporated in Ireland, registered in Ireland with the Companies Registration Office with number 423820, whose registered office is at First Floor, 7 Exchange Place, International Financial Services Centre, Dublin 1, Ireland (the ***Master Purchaser)*;**

(2) **VISTEON ELECTRONICS CORPORATION,** a company incorporated under the laws of the State of Delaware with registered number 4370018 whose registered office is at One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A. (the ***Master Servicer, VEC* and *US Sub-Servicer)*;**

(3) Each of the entities listed in Part A of Schedule 1 (the ***Sellers)*;**

(4) Each of the entities listed in Part B of Schedule 1 (the ***Servicers)*;**

(5) **VISTEON CORPORATION,** a corporation incorporated under the laws of the State of Delaware with its principal place of business at One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A. (the ***Parent)*;**

(6) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.,** a company incorporated in England and Wales (registered number 00235914) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the ***Security Trustee)*;**

(7) **CITIBANK INTERNATIONAL PLC,** a company incorporated in England and Wales with limited liability whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the ***Funding Agent)*;**

(8) **CITIBANK, N.A.,** a national banking association formed under the banking laws of the United States of America, acting through its London branch at Citigroup Centre, Canada Square, Canary Wharf, London El4 5LB (the ***MP Cash Manager*);** and

(9) **CITICORP USA, INC.,** a corporation incorporated under the banking laws of Delaware acting through its principal office at 399 Park Avenue, New York, New York, U.S.A. (the ***Collateral Monitoring Agent),***

(the ***Parties).***

Background:

(A) The Sellers wish to sell and assign and the Master Purchaser wishes to purchase all the Receivables originated by the Sellers (other than the French Receivables and the English Restricted Receivables) or, in the case of VC, all the Receivables originated by VEC (other than the French Receivables and the English Restricted Receivables) from time to time and arising from sales of automobile interior products to Obligors located in Eligible Countries on the terms and subject to the conditions set out in this Agreement and the other Transaction Documents.

(B) The Sellers (except for VC) wish to sell the French Receivables to FCC Visteon, which will from time to time issue FCC units or notes to the Master Purchaser pursuant to the FCC Units Subscription Agreement to fund the purchase of the French Receivables pursuant to the FCC Documents.

(C) The English Seller wishes to sell and declare a trust over the English Restricted Receivables originated by the English Seller from time to time for the benefit of the Master Purchaser in consideration for the payment of the applicable Purchase Price therefor as provided herein.

(D) The Master Servicer is willing to act as agent of the Master Purchaser and the Security Trustee and each Sub-Servicer is willing to act as agent of the Master Servicer in the performance of certain services in relation to the Purchased Receivables other than German Receivables upon the terms and subject to the conditions contained in this Agreement.

(E) The terms and conditions under which such Receivables are sold to the Master Purchaser, and under which Purchased Receivables will be serviced, are set out herein.

It is Agreed as follows:

SECTION I — DEFINITIONS AND INTERPRETATION

1. Definitions and Interpretation

1.1 (a) Capitalised terms in this Agreement shall, except where the context otherwise requires and save where otherwise defined in this Agreement, have the meanings given to them in the Master Definitions and Framework Deed executed by, among others, each of the parties to this Agreement (the ***Framework Deed*)** on or about the date hereof (as it may be amended, varied or supplemented from time to time with the consent of the parties to it) and this Agreement shall be construed in accordance with the principles of construction set out in the Framework Deed.

(b) In addition, the provisions set out in Clauses 3 to 6 and 12 to 28 of the Framework Deed (the ***Framework Provisions*)** shall be expressly and specifically incorporated into this Agreement, as though they were set out in full in this Agreement. In the event of any conflict between the provisions of

this Agreement and the Framework Provisions, the provisions of this Agreement shall prevail.

1.2 This Agreement is the Master Receivables Purchase and Servicing Agreement referred to in the Framework Deed.

SECTION II — SALE AND PURCHASE OF RECEIVABLES

2. Commitment to Sell and Purchase Receivables

Agreement to Sell and Purchase

2.1 (a) Each Seller (other than VC) and the Master Purchaser agrees that such Seller will sell and that the Master Purchaser will purchase on the Funding Date all Assignable Receivables originated by such Seller and existing on the Cut-Off Date, together with their Related Rights, and with respect to English Restricted Receivables existing on the Cut-Off Date that are not Excluded Receivables, that the English Seller will sell the benefit of such English Restricted Receivables and hold on trust those English Restricted Receivables and their Related Rights for the benefit of the Master Purchaser and the Master Purchaser will purchase the sole beneficial interest under such trust, in each case on the terms and subject to the conditions set out in this Agreement.

(b) Each Seller (other than VC) and the Master Purchaser agrees that such Seller will sell and that the Master Purchaser will purchase with effect from the Funding Date all Assignable Receivables which come into existence after the Cut-Off Date and during the Securitisation Availability Period and which have been originated by such Seller, together with their Related Rights, and with respect to English Restricted Receivables which come into existence after the Cut-Off Date and during the Securitisation Availability Period that are not Excluded Receivables that the English Seller will hold on trust those English Restricted Receivables and their Related Rights for the benefit of the Master Purchaser and the Master Purchaser will purchase the sole beneficial interest under such trust, in each case on the terms and subject to the conditions set out in this Agreement.

(c) VC and the Master Purchaser agree that VC will sell and that the Master Purchaser will purchase on the first Settlement Date following the Second Closing Date all Assignable Receivables originated by VEC and purchased by VC pursuant to the VC Receivables Purchase Agreement on the Second Cut-Off Date, together with their Related Rights on the terms and subject to the conditions set out in this Agreement.

(d) VC and the Master Purchaser agree that VC will sell and that the Master Purchaser will purchase with effect from the first Settlement Date following the Second Closing Date all Assignable Receivables which come into existence after the Second Cut-Off Date and during the Securitisation Availability Period and which have been originated by VEC and purchased by VC pursuant to the VC Receivables Purchase Agreement, together with their

Related Rights, on the terms and subject to the conditions set out in this Agreement.

Sale and Purchase

2.2 (a) Each Seller (other than VC) hereby sells and assigns, and the Master Purchaser hereby purchases, on the Funding Date all Assignable Receivables originated by such Seller existing on the Cut-Off Date and which are not assigned hereunder by way of a German Law Transfer Agreement or a Spanish Transfer Deed, as the case may be, as provided in Clauses 2.2(f) and (g) and Schedule 11, together with their Related Rights, on the terms and subject to the conditions set out in this Agreement.

(b) Each Seller (other than VC) hereby sells and assigns, and the Master Purchaser hereby purchases, with effect from the Funding Date all Assignable Receivables originated by such Seller which are not in existence on the Cut-Off Date and which come into existence after the Funding Date and during the Securitisation Availability Period and which are not assigned hereunder by way of a German Law Transfer Agreement or a Spanish Transfer Deed, as the case may be, as provided in Clauses 2.2(f) and (g) and Schedule 11, together with their Related Rights, on the terms and subject to the conditions set out in this Agreement.

(c) The English Seller hereby declares that as of and from the Funding Date it holds and will hold on trust, absolutely and irrevocably, for variable consideration for the benefit of the Master Purchaser:

(i) all English Restricted Receivables existing on the Cut-Off Date which are not Excluded Receivables together with their Related Rights; and

(ii) all English Restricted Receivables which come into existence after the Cut-Off Date, and which are not Excluded Receivables, together with their Related Rights,

in each case on the terms and subject to the conditions contained in this Agreement.

(d) VC hereby sells and assigns, and the Master Purchaser hereby purchases, on the first Settlement Date following the Second Closing Date all Assignable Receivables originated by VEC and purchased by VC pursuant to the VC Receivables Purchase Agreement and existing on the Second Cut-Off Date and which are not assigned hereunder by way of a German Law Transfer Agreement as provided in Clause 2.2(f), together with their Related Rights, on the terms and subject to the conditions set out in this Agreement.

(e) VC hereby sells and assigns, and the Master Purchaser hereby purchases, with effect from the first Settlement Date following the Second Closing Date all Assignable Receivables originated by VEC and purchased by VC pursuant to the VC Receivables Purchase Agreement and which are not in existence on the Second Cut-Off Date and which come into existence after the Second Cut-Off

Date and during the Securitisation Availability Period and which are not assigned hereunder by way of a German Law Transfer Agreement as provided in Clause 2.2(f), together with their Related Rights, on the terms and subject to the conditions set out in this Agreement.

(f) With respect to the sale and purchase of the Receivables governed by German law, each Seller (other than VC) will on the Funding Date, and VC will on the Second Closing Date, enter into a German Law Transfer Agreement in the form set out in Schedule 8 in order to fulfil its obligation under this Agreement.

(g) The sale and assignment by each Spanish Seller to the Master Purchaser of all Receivables to be sold by that Spanish Seller that are governed by Spanish law shall be governed by the provisions of Schedule 11.

2.3 In respect of any Receivable, the ***Related Rights*** mean:

(a) all rights, title, benefit and interest in and to the relevant Receivable, including any Value Added Tax;

(b) all Related Contract Rights with respect to such Receivable; and

(c) any Related Security with respect to such Receivable.

Conditions

2.4 (a) Each Seller (other than VC) will on or before the Funding Date, and VC will on or before the Second Closing Date, execute a power of attorney substantially in the form applicable to that Seller as set out in Schedule 10 (each a ***Master Purchaser Receivables Power of Attorney)*** and deliver the same to, or to the order of, the Master Purchaser on such date. The Master Purchaser shall not use any Master Purchaser Receivables Power of Attorney to notify Obligors of any assignment of Receivables except in the circumstances described in Clauses 5.1 and 5.2.

(b) VC agrees to procure that VEC shall on or before the Second Closing Date execute a power of attorney and deliver the same to, or to the order of, the Master Purchaser enabling the Master Purchaser to notify Obligors of any assignment of Receivables by VEC to VC in accordance with and subject to the terms of the VC Receivables Purchase Agreement.

Specific Conditions

2.5 Without prejudice to Clause 2.1 and Clause 2.2, the sale and assignment of the Assignable Receivables to the Master Purchaser, and the sale to the Master Purchaser of beneficial interests in the English Restricted Receivables Trust, hereunder shall also be subject to the following specific conditions:

(a) with respect to the initial purchase of Assignable Receivables and the initial purchase of a beneficial interest in the English Restricted Receivables Trust on

the Funding Date, the satisfaction as determined by the Collateral Monitoring Agent in its sole discretion of the Conditions Precedent set out in Part A and Part B of Schedule 3 to the Framework Deed;

(b) with respect to the purchase of Assignable Receivables from the Sellers other than VC following the Funding Date and with respect to the subsequent purchase of beneficial interests in the English Restricted Receivables Trust, the satisfaction or waiver, as determined by the Collateral Monitoring Agent in its sole discretion, of the Conditions Precedent set out in Part B of Schedule 3 to the Framework Deed;

(c) all representations and warranties of the Parent, Sellers and Servicers are true and correct on and as of each such date, before and after giving effect to such purchase and to the application of the proceeds of such purchase, as if they had been made on and as of such date; and

(d) with respect to the initial purchase of Assignable Receivables from VC on the first Settlement Date following the Second Closing Date, the satisfaction or waiver (and other than in respect of any fees payable on that date), as determined by the Collateral Monitoring Agent in its sole discretion, of the Second Closing Date Conditions Precedent and the Conditions Precedent set out in Part B of Schedule 3 to the Framework Deed;

(e) with respect to the purchase of Assignable Receivables from VC after the first Settlement Date following the Second Closing Date, the satisfaction or waiver, as determined by the Collateral Monitoring Agent in its sole discretion, of the Conditions Precedent set out in Part B of Schedule 3 to the Framework Deed;

(f) no Termination Event has occurred that has not been waived by the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee.

True sale

2.6 For the avoidance of doubt, the parties confirm their intention that the assignment of Assignable Receivables in accordance with this Agreement and the creation of the English Restricted Receivables Trust in respect of the English Restricted Receivables and the acquisition by the Master Purchaser of beneficial interests therein shall constitute a true sale of such Assignable Receivables or of such beneficial interest in such English Restricted Receivables Trust, as the case may be, and not a loan or a security arrangement for any obligations of any Seller. Notwithstanding any other provision of the Transaction Documents, the Master Purchaser shall have full title and interest in and to the Assignable Receivables and the sole beneficial interest in the English Restricted Receivables Trust and the Master Purchaser shall be free to further dispose of such Assignable Receivables and of its beneficial interest in the English Restricted Receivables Trust subject to the Encumbrances created and any restrictions it has accepted under the terms of the Master Purchaser Deed of Charge or free of those Encumbrances with the prior written consent of the Security Trustee following the release of the same from the security constituted by the Master Purchaser Deed of Charge.

Notarisation in Spain

2.7 Each Spanish Seller and the Master Purchaser hereby agree to raise into a public deed by means of a ratification deed (*acta de ratificación*) this Master Receivables Purchase and Servicing Agreement and each German Law Transfer Agreement entered into by a Spanish Seller before the Notary Public of Barcelona, Mr. Francisco Miras Ortiz (or such other notary public agreed between the Spanish Sellers, the Master Purchaser and the Collateral Monitoring Agent) on or prior to the Funding Date.

Additionally, each Spanish Seller, VEC, VC and the Master Purchaser hereby agree to raise into public status by means of a public deed (*escritura de ratificación y de elevación a público*) this Master Receivables Purchase and Servicing Agreement before the Notary Public of Barcelona, Mr. Francisco Miras Ortiz (or such other notary public agreed between the Spanish Sellers, the Master Purchaser and the Collateral Monitoring Agent) on or prior to the first Settlement Date following the Second Closing Date.

UCC Financing Statement

2.8 VEC expressly authorises the Purchaser or its assigns to file a Uniform Commercial Code financing statement with the Delaware Secretary of State, no later than 30 days after the Second Closing Date and for the entire duration of the Securitisation Availability Period, in order to perfect the rights and interests of the Purchaser or its assigns in Purchased Receivables originated by VEC.

3. Determination and payment of the Purchase Price and other payments

3.1 The purchase price payable in respect of each Purchased Receivable (or, in the case of the English Seller and any English Restricted Receivable, in respect of the purchase of an interest under the English Restricted Receivables Trust in respect thereof) shall be the Purchase Price which is calculated by the Master Servicer in accordance with this Agreement and shall be payable in the same Agreed Currency in which such Purchased Receivable is denominated.

3.2 In respect of the Purchased Receivables (or, in the case of the English Seller and any English Restricted Receivable, in respect of the purchase of an interest under the English Restricted Receivables Trust in respect thereof) purchased during any Determination Period, the Sellers shall procure that on the Reporting Date immediately preceding the Settlement Date which relates to such Determination Period, the aggregate Outstanding Balances in each Agreed Currency of all Purchased Receivables purchased during such Determination Period from each Seller (or, in the case of the English Seller and any English Restricted Receivable, in respect of the purchase of an interest under the English Restricted Receivables Trust in respect thereof) shall be identified in the relevant Servicer Report together with the aggregate Purchase Price in each Agreed Currency for all such Purchased Receivables purchased during such Determination Period.

Purchase Price

3.3 Subject to the provisions of Clause 3.4, the Purchase Price in respect of a Purchased Receivable (or, in the case of the English Seller and any English Restricted Receivable, in respect of the purchase of an interest under the English Restricted Receivables Trust in respect thereof), subject to the terms and conditions of this Agreement and the Master Purchase Deed of Charge, shall be due and payable by the Master Purchaser to the relevant Seller on the Purchase Date in respect of such Purchased Receivable.

3.4 Subject to Clause 3.5, the Master Purchaser and each Seller (except VC) agree that the payment of the Purchase Price to that Seller in the relevant Agreed Currency pursuant to Clause 3.1 shall be made:

(a) subject to Clause 3.6, by set-off of the obligation of that Seller to pay to the Master Purchaser Collections in the same Agreed Currency (subject to the conditions contained in Clause 10.3 (*Payment of Collections*)) against the obligation of the Master Purchaser to pay the Purchase Price to that Seller and the Master Purchaser hereby authorises each Servicer and each Servicer hereby undertakes to the Master Purchaser and the Security Trustee to debit the relevant Deposit Accounts in the relevant Agreed Currency and to transfer the relevant amount to the relevant Seller in accordance with Clause 10.3 of this Agreement; and

(b) to the extent that the Collections in the same Agreed Currency are not sufficient for such purpose, by means of a payment by the Master Purchaser to the relevant Seller in the relevant Agreed Currency by crediting the relevant amount in the relevant Agreed Currency to the relevant Deposit Account of the relevant Seller on the Settlement Date immediately following the end of the Determination Period in which the Purchase Date for such Purchased Receivable falls.

3.4A The Master Purchaser and VC agree that the payment of the Purchase Price or the Deemed Advanced Purchase Price shall be settled on a net basis in accordance with Clause 21 (*Cash Flow Management*) of the Framework Deed.

3.5 The Purchase Price in respect of a Purchased Receivable (or, in the case of the English Seller and any English Restricted Receivable, in respect of the purchase of an interest under the English Restricted Receivables Trust in respect thereof) purchased following the occurrence of a Cash Control Event (and while such event is continuing), subject to the terms and conditions of this Agreement and the Master Purchaser Deed of Charge, shall only become due and payable by the Master Purchaser to the relevant Seller on the first Settlement Date following the Determination Date immediately following the Purchase Date for such Purchased Receivable (or, in the case of the English Seller and any English Restricted Receivable, the Purchase Date for the interest under the English Restricted Receivables Trust in respect thereof).

Advance Purchase Price

3.6 Each Seller and the Master Purchaser agrees that, until the occurrence of a Cash Control Event (and while such event is continuing), to the extent that the Collections standing to the credit of the relevant Non-French Receivables Deposit Accounts of such Seller (or, in the case of VC, the Collections standing to the credit of the relevant Deposit Account of VEC) in the relevant Agreed Currency in respect of Purchased Receivables in such Agreed Currency purchased by the Master Purchaser from a particular Seller (or in the case of the English Seller in relation to English Restricted Receivables, the purchase of an interest in the English Restricted Receivables Trust) on any date exceed the amount of the Purchase Price in the relevant Agreed Currency payable by the Master Purchaser to that Seller on such date, an amount equal to such excess Collections shall be retained by way of advance payment made by the Master Purchaser to that Seller (or, in the case of the excess Collections in the Deposit Account of VEC, an amount equal to such excess Collections shall be retained by VEC and shall thereby be deemed to be paid by the Master Purchaser to VC by way of advance payment made by the Master Purchaser to VC which shall be settled on a net basis in accordance with Clause 21 (*Cash Flow Management*) of the Framework Deed) on account of the Purchase Price that will or may become payable by the Master Purchaser for purchases of Receivables in such Agreed Currency from such Seller (or in the case of the English Seller in relation to English Restricted Receivables, purchases of interests in the English Restricted Receivables Trust) on each subsequent Purchase Date of the same Determination Period (***Advance Purchase Price***) and thereupon such amount shall cease to constitute Collections. Any Advance Purchase Price shall be set off against the Purchase Price of Purchased Receivables in such Agreed Currency owed to the relevant Seller (or in the case of the English Seller in relation to Restricted Receivables, the purchase of an interest in the English Restricted Receivables Trust) which arise on each subsequent Purchase Date in the same Determination Period prior to the set off of any amount of such Purchase Price against Collections as provided in Clause 3.4 or prior to the settlement of the Purchase Price as provide in Clause 3.4A, as applicable.

3.7 Following the occurrence of a Cash Control Event (and while such event is continuing) no amount may be retained by any Seller or paid by the Master Purchaser to VC, as the case may be, by way of Advance Purchase Price and any amounts of Advance Purchase Price which have not been set off against the Purchase Price of Purchased Receivables owed to the relevant Seller (or in the case of the English Seller in relation to English Restricted Receivables, the purchase of an interest in the English Restricted Receivables Trust) in accordance with Clause 3.6 and remain outstanding shall be paid by the relevant Seller to the relevant Master Purchaser Collection Account in the same Agreed Currency on the date on which such Cash Control Event occurs or, if such day is not a Business Day, on the next following Business Day.

Reconciliation on Settlement Date

3.8 Each of the Sellers and the Master Purchaser agrees that on each Settlement Date all amounts paid and/or due and payable by the Master Purchaser to such Seller in the relevant Agreed Currency in respect of the purchase of Purchased Receivables originated by that Seller (or, in the case of VC, in relation to the purchase of

Purchased Receivables originated by VEC and in the case of the English Seller, in relation to English Restricted Receivables, the purchase of an interest in the English Restricted Receivables Trust) during the immediately preceding Determination Period will be reconciled with the information provided in the most recent Master Servicer Report then available and any amounts of Advanced Purchase Price paid to such Seller in a particular Agreed Currency which on the relevant Determination Date have not been set off against the Purchase Price of Purchased Receivables (or in the case of the English Seller in relation to English Restricted Receivables, the purchase of an interest in the English Restricted Receivables Trust) in accordance with Clause 3.6 and remain outstanding (the ***Negative Balance***):

(a) shall be set off against any amounts of Purchase Price payable to the Seller on such Settlement Date provided that no Cash Control Event has occurred and is continuing as at such Settlement Date; and

(b) to the extent that, following any such set-off there remains any Negative Balance, each Seller shall pay to the Master Purchaser on such Settlement Date an amount equal to the Negative Balance applicable to that Seller less any amount set-off pursuant to paragraph (a) above,

provided that following the occurrence of a Cash Control Event (and while such event is continuing), such Negative Balance shall not be set off as provided in sub-paragraph (a) above, but shall be paid by the Seller to the relevant Master Purchaser Transaction Account on the date on which such Cash Control Event occurs or, if such day is not a Business Day, on the next following Business Day.

Supplemental Purchase Price

3.9 To the extent that Discount Collections received during a Determination Period in respect of Purchased Receivables denominated in a particular Agreed Currency exceed the aggregate of the amounts due and payable by the Master Purchaser on the Settlement Date immediately following such Determination Period in accordance with paragraphs (a) to (c) of the applicable Master Purchaser Priority of Payments relating to payments in that Agreed Currency, then the Master Purchaser shall (subject to having funds available for such purpose in accordance with the applicable Master Purchaser Priority of Payments relating to payments in that Agreed Currency) pay to each Seller, that Seller's Seller Proportion of the amount of such excess by way of additional purchase price for the Purchased Receivables that have collected (such amounts payable being ***Supplemental Purchase Price***).

German Receivables Deferred Purchase Price

3.10 The German Seller shall, subject to the provisions of this Agreement, in consideration of the fact that the German Receivables are sold on a fully serviced basis (i.e. servicing is retained by the German Seller in its capacity as a Sub-Servicer) be entitled to the payment of periodic additional purchase price in respect of such German Receivables (inclusive of value added tax, sales tax, purchase tax or any other, similar taxes or duties) from the Master Purchaser (***German Receivables Deferred Purchase Price***). Such German Receivables Deferred Purchase Price shall be payable by the Master Purchaser to the German Seller monthly in arrears on each

Monthly Settlement Date in EUR in respect of each Monthly Determination Period out of the Collections and calculated on each Determination Date in an amount equal to 0.25 per cent per annum based on the aggregate of the EUR Equivalent of the Outstanding Balances of all German Receivables as at the Monthly Determination Date on which the relevant Monthly Determination Period ends.

No Other Payment for Purchased Receivables

3.11 The Master Purchaser shall not be obliged to pay any sum to a Seller in respect of the Purchase Price of a Purchased Receivable except as provided for in this Clause 3.

Account for Payment

3.12 Amounts payable by the Master Purchaser to a Seller in respect of Purchased Receivables originated by that Seller (or, in the case of VC, in respect of Purchased Receivables originated by VEC and in the case of the English Seller in relation to Restricted Receivables, in respect of the purchase of an interest in the English Restricted Receivables Trust) shall be made to the relevant Seller Account denominated in the same Agreed Currency or as otherwise directed in writing by the relevant Seller.

Stamp Duty

3.13 The Master Purchaser shall also be entitled (to the extent applicable and if it so elects and in or towards satisfaction of the relevant Seller's obligations) to deduct from the Purchase Price or any part of it payable by it to a Seller any stamp duty or any similar tax or duty on documents or the transfer of title to property arising in the context of this Agreement which has not been paid by the relevant Seller.

4. Representations, Warranties and Undertakings

By the Sellers (other than VC) on the Funding Date

4.1 In entering into this Agreement, each Seller (other than VC) as far as it is concerned hereby represents and warrants and undertakes to the Master Purchaser, the Security Trustee and the Funding Agent on the Funding Date in the terms set out in Part A of Schedule 2 with reference to the facts and circumstances then subsisting.

By VC on the Second Closing Date

4.1A VC represents and warrants and undertakes to the Master Purchaser, the Security Trustee and the Funding Agent on the Second Closing Date in the terms set out in Part A of Schedule 2 with reference to the facts and circumstances then subsisting.

By the Sellers on each Purchase Date

4.2 On each Purchase Date, each Seller as far as it is concerned shall represent and warrant and undertake to the Master Purchaser, the Security Trustee and the Funding

Agent in respect of the Receivables for which the Purchase Price becomes due on that Purchase Date, in the terms set out in Part A and Part B of Schedule 2 with reference to the facts and circumstances then subsisting.

Undertakings of each Seller

4.3 Each Seller undertakes on its own behalf and with respect to itself only with the Master Purchaser, the Security Trustee and the Funding Agent as follows:

(a) **Compliance with Laws, etc.**: The Seller will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges provided that its failure to do so will not be treated as a breach of this provision to the extent that the failure so to comply or the failure so to preserve could not reasonably be expected to result in a Material Adverse Effect.

(b) **Offices, Records, Name and Organisation**: The Seller will keep its principal place of business and chief executive office and the office where it keeps its records concerning the Receivables at the address of the Seller set forth in Part A of Schedule 1 hereto or at another location provided it gives 30 days' prior written notice thereof to the Funding Agent and the Master Purchaser. The Seller will not change its name or the nature of its incorporation or organisation, unless (i) the Seller shall have provided the Funding Agent, the Security Trustee and the Master Purchaser with at least 30 days' prior written notice thereof, and (ii) no later than the effective date of such change, all actions, documents and agreements considered necessary by the Master Purchaser and the Security Trustee to protect and perfect the Master Purchaser's interest in the Receivables, the Related Security, all Deposit Accounts of the Seller, and the other assets of the Seller in which a security interest is granted under the Transaction Documents have been taken and completed. The Seller also will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Purchased Receivables and Related Rights in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary for the collection of all Purchased Receivables (including, without limitation, records adequate to permit the daily identification of each Purchased Receivable and all Collections of and adjustments to each existing Purchased Receivable).

(c) **Performance and Compliance with Contracts and the Seller Credit and Collection Procedures**: The Seller will, at its expense, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Purchased Receivables, and timely and fully comply in all respects with the Seller Credit and Collection Procedures in regard to each Purchased Receivable and the Related Contract Rights, other than where non-compliance would not have an adverse effect on the collectability, enforceability or value of such Purchased Receivable or the Related Contract Rights.

(d) **Extension or Amendment of Receivables:** Except as provided in Clause 4.3(c) or to protect the Master Purchaser's interest in the Purchased Receivables, or its interest in the English Restricted Receivables Trust, the Seller will not (and each Servicer and the Master Purchaser agree not to) extend, amend or otherwise modify the terms of any Purchased Receivable or amend, modify or waive any term or condition of any Contract related thereto, except as otherwise provided in the Transaction Documents, and provided in all cases that the Seller shall at all times comply with the Seller Credit and Collection Procedures.

(e) **Change in business or Seller Credit and Collection Procedures:** The Seller will not make any change in the character of its business or in the Seller Credit and Collection Procedures that could, in either case, reasonably be expected to result in a Material Adverse Effect.

(f) **Change in Payment Instructions to Obligors:** The Seller will not, without the prior consent of the Collateral Monitoring Agent, add or terminate any contract, mandate or account agreement relating to a Deposit Account with any Deposit Account Bank, or terminate any post office box or bank account that is a Deposit Account, or make any change in its instructions to Obligors regarding payments to be made to the Seller or payments to be made to any Deposit Account.

(g) **Deposit to Deposit Accounts:** The Seller will instruct all its Eligible Obligors to remit all their payments in respect of Receivables outstanding on the Closing Date or originated after the Closing Date (or, in the case of VC, in respect of Receivables outstanding on the Second Closing Date or originated after the Second Closing Date) to the relevant Deposit Accounts of such Seller (being, in the case of the Portuguese Seller, the Master Purchaser Portuguese Deposit Accounts or, in the case of VC, the Deposit Account(s) of VEC). For the avoidance of doubt, instructions which have been given by the Seller to Obligors which pre-date the Closing Date (or, in the case of VC, the Second Closing Date) shall satisfy this obligation in respect of such Obligors. If the Seller shall receive any Collections directly, it shall immediately (and in any event within two Business Days) deposit the same to the relevant Deposit Accounts of such Seller (or, in the case of VC, the Deposit Account of VEC). The Seller will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Deposit Account, cash or cash proceeds other than Collections in respect of Purchased Receivables. The Seller undertakes not to open any accounts into which payments in respect of Purchased Receivables may be made by Obligors other than the relevant Deposit Accounts of such Seller (or, in the case of VC, the Deposit Account of VEC).

(h) **Marking of Records:** At its expense, the Seller will maintain at all times in its data processing records and systems a list of all Purchased Receivables.

(i) **Further Assurances:** The Seller agrees from time to time, at its expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that the Security Trustee or

the Funding Agent may reasonably request, to perfect, protect or more fully evidence the interests in the Purchased Receivables and, in respect of the English Restricted Receivables, the Master Purchaser's interest in the English Restricted Receivables Trust, or to enable the Master Purchaser or the Security Trustee or the Funding Agent to exercise and enforce their respective rights and remedies under this Agreement.

(j) **Reporting Requirements:** The Seller will provide to the Funding Agent, the MP Cash Manager, the Collateral Monitoring Agent and the Master Purchaser (in multiple copies, if requested by the Funding Agent or the Master Purchaser) the following:

(i) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Parent after the end of each of the first three quarters of each fiscal year (the documents with respect to the second quarter of 2006 being the first documents due from the Seller):

(A) balance sheets of the Parent as of the end of such quarter and statements of income and retained earnings of the Parent for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of the Parent;

(B) a consolidated balance sheet of the Parent and its subsidiaries as of the end of such quarter and consolidated statements of income and retained earnings of the Parent and its subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of the Parent;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Parent, a copy of the annual report for such year for the Parent and its subsidiaries, containing financial statements for such year audited by independent public accountants of recognised national standing;

(iii) as soon as available, and in any event within any time period after the end of each fiscal year of the Seller within which such financial statements are required to be prepared under the laws of any applicable jurisdiction, a balance sheet of the Seller as of the end of such fiscal year and the related statement of income and retained earnings of the Seller for such fiscal year, certified by the chief financial officer of the Seller;

(iv) as soon as available, and in any event within 120 days after the end of each fiscal year of the Parent, a copy of the consolidated annual report for such year for the Parent, and its subsidiaries containing consolidated financial statements for such year audited by independent public accountants of recognised national standing;

(v) as soon as possible and in any event within three Business Days after the relevant Seller obtains actual knowledge of the occurrence of any Termination Event or Potential Termination Event, a statement of the chief financial officer of the Seller setting forth details of such Termination Event or Potential Termination Event and the action that the Seller has taken and proposes to take with respect thereto;

(vi) at least 30 days prior to any change in the name of the Seller, a notice setting forth the new name and the effective date thereof;

(vii) so long as any Notes shall be outstanding, as soon as possible and in any event no later than the day of occurrence thereof, notice that the Seller has stopped selling all newly arising Receivables (or, in respect of English Restricted Receivables, beneficial interests in the English Restricted Receivables Trust in respect thereof) to the Master Purchaser pursuant to the Master Receivables Purchase Agreement;

(viii) at the time of the delivery of the financial statements provided for in Clauses (i), (ii) and (iii) of this paragraph (j), a certificate of the chief financial officer or the treasurer of the Seller to the effect that, to the best of such officer's knowledge, no Termination Event, Potential Termination Event or other Cash Control Event has occurred and is continuing or, if any Termination Event, Potential Termination Event or other Cash Control Event has occurred and is continuing, specifying the nature and extent thereof.

(k) Compliance with Transaction Documents:

(i) (A) Until such time as all the liabilities of the Seller and the Master Purchaser under the Transaction Documents have been discharged, the Seller shall deliver to the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee:

(B) (i) prior to the occurrence of a Termination Event, Potential Termination Event or Cash Control Event, not later than 30 days after every anniversary of the date of this Agreement and (ii) after the occurrence of a Termination Event, Potential Termination Event or Cash Control Event that is continuing, not later than 30 days after each third Settlement Date, a certificate substantially in the form set out in Schedule 5 *(Compliance Certificate)* from two directors of the Seller stating that, to the best of such directors' knowledge, the Seller during such period has observed and performed all of its undertakings, and satisfied every condition, contained in this Agreement to be observed, performed or satisfied by it on or prior to the date of such certificate, and that such directors have no knowledge of any Termination Event, Potential Termination Event or Cash Control Event except as specified in such certificate, and to the extent that such certificate specified that any such event has occurred, the certificate shall also set out the

action that the Seller has taken or proposes to take with respect thereto;

(C) promptly and from time to time such information, documents, records or reports concerning such Receivables and/or the Obligors (to the extent such Obligors have given their consent to that effect, where required) and such additional financial information in connection therewith as the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent or the Security Trustee may reasonably request.

(ii) The Seller shall promptly notify the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent and the Security Trustee upon being notified of or becoming aware of the occurrence of any Termination Event, Potential Termination Event or Cash Control Event.

(l) **Nature of Business:** The Seller will not engage in any business other than the sale of automotive interior products and the transactions contemplated in the Transaction Documents or, in the case of VC will not engage in any business other than the transactions contemplated in the Transaction Documents.

(m) **Mergers, etc.:** The Seller will not (i) merge with (other than a merger with another Seller or other member of the Visteon Group where the resulting legal entity is and remains a Seller for the purposes of the Transaction Documents and remains bound by the Transaction Documents as a Seller) or into or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions), all or substantially all of its assets (whether now owned or hereafter acquired), or (ii) acquire all or substantially all of the assets or capital stock or other ownership interest of, or enter into any joint venture or partnership agreement with, any person where such transaction would fundamentally change the nature of its business or the composition of its Receivables, in either case other than as contemplated by this Agreement and the other Transaction Documents to which it is a party, except (A) as permitted by the Master Purchaser, the Security Trustee and the Funding Agent or (B), in relation to a disposal of assets, where such disposal would be permitted pursuant to Section 6.04 (j), (l) or (m) of the US ABL Credit Agreement in the form of the US ABL Credit Agreement as at the Closing Date, it being agreed (i) that any amendment made after the Closing Date to such section shall not have the effect of amending the provisions of this Clause 4.3(m) unless such amendment is made in accordance with Clause 13 of the Framework Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this provision.

(n) **Distribution, etc.:** The Seller will not declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of capital stock of the Seller, or return any capital to its shareholders as such, or purchase, retire, defease, redeem or otherwise acquire for value or make any payment in respect of any shares of

any class of capital stock of the Seller or any warrants, rights or options to acquire any such shares, now or hereafter outstanding; **PROVIDED, HOWEVER,** that the Seller (in the case of any Seller other than VC) may do any of the above so long as (i) no Termination Event shall then exist or would occur as a result thereof, (ii) such dividends are in compliance with all applicable law including the corporate law of the state of Seller's incorporation, and (iii) such dividends have been approved by all necessary and appropriate corporate action of the Seller.

(o) **Debt:** The Seller will not incur any Indebtedness other than any Indebtedness incurred pursuant to the Transaction Documents and (in the case of any Seller other than VC) the Seller Permitted Indebtedness, nor will the Seller create any Encumbrance on its assets other than a Seller Permitted Encumbrance or any other Encumbrance which would be permitted to be created by that Seller pursuant to Section 6.02 of the US Credit Agreement in the form of the US ABL Credit Agreement as at the Closing Date, it being agreed (i) that any amendment made after the Closing Date to such section shall not have the effect of amending the provisions of this Clause 4.3(o) unless such amendment is made in accordance with Clause 13 of the Framework Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this provision.

(p) **Place of business:** The Seller undertakes that:

(i) it will:

(A) maintain its registered office in the jurisdiction of its incorporation; and

(B) maintain its "centre of main interests" (as that expression is used in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings (the ***Insolvency Regulation***)) in the jurisdiction of its incorporation (except for the Portuguese Seller which shall maintain its "centre of main interests" in Portugal); and

(ii) it will not maintain an "establishment" (as that expression is used in the Insolvency Regulation) in any jurisdiction other than the jurisdiction of its incorporation (except in the case of the Portuguese Seller, Portugal); and

(iii) it will not, and shall procure that no current or future member of the Visteon Group (other than VC) will, maintain a "centre of main interests" or "establishment" (as those terms are defined above) in Ireland.

Undertakings of the Parent

4.4 The Parent undertakes with the Master Purchaser, the Security Trustee and the Funding Agent as follows:

(a) **Compliance with Laws, etc.:** The Parent will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges except to the extent that the failure so to comply or the failure so to preserve could not reasonably be expected to result in a Material Adverse Effect.

(b) The Parent shall promptly notify the Master Purchaser, the Funding Agent and the Security Trustee immediately upon being notified of or becoming aware of the occurrence of any Termination Event, Potential Termination Event, or Cash Control Event.

(c) The Parent shall use all reasonable endeavours to procure that all information and reports furnished by it or on its behalf under the Transaction Documents are accurate in all material respects;

(d) **Reporting Requirements:** The Parent will provide to the Funding Agent, the MP Cash Manager and the Collateral Monitoring Agent and the Master Purchaser (in multiple copies, if requested by the Funding Agent or the Master Purchaser) the following:

(i) (within 90 days after the end of each fiscal year of the Parent, its audited consolidated (and, with respect to the Sellers and VEC only, if Minimum Consolidated Excess Liquidity is less than USD125,000,000 for periods beginning after 30 September 2006, unaudited consolidating) balance sheet and related audited consolidated statements of operations, and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous year, reported on (without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit by PricewaterhouseCoopers LLP or other independent certified public accountants of nationally recognized standing, and such financial statements shall be complete and correct in all material respects and shall be prepared in accordance with the generally accepted accounting principles in the United States of America (***GAAP***) applied (except as approved by such accountants and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods);

(ii) within 45 days after the end of each of the first three fiscal quarters of the Parent, its consolidated (and, with respect to the Sellers and VEC only if Minimum Consolidated Excess Liquidity is less than USD125,000,000 for periods beginning after 30 September 2006, unaudited, consolidating) balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of the

Chief Financial Officer, Chief Accounting Officer, Treasurer or Assistant Treasurer (each a ***Financial Officer***) of the Parent as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnote disclosure), and such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods;

(iii) concurrently with any delivery of financial statements under clause (i) or (ii) above, a certificate of a Financial Officer of the Parent in substantially the form of Schedule 5 (*Compliance Certificate*) (A) certifying, in the case of the financial statements delivered under clause (ii), as presenting fairly in all material respects the financial condition and results of operations of the Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (B) stating whether, to the extent any such change has an impact on such financial statements, any change in GAAP or in the application thereof has occurred since the date of last audited financial statements of the Parent provided to the Master Purchaser, and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate.

(iv) concurrently with any delivery of financial statements under clause (i) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any breach by the Parent of Clause 4.4(e) (which certificate may be limited to the extent required by accounting rules or guidelines) provided that, for any period, the Parent shall not be required to deliver such certificate if the Parent certifies to the Collateral Monitoring Agent that they are unable to do so following the use of commercially reasonable efforts;

(v) no later than 45 days after the end of each fiscal year of the Parent, detailed consolidated projections for the following fiscal year prepared on a quarterly basis (including a projected consolidated balance sheet of the Parent and its Subsidiaries, consolidated statements of projected cash flow and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such projections with respect to such fiscal year (collectively, the ***Projections***), setting forth in each case in comparative form the budget figures for the previous year, which Projections shall in each case be accompanied by a certificate of a Financial Officer stating that such Projections are based on estimates, information and

assumptions believed by the management of the Parent to be reasonable at the time made and that such Financial Officer has no reason to believe that such Projections, taken as a whole, are incorrect or misleading in any material respect, it being acknowledged and agreed by the Master Purchaser and the Security Trustee that (i) such Projections as they relate to future events are not to be considered as fact and that actual results for the period or periods covered by such Projections may differ from the results set forth therein by a material amount, (ii) the Projections are subject to significant uncertainties and contingencies, which may be beyond the control of the Parent and its Subsidiaries and (iii) no assurances are given by the Parent or any of its Subsidiaries that the results forecasted in the Projections will be realized and such differences may be material;

provided, that the Master Purchaser, the Security Trustee or the Collateral Monitoring Agent may, in its reasonable discretion, require reporting more frequent than as set forth in this Clause 4.4 in the event that, and at all times after, Minimum Consolidated Excess Liquidity is less than USD50,000,000 (a ***Reporting Trigger Event***).

Unless otherwise provided herein, if any financial statements, certificate or other materials or information required to be delivered to the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee pursuant to this clause 4.4 or otherwise under this Agreement shall be due on a day that is not a Business Day, such financial statements, certificate, materials or information shall be delivered on the next succeeding Business Day.

Information required to be delivered pursuant to this clause 4.4 shall be deemed to have been delivered to the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee on the date on which the Parent provides written notice to the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee that such information has been posted on the Parent's website on the Internet at http://www.visteon.com or is available via the EDGAR system of the U.S. Securities and Exchange Commission on the Internet (to the extent such information has been posted or is available as described in such notice).

(e) **Parent Financial Covenant:** The Parent will comply at all times with the financial covenants set out in section 6.19(b) of the US ABL Credit Agreement in its unamended form as of the date hereof it being agreed that any termination of or waiver under the US ABL Credit Agreement shall not affect this provision.

Representation of the Parent

4.5 In entering into this Agreement, the Parent hereby represents and warrants to the Master Purchaser, the Security Trustee and the Funding Agent on the Closing Date and the Funding Date in the terms set out in Section 3.13 of the US ABL Credit Agreement in the form of the US ABL Credit Agreement as at the Closing Date provided that any references therein to "Material Adverse Effect" shall be construed

as a reference to Material Adverse Effect as defined in the Framework Deed, it being agreed (i) that any amendment made after the Closing Date to such section shall not have the effect of amending the provisions of this Clause 4.5 unless such amendment is made in accordance with Clause 13 of the Framework Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this provision

Representations of the Master Purchaser on the Funding Date and the Second Closing Date

4.6 In entering into this Agreement the Master Purchaser hereby represents and warrants to each Seller (other than VC) on the Funding Date and to VC on the Second Closing Date as follows:

(a) **Status:** it is duly incorporated with limited liability and validly existing under the laws of Ireland;

(b) **Powers and Authorisations:** the documents which contain or establish its constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for it to own its assets, carry on its business and operations as they are now being conducted and to sign and deliver, and perform the transactions contemplated in, the Transaction Documents to which it is a party;

(c) **Legal Validity:** its obligations under the Transaction Documents constitute, or when executed by it will constitute, its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, examination, reorganisation, moratorium or similar laws affecting the enforcement of creditors' rights generally;

(d) **Ordinary course of business:** the purchase of the Purchased Receivables by the Master Purchaser from each Seller pursuant to this Agreement occurs in the ordinary course of the business of the Master Purchaser;

(e) **Non-Violation:** the execution, signing and delivery of the Transaction Documents to which it is a party and the performance of any of the transactions contemplated in any of them do not and will not contravene or breach or constitute a default under or conflict or be inconsistent with or cause to be exceeded any limitation on it or the powers of its directors imposed by or contained in:

(i) any law, statute, decree, rule, regulation or licence to which it or any of its assets or revenues is subject or of any order, judgment, injunction, decree, resolution, determination or award of any court or any judicial, administrative, or governmental authority or organisation which applies to it or any of its assets or revenues; or

(ii) any agreement, indenture, mortgage, deed of trust, bond, or any other document, instrument or obligation to which it is a party or by which any of its assets or revenues is bound or affected; or

(iii) any document which contains or establishes its constitution;

(f) **Consents:** no authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is required to ensure the creation, validity, legality, enforceability or priority of its liabilities and obligations or of the rights of each Seller against it under the Transaction Documents save for (i) the delivery of all necessary particulars of the security created pursuant to the Master Purchaser Security Documents in the prescribed form to the Registrar of Companies in Ireland within 21 days of the creation of such security in accordance with section 99 of the Companies Act, 1963 (as amended) of Ireland and (ii) the delivery of the particulars of such security (constituting a fixed charge over book debts) to the Revenue Commissioners in Ireland in accordance with section 1001 of the Taxes Consolidation Act, 1997 (as amended) of Ireland; and

(g) **Solvency:** it is solvent and able and expects to be able to pay its debts as they fall due.

5. Perfection

5.1 Each Seller hereby agrees and acknowledges that, at any time after the occurrence of a Termination Event that has not been waived by the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee and without prejudice to the provisions of Clause 23.7 *(Further Assurance)*, and upon the Master Purchaser giving written notice to that Seller and the relevant Servicer of its intention so to act, the Master Purchaser (or the Master Servicer on its behalf) may, and upon being requested to do so by the Security Trustee or the Collateral Monitoring Agent shall, and the Security Trustee or the Collateral Monitoring Agent may itself:

(a) give written notice in its own name (and/or require that Seller to give notice), either in the form of notice at Part A of Schedule 9 (in respect of Purchased Receivables governed by German law, other than Purchased Receivables governed by German law and originated by VEC), Part B of Schedule 9 (in respect of Purchased Receivables governed by Spanish law), Part C of Schedule 9 (in respect of Purchased Receivables governed by a law other than German law, Spanish law or Portuguese law) or Part D of Schedule 9 (in respect of Purchased Receivables governed by Portuguese law) or in such other form as the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent or the Security Trustee may require, to all or any of the Obligors of (in the case of Assignable Receivables) the sale and assignment of all or any of the Purchased Receivables originated by that Seller or (in the case of English Restricted Receivables) the trust declared of the benefit of the English Restricted Receivables; and/or

(b) direct in writing (and/or require the Seller to direct in writing) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables originated by that Seller (or, in the case of VC, the Purchased Receivables originated by VEC) directly to the Master Purchaser, the Master Purchaser Transaction Account in the same Agreed Currency, or any other account which is specified by the Master Purchaser (with the consent of the Security Trustee); and/or

(c) exercise the Master Purchaser's rights under the Master Purchaser Receivables Powers of Attorney (as defined below); and/or

(d) give written instructions (and/or require the Seller to give written instructions) to make transfers from any Deposit Account in the name of that Seller to the Master Purchaser Transaction Account in the same Agreed Currency; and/or

(e) in respect of any Assignable Receivable sold and assigned pursuant to Clause 2.2(a), 2.2(b), 2.2(d) or 2.2(e) hereof, execute a written assignment in favour of the Master Purchaser of the legal interest of the relevant Seller therein and in all Related Contract Rights and Related Security; and/or

(f) take such other action as it reasonably considers to be necessary in order to recover any amount outstanding in respect of Purchased Receivables or to improve, protect, preserve and/or enforce their rights against the Obligors in respect of Purchased Receivables originated by that Seller.

5.2 Each Seller hereby agrees and acknowledges that, at any time after the occurrence of a Termination Event that has not been waived by the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee, the Master Purchaser may, and upon being requested to do so by the Security Trustee or the Collateral Monitoring Agent shall, and the Security Trustee or the Collateral Monitoring Agent may itself, with respect to any Purchased Receivable that is an English Restricted Receivable, require the English Seller to, and the English Seller shall if so required, request in writing the written consent of the Obligor under such Contract to the assignment of the entire legal and beneficial interest of the English Seller therein to the Master Purchaser and, subject to such consent being given, to execute written assignments in favour of the Master Purchaser in respect of:

(a) all or any of the English Restricted Receivables arising under such related Contracts in respect of which consent to assignment has been given by the relevant Customer;

(b) all Related Contract Rights with respect to such English Restricted Receivables; and

(c) any Related Security with respect to such English Restricted Receivable.

5.3 The Master Purchaser shall on or before the Funding Date grant a power of attorney (in a form and substance satisfactory to the Collateral Monitoring Agent) to Citibank, N.A. or such other person nominated by the Collateral Monitoring Agent (and notified to the Master Purchaser and the Security Trustee) pursuant to which the

Master Purchaser shall delegate its authority to Citibank, N.A. or such other person for the purpose of ratifying before a notary in Spain, and raising into public status for the purposes of Spanish law, each of the Spanish Master Purchaser Acceptances delivered in accordance with Schedule 11.

6. Termination

Termination Event — no further purchase of Receivables

6.1 If any Termination Event shall occur and has not been waived by the Master Purchaser and the Security Trustee, then, and in any such event, the Master Purchaser (or the Collateral Monitoring Agent or the Security Trustee on its behalf) may in its absolute discretion declare a termination of the Master Purchaser's obligations to purchase further Receivables hereunder. Upon such declaration being made by the Master Purchaser, the Security Trustee or the Collateral Monitoring Agent, the agreement between the Master Purchaser and the Sellers to purchase and sell Receivables set out in Clause 2 shall be terminated with immediate effect and there shall be no further purchase of Receivables by the Master Purchaser from the Sellers. The Master Purchaser, the Security Trustee or the Collateral Monitoring Agent shall give written notice of the declaration to the Parent and the Master Servicer as soon as possible following such declaration.

Termination Event — Set off

6.2 Following the occurrence of a Termination Event due to an event of the kind described in paragraph (n) of Schedule 1 to the Framework Deed *(Termination Events — Insolvency)* affecting a Seller, each of the Master Purchaser, the MP Cash Manager, the Collateral Monitoring Agent and the Security Trustee shall to the extent permitted by law be entitled without notice (but shall not be obliged) to set off any obligation which is due and payable by that Seller and unpaid against any obligation (whether or not matured) owed under any Transaction Document by the Master Purchaser, the Security Trustee, the MP Cash Manager or the Collateral Monitoring Agent (as the case may be) to that Seller regardless of the place of payment or currency of either obligation.

Termination by the Parent

6.3 The Parent on behalf of the Sellers may terminate the agreement of the Sellers to sell Receivables to the Master Purchaser as provided in Clause 2.1 at any time by giving 5 Business Days' notice in writing to the Master Purchaser, the Security Trustee, the Collateral Monitoring Agent and the Funding Agent.

Termination of Sales by the UK Seller

6.3A The UK Seller may terminate its agreement to sell Receivables to the Master Purchaser as provided in Clause 2.1 at any time by giving 5 Business Days' notice in writing to the Master Purchaser, the Security Trustee, the Collateral Monitoring Agent and the Funding Agent. Any such termination by the UK Seller shall be without prejudice to the agreement of the other Sellers to sell Receivables and, subject to

Clause 5 of the Framework Deed of Amendment without prejudice to the other obligations of the UK Seller under the Transaction Documents.

Continuing Effect

6.4 Any termination pursuant to this Clause 6 or any other permitted termination of this Agreement shall not affect any rights or obligations of the parties in relation to any Purchased Receivables purchased prior to such termination and subject, in the case of the UK Seller, to Clause 5 of the Framework Deed of Amendment the provisions of this Agreement shall continue to bind the parties to the extent and for so far and so long as may be necessary to give effect to such rights and obligations. The covenants, obligations and undertakings contained in this Agreement and the rights and remedies in this Agreement in respect of any representation, warranty or statement made under or in connection with this Agreement and the indemnification and other payment obligations in this Agreement shall continue and remain in full force and effect notwithstanding the termination of this Agreement.

7. Remedies for Breach of Warranty

Non-Conforming Receivables

7.1 If any representation or warranty set out in Part A of Schedule 2 insofar as it relates to the assignability, collectability, validity or enforceability of a Purchased Receivable or if any representation or warranty set out in Part B of Schedule 2 in respect of a Purchased Receivable proves to have been incorrect on the Funding Date (for Receivables purchased on the Funding Date) or for other Purchased Receivables on the date on which it is made or deemed to be made and remains incorrect, or if the relevant Purchased Receivable has never existed (each affected Purchased Receivable being a ***Non-Conforming Receivable)***, the Seller that originated any such Non-Conforming Receivable (or, VC, in the case of Non-Conforming Receivables originated by VEC and sold by VC) shall be deemed to have received a collection of the full amount of each such Non-Conforming Receivable in the same Agreed Currency (a ***Deemed Collection)*** and shall pay the amount of each such Deemed Collection in that Agreed Currency to the relevant Deposit Account on the next Settlement Date in respect of each such Non-Conforming Receivable. To the extent that a Seller has made a payment to the Master Purchaser in respect of a Non-Conforming Receivable in accordance with this Clause 7.1 and an actual Collection is subsequently received by the Master Purchaser in respect of such Non-Conforming Receivable, the Master Purchaser will pay to that Seller on the immediately succeeding Settlement Date by crediting the relevant Deposit Account of such Seller in the same Agreed Currency, in accordance with the applicable Master Purchaser Priority of Payments and by way of refund of the payment made by that Seller pursuant to this Clause 7.1, an amount equal to the Collection so received in respect of such Non-Conforming Receivable in the same Agreed Currency.

Dilutions

7.2 If at any time:

(a) there arises any set-off, counterclaim, dispute, defence or deduction in respect of a Purchased Receivable by the relevant Obligor; or

(b) any Dilution occurs in relation to a transaction under which a Purchased Receivable arises or any other transaction between the relevant Seller and the relevant Obligor;

then the relevant Seller shall be deemed to have received a collection of each such Diluted Receivable in the amount of the relevant dilution in the same Agreed Currency on the day such dilution occurs (a ***Deemed Collection)*** and the relevant Seller shall pay the amount of each such Deemed Collection in that Agreed Currency to the relevant Deposit Account on the next Settlement Date.

Payment of Deemed Collections by VC

7.3 The obligation of VC to pay any Deemed Collection to the Master Purchaser under Clause 7.1 or 7.2 shall be deemed to be satisfied if VEC makes a corresponding payment under Clauses 7.1 or 7.2 of the VC Receivables Purchase Agreement.

Means of remedying breach

7.4 For the avoidance of doubt, the payment by a Seller in full of the amount due in respect of any Receivable under Clause 7.1 or 7.2 on the Settlement Date on which it is due (which the Master Purchaser and that Seller agree may be effected by way of set-off against any Purchase Price payable to that Seller on such Settlement Date) will remedy any breach or default by that Seller in respect of that Receivable and neither the Master Purchaser, the Security Trustee nor the Funding Agent shall have any other right or remedy in respect of such breach or default. In the case of VC, the payment by VEC in full of the amount due in respect of any Receivable in accordance with Clause 7.3 on the Settlement Date on which it is due will remedy any breach or default by VC in respect of that Receivable and neither the Master Purchaser, the Security Trustee nor the Funding Agent shall have any other remedy or right in respect of such breach or default.

Recoupment of Value Added Tax

7.5 For the purpose of ensuring recoupment of any VAT forming part of a Purchased Receivable:

(a) all or part of which remains unpaid after the statutory period for purposes of claiming bad debt relief has elapsed; or

(b) which or the Outstanding Balance of which is, or would be, reduced, adjusted or cancelled by the Seller that originated such Purchased Receivable;

the relevant Seller that originated such Purchased Receivable (which for the avoidance of doubt shall not include VC) will use its reasonable endeavours to recover such value added tax to the extent that such Seller is legally entitled to claim a repayment of such value added tax (or the appropriate part thereof) from the appropriate tax authorities, and shall, upon receipt of any amount in respect of such

value added tax, to the extent that the Master Purchaser has not already been fully compensated for the non-receipt of such part of the Purchased Receivable as is equal to the valued added tax charged thereon, promptly remit the net amount not so compensated to the Master Purchaser and any such net amount will be paid into the relevant Deposit Account of such Seller in the relevant Agreed Currency and treated as a Collection in that Agreed Currency. The Seller that originated such Purchased Receivable (which for the avoidance of doubt shall not include VC) will make such accounting write-offs and transfers and raise such credit notes as may be necessary or desirable for this purpose, and take all such other steps as may be reasonably requested by the Master Purchaser provided that the Seller shall not be required to take any steps which it reasonably considers will unduly prejudice its tax affairs. At the request of that Seller and whether or not any amounts are payable to the Master Purchaser under this Clause 7.5, the Master Purchaser may, or at such time as the Master Purchaser is fully compensated, will, reassign or re-transfer a Purchased Receivable which is a Defaulted Receivable to the relevant Seller, who will accept such re-assignment or re-transfer of any such Purchased Receivable (for a nil or nominal consideration), solely for the purpose of facilitating recoupment of such value added tax.

SECTION III — SERVICING OF THE PURCHASED RECEIVABLES

8. Appointment of Servicers and Collateral Monitoring Agent

Appointment of Servicers

8.1 In connection with the sale and purchase of Receivables under Clause 2 (other than the German Receivables), the Master Purchaser and the Collateral Monitoring Agent each hereby appoints the Master Servicer as its lawful agent on its behalf to:

(a) collect all sums due in relation to the Purchased Receivables originated by each Servicer including Delinquent Receivables and Defaulted Receivables and provide administration services in relation to the collection of the Purchased Receivables;

(b) report to the Master Purchaser and the Collateral Monitoring Agent on the performance of the Purchased Receivables originated by each Servicer;

(c) pursue delinquent Obligors;

(d) maintain books and records in respect of Purchased Receivables originated by each Servicer;

(e) perform periodic reporting activities in respect of Purchased Receivables originated by each Servicer;

(f) with respect to each Purchased Receivable, determine whether at the time of the assignment of that Receivable to VC or the Master Purchaser, as the case may be, or, in the case of Visteon UK Limited, if such Purchased Receivable is an English Restricted Receivable, at the time such Receivable is held on trust pursuant to the English Restricted Receivables Trust for the benefit of the

Master Purchaser it satisfies the Eligibility Criteria and to identify the Purchased Receivable as an Eligible Receivable or a non-Eligible Receivable and, in the case of Visteon UK Limited, to identify the Purchased Receivable as an Assignable Receivable or an English Restricted Receivable in its books and records and computer systems; and

(g) perform those other functions as more particularly described to be performed by the Master Servicer in this Agreement and the other Transaction Documents,

in all such cases as provided for under this Agreement and the other Transaction Documents.

8.2 The Master Servicer shall be entitled to delegate to the Sub-Servicers (other than Visteon Deutschland GmbH) the performance of any of the duties and obligations undertaken by it hereunder and the Master Purchaser and the Collateral Monitoring Agent hereby consent to any such delegation. Without prejudice to the generality of the foregoing, it is acknowledged that the Master Servicer shall delegate and hereby delegates to the Sub-Servicers (other than Visteon Deutschland GmbH) those duties set out in Clause 8.3 below and those duties the subject of express undertakings by the Servicers elsewhere in this Agreement. Any such delegation shall be without prejudice to the obligations of the Master Servicer to the Master Purchaser and the Collateral Monitoring Agent under this Agreement, including, for the avoidance of doubt, under Clause 8.1, notwithstanding the direct undertakings given in this Agreement by the Sub-Servicers to the Master Purchaser and the Collateral Monitoring Agent in respect of the duties and obligations delegated to them by the Master Servicer.

8.3 Each Sub-Servicer (other than Visteon Deutschland GmbH) undertakes with the Master Servicer, the Master Purchaser and the Collateral Monitoring Agent that they shall, in discharge of the duties delegated to them by the Master Servicer, with effect from the Closing Date (or, in the case of the US Sub-Servicer, with effect from the Second Closing Date):

(a) collect all sums due in relation to the Purchased Receivables originated by that Sub-Servicer including Delinquent Receivables and Defaulted Receivables and provide administration services in relation to the collection of the Purchased Receivables;

(b) report to the Master Purchaser and the Collateral Monitoring Agent on the performance of the Purchased Receivables originated by that Sub-Servicer;

(c) pursue delinquent Obligors;

(d) maintain books and records in respect of Purchased Receivables originated by that Sub-Servicer;

(e) perform periodic reporting activities in respect of Purchased Receivables originated by that Sub-Servicer;

(f) with respect to each Purchased Receivable, to determine whether at the time of the assignment of that Receivable to VC or the Master Purchaser, as the case may be, or, in the case of Visteon UK Limited, if such Purchased Receivable is an English Restricted Receivable, at the time such Receivable is held on trust pursuant to the English Restricted Receivables Trust for the benefit of the Master Purchaser it satisfies the Eligibility Criteria and to identify the Purchased Receivable as an Eligible Receivable or a non-Eligible Receivable and, in the case of Visteon UK Limited, to identify the Purchased Receivable as an Assignable Receivable or an English Restricted Receivable in its books and records and computer systems;

(g) take all other action as necessary or desirable for the Master Servicer to perform its own duties and obligations under the Transaction Documents and for the servicing of all other Receivables; and

(h) perform those other functions as more particularly described in this Agreement,

in all such cases as provided for under this Agreement.

8.4 In connection with the sale and purchase of German Receivables under Clause 2, it is agreed and acknowledged that such German Receivables are sold on a fully serviced basis (i.e. servicing is retained by the German Seller in its capacity as a Sub-Servicer) and accordingly the German Seller (in its capacity as Sub-Servicer) undertakes in favour of the Master Purchaser that it shall:

(a) collect all sums due in relation to the German Receivables including Delinquent Receivables and Defaulted Receivables and provide administration services in relation to the collection of the German Receivables;

(b) report to the Master Purchaser and the Collateral Monitoring Agent on the performance of the German Receivables;

(c) pursue delinquent Obligors in respect of German Receivables;

(d) maintain books and records in respect of German Receivables;

(e) perform periodic reporting activities in respect of German Receivables;

(f) with respect to each German Receivable, to determine whether at the time of the assignment of that Receivable to the Master Purchaser it satisfies the Eligibility Criteria, and to identify the German Receivable as an Eligible Receivable or a non-Eligible Receivable in its books and records and computer systems; and

(g) perform those other functions as more particularly described to be performed by it in this Agreement and the other Transaction Documents,

in all such cases as provided for under this Agreement and the other Transaction Documents.

Acceptance of Appointment

8.5 Each Servicer confirms that it has received a copy of all of the Transaction Documents and accepts its appointment pursuant to Clause 8.1 on the terms and subject to the conditions of this Agreement.

Authority

8.6 Subject to Clause 8.7, during the continuance of its appointment, each Servicer and the Collateral Monitoring Agent shall, subject to the terms and conditions of this Agreement have the full power, authority and right to do or cause to be done any and all things which it reasonably considers necessary, desirable, convenient or incidental to the performance of its duties hereunder.

Operating and Financial Policies

8.7 Neither the Master Purchaser nor its directors and officers shall be required or obliged at any time to comply with any direction which any Servicer or Collateral Monitoring Agent may give with respect to the operating and financial policies of the Master Purchaser and each Servicer and Collateral Monitoring Agent hereby acknowledges that all powers to determine such policies (including the determination of whether or not any particular policy is for the benefit of the Master Purchaser) are, and shall at all times remain, vested in the Master Purchaser and its directors and officers and none of the provisions of this Agreement or the Master Receivables Purchase Agreement shall be construed in a manner inconsistent with this Clause 8.7.

9. Representations, Warranties and Undertakings

In entering into this Agreement, each Servicer and each Seller and the Parent hereby represents and warrants severally to the Master Purchaser, the Security Trustee and the Collateral Monitoring Agent on the Funding Date (or, in the case of VC or VEC, on the Second Closing Date) as to the terms set out in Part A of Schedule 2 (excluding, with respect to the Parent only, paragraphs (e), (g), (i), (j), (t), (v) and (w)) with reference to the facts and circumstances then subsisting (and, with respect to the Parent only in relation to paragraph (1), (m), (n) and (o), to the best of its knowledge).

10. Collection of Receivables

Sending of Invoices and payments into Deposit Accounts

10.1 The Master Servicer shall procure that each Sub-Servicer shall send Invoices to the Obligors in its own name, in accordance with the Seller Credit and Collection Procedures, shall collect all Collections in an efficient and timely fashion and shall ensure that the payment terms of each Purchased Receivable require payment to be made into the appropriate Deposit Account(s) (denominated in the same Agreed Currency as the Receivable) of the Seller that originated the Receivable (being, in the case of the Portuguese Seller, the Master Purchaser Portuguese Deposit Accounts) or, in respect of Purchased Receivables purchased by the Master Purchaser from VC, into the Deposit Account (denominated in the same Agreed Currency as the Receivables)

of VEC. In connection with such Collections, each Servicer shall present all documents necessary in support of such amounts due from the relevant Obligors.

Use of Deposit Accounts

10.2 Each Servicer (other than the US Sub-Servicer) shall at all times following the date falling 60 days after the Closing Date, and the US Sub-Servicer shall at all times following the date falling 60 days after the Second Closing Date, procure that only monies which derive from Purchased Receivables sold by that Servicer (in its capacity as Seller or, in the case of the US Sub-Servicer, VEC) will be paid into a Non-French Receivables Deposit Account held in the name of that Seller or VEC, as the case may be, and that no Non-French Receivables Deposit Account will be used for any purpose other than the payment of Collections of the same Agreed Currency to the Master Purchaser in accordance with the terms of the Transaction Documents save that, prior to the occurrence of a Cash Control Event, the Seller or VEC (as the case may be) in whose name a Non-French Receivables Deposit Account is held may apply any monies retained in that Non-French Receivables Deposit Account in accordance with Clause 3.4 (in the case of all Sellers except VC), 3.4A (in the case of VC), 3.5 and 3.6 and Clause 10.3 *(Payment of Collections)* for payment of the Purchase Price or Advance Purchase Price in respect of newly originated Receivables. If at any time during the period from the Closing Date to the date falling 60 days after the Closing Date (or in respect of the US Sub-Servicer, from the Second Closing Date to the date falling 60 days after the Second Closing Date) amounts not representing monies derived from Purchased Receivables are paid to the credit of a Non-French Receivables Deposit Account, the relevant Servicer shall upon such monies being identified as not being derived from Purchased Receivables (and in any event within 2 Business Days of such monies being paid into such Non-French Receivables Deposit Account) procure that such amounts are transferred out of the relevant Non-French Receivables Deposit Account. To the extent that any monies are credited to a Non-French Receivables Deposit Account which are not Collections, the relevant Servicer will, if it is otherwise unable to distinguish the same, attribute such monies first to Collections, and second to any other amount.

Payment of Collections

10.3 On each Business Day prior to the occurrence of a Cash Control Event, Collections received in a Non-French Receivables Deposit Account will be applied in payment of the Purchase Price or Advance Purchase Price in respect of newly originated Receivables (provided they are in the same Agreed Currency and originated by that Servicer) pursuant to Clause 3.4 (in the case of Receivables originated by the Servicers except for VEC), 3.4A (in the case of Receivables originated by VEC), 3.5 and 3.6.

10.4 Upon the occurrence of a Cash Control Event which is continuing, the Servicers shall no longer be entitled to apply any Collections in payment of the Purchase Price or Advance Purchase Price in respect of newly originated Receivables, will not be entitled to withdraw funds credited to the Non-French Receivables Deposit Accounts, and will procure that all funds credited to the Non-French Receivables Deposit Accounts are transferred to the Master Purchaser Transaction Account in the

same Agreed Currency prior to 5.00 p.m. London time each day on which banks are generally open for business in the location of the relevant Deposit Account Bank.

10.5 If any Servicer transfers any amount to a Master Purchaser Transaction Account in accordance with Clause 10.4 and such amount is later proven by that Servicer to the Master Purchaser's satisfaction to be an amount which is not a Collection, the Master Purchaser agrees that, upon request by that Servicer and at the expense of that Servicer, it will transfer such amount to such bank account as the Servicer may direct.

Notification to Deposit Account Bank

10.6 Each of the Sellers, VEC and Servicers acknowledges and agrees that, upon the occurrence of a Cash Control Event which is continuing, the Master Purchaser (and its authorised representatives notified to the Seller(s) or VEC (in the case of Receivables originated by VEC) in whose name the Non-French Receivables Deposit Account(s) are held) and the Security Trustee shall have the right to notify any of the Deposit Account Banks of the occurrence of the Cash Control Event and thenceforth exercise their control rights in respect of the Non-French Receivables Deposit Account in accordance with the terms and subject to the conditions of the relevant Account Control Agreement, and that for this purpose, subject always to the terms of the Master Purchaser Deed of Charge, the Master Purchaser has appointed the Collateral Monitoring Agent to act as its agent for the purpose of notifying any Deposit Account Bank of the occurrence of a Cash Control Event, and after doing so for the purpose of instructing the relevant Deposit Account Bank how to operate the relevant Non-French Receivables Deposit Account.

11. Records and Accounts

Determination of Collections

11.1 On each Business Day, the Master Servicer will calculate the aggregate amount of Collections denominated in each Agreed Currency received into the Deposit Accounts on the immediately preceding Business Day. After the occurrence of a Cash Control Event which has not been waived by the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee, the Master Servicer will, if so requested by the Funding Agent, notify such aggregate amount to the Master Purchaser, the Collateral Monitoring Agent and the Funding Agent on the Business Day immediately succeeding the Business Day on which such Collections were received.

Allocation of Collections

11.2 For the purpose of Clause 11.1 where, for any reason, the Master Purchaser has received in cash less than 100 per cent. of the Outstanding Balance of a Purchased Receivable, all amounts collected in respect of that Purchased Receivable shall be applied:

(a) first to the Discount element;

(b) secondly to the Purchase Price element.

Operation of Accounts

11.3 If pursuant to Clause 18(o)(i) Visteon Portuguesa Ltd. transfers the Non-French Receivables Deposit Accounts in its name to the name of the Master Purchaser, the Master Purchaser will grant a power of attorney to Visteon Portuguesa Ltd., in its capacity as Servicer, to operate such Non-French Receivables Deposit Accounts prior to the occurrence of a Cash Control Event and in accordance with the provisions of this Agreement on terms acceptable to the Master Purchaser, the Security Trustee and the Collateral Monitoring Agent.

12. CALCULATIONS

On or before each Reporting Date, the Master Servicer shall calculate the following in respect of the immediately preceding Detennination Period:

(a) with respect to each Seller, and with respect to each Agreed Currency, the aggregate of the Purchase Price paid during such Determination Period and payable on the immediately succeeding Payment Date by the Master Purchaser to that Seller in respect of all Purchased Receivables originated by that Seller or, in the case of VC, all Purchased Receivables originated by VEC during such Determination Period;

(b) with respect to VEC, and with respect to each Agreed Currency, the aggregate of the VC Purchase Price paid during such Determination Period and payable on the immediately succeeding Payment Date by the Purchaser to VEC in respect of all Purchased Receivables originated by VEC;

(c) with respect to each Seller, and with respect to each Agreed Currency, the Collections received by the Master Purchaser in respect of all Purchased Receivables originated by that Seller or, in the case of VC, all Purchased Receivables originated by VEC;

(d) with respect to each Seller, and with respect to each Agreed Currency, the aggregate amount of the Purchased Receivables originated by that Seller which are Ineligible Receivables or, in the case of VC, the aggregated amount of the Purchased Receivables originated by VEC which are Ineligible Receivables;

(e) with respect to each Seller, and with respect to each Agreed Currency, the aggregate amount of the Purchased Receivables originated by that Seller which are Eligible Receivables or, in the case of VC, the aggregate amount of the Purchased Receivables originated by VEC which are Eligible Receivables;

(f) with respect to the English Seller, and with respect to each Agreed Currency, the aggregate amount of the Assignable Receivables which are Purchased Receivables and the aggregate amount of English Restricted Receivables which are Purchased Receivables held on trust pursuant to the English Restricted Receivables Trust for the benefit of the Master Purchaser;

(g) NRPB Before Excess Concentrations and Exchange Rate Protection;

(h) Net Receivables Pool Balance;

(i) Maximum EUR Available Amount, Maximum GBP Available Amount, and Maximum USD Available Amount;

(j) EUR Subordinated VLN Required Amount, GBP Subordinated VLN Required Amount, and USD Subordinated VLN Required Amount;

(k) all other calculations necessary for the proper preparation and delivery of the Servicer Reports or as otherwise required of any Servicer under the Transaction Documents.

13. Application of Funds

Payments into Master Purchaser Transaction Accounts

13.1 The Master Purchaser shall ensure, and shall give all requisite instructions and directions to ensure that all sums received by the Master Purchaser in each Agreed Currency are paid into the relevant Master Purchaser Transaction Account.

Payments from Master Purchaser Transaction Accounts

13.2 The MP Cash Manager will give instructions to the Master Purchaser Transaction Account Bank to make the payments required to be made on each Settlement Date in accordance with the relevant Master Purchaser Priority of Payments.

14. Reports

Master Servicer's Monthly Reports

14.1 On each Monthly Reporting Date, the Master Servicer shall provide the Master Purchaser, the Funding Agent, the MP Cash Manager, the Collateral Monitoring Agent and (upon request) the Security Trustee with the Master Servicer's Monthly Report in respect of the immediately preceding Monthly Determination Period and the immediately preceding Determination Period. For the avoidance of doubt, the Master Servicer may provide the Master Servicer's Monthly Report to the Master Purchaser, the Funding Agent, the MP Cash Manager, the Collateral Monitoring Agent and the Security Trustee by fax or by email.

Contents of each Master Servicer's Monthly Report

14.2 Each Master Servicer's Monthly Report shall provide details of the following:

(a) in respect of each Agreed Currency and each Seller, the amounts collected in respect of the Purchased Receivables during the Determination Period ending on the immediately preceding Determination Date and details of all outstanding Purchased Receivables;

(b) in respect of each Agreed Currency and each Seller, the aggregate Dilutions during the Determination Period ending on the immediately preceding Determination Date;

(c) in respect of each Agreed Currency and each Seller, the aggregate of the Outstanding Balance of the Purchased Receivables purchased since the last Determination Date;

(d) in respect of each Agreed Currency and each Seller, the aggregate of the Outstanding Balance of all Purchased Receivables as at the immediately preceding Determination Date;

(e) in respect of each Agreed Currency and each Seller, the aggregate of the Outstanding Balance of all Purchased Receivables as at the immediately preceding Determination Date which are identified by the Master Servicer as Eligible Receivables;

(f) in respect of each Agreed Currency and each Seller, the aggregate of the Outstanding Balance of all Purchased Receivables as at the immediately preceding Determination Date which are identified by the Master Servicer as non-Eligible Receivables;

(g) in respect of each Agreed Currency and each Seller, Purchased Receivables then outstanding classified according to the following categories: current Receivables; Receivables that are 1-30 days past due; Receivables that are 31 - 60 days past due; Receivables that are 61 - 90 days past due; Receivables that are 91 - 120 days past due; and Receivables that are 121 or more days past due.

Master Servicer's Semi-Monthly Settlement Reports

14.3 On each Semi-Monthly Reporting Date, the Master Servicer shall provide the Master Purchaser, the Funding Agent, the MP Cash Manager, the Collateral Monitoring Agent and (upon request) the Security Trustee with the Master Servicer's Semi-Monthly Settlement Report in respect of the immediately preceding Semi- Monthly Determination Period. For the avoidance of doubt, the Master Servicer may provide the Master Servicer's Semi-Monthly Settlement Report to the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee by fax or by email.

Contents of each Master Servicer's Semi-Monthly Settlement Report

14.4 Each Master Servicer's Monthly Report shall provide details (in the form set out in Schedule 6) of the following:

(a) in respect of each Agreed Currency and each Seller, the aggregate of the Outstanding Balance of the Purchased Receivables;

(b) in respect of each Agreed Currency and each Seller the amount equal to the aggregate of the Outstanding Balance of Purchased Receivables as on the

previous Determination Date, plus the aggregate of the Outstanding Balance of Purchased Receivables purchased since that Determination Date, less the aggregate of the Collections received into a Deposit Account since that Determination Date.

Additional Information

14.5 The Master Servicer shall, within a reasonable period of receiving a request to that effect, provide to the Master Purchaser, the Funding Agent, the MP Cash Manager and the Collateral Monitoring Agent such additional information relevant to the Receivables (including the enforceability, collectability or origination of the Purchased Receivables), the Sellers, VEC, the Servicers or the Master Purchaser as the Master Purchaser and/or the Funding Agent and/or the MP Cash Manager and/or the Collateral Monitoring Agent may from time to time reasonably require for the performance of its duties on behalf of Master Purchaser under this Agreement.

15. Purchases

Purchases of Receivables

On each Payment Date the Sellers, VEC and the Servicers shall each execute such documents, deeds, agreements, instruments, consents, notices or authorisations and do all such other acts, things or procure the same are done as are required to be done by the Master Purchaser under this Agreement in connection with the assignment of the Assignable Receivables and with the trust over the English Restricted Receivables pursuant to the English Restricted Receivables Trust.

16. Enforcement

16.1 In the event that there is a default or failure to perform by any Obligor then the Servicers will take all reasonable steps to recover all sums due to the Master Purchaser in respect of the Purchased Receivables and shall comply in all material respects with the relevant Seller Credit and Collection Procedures or to the extent that those procedures are not applicable (having regard to the nature of the default or failure to perform in question) take such action as would a prudent creditor operating a business of the manufacture and sale of automotive interiors products in respect of such default or failure to perform. In applying such policies or taking such action in relation to any particular Obligor who is in default, each Servicer may exercise such discretion to deviate therefrom as would be exercised by a reasonably prudent creditor operating a business of the manufacture and sale of automotive interiors products but subject to believing on reasonable grounds that to do so will enhance recovery prospects or minimise loss.

17. Records and Information and Reviews

Maintenance of Records

17.1 Each Seller, VEC and each Servicer shall at its expense and at all times maintain, implement and keep accounting, management and administrative information systems, procedures and records which are adequate to generate accurate,

complete and reliable statistical information regarding the portfolio of Purchased Receivables. These records and systems shall include an ability to recreate records in the event of their destruction. The information and records shall be adequate to permit the identification on each Purchase Date of each newly Purchased Receivable and the daily identification of the aggregate of all collections of, and any losses in relation to, the Purchased Receivables in each Agreed Currency. Each Seller, VEC and each Servicer will at its expense keep books of account and records in relation to the operation of the transactions contemplated in the Transaction Documents and shall provide copies of such accounts and records to the Master Purchaser, the Security Trustee, the Funding Agent and the Collateral Monitoring Agent and fully co-operate with the Master Purchaser, the Security Trustee, the Funding Agent and the Collateral Monitoring Agent and provide all such other information in relation to the Purchased Receivables and the operation of the transactions set out in the Transaction Documents as the Master Purchaser, the Security Trustee, the Funding Agent or the Collateral Monitoring Agent shall reasonably require in order to prepare interim statements, final accounts and tax returns.

Access to Records

17.2 Each Seller, VEC and each Servicer shall, upon reasonable prior notice, provide the Master Purchaser, the Security Trustee, the Collateral Monitoring Agent and/or the Funding Agent (and their duly authorised officers, employees and agents) with access during regular business hours to examine, verify, audit, inspect and make copies of and abstract from all information, systems, records, books and contractual documentation maintained by it or on its behalf, or by or on behalf of any Seller, VEC or any other Servicer relating to the portfolios of Purchased Receivables (and including, without limitation, computer tapes and disks), and the Sellers, VEC and Servicers shall permit the Master Purchaser, the Security Trustee, the Collateral Monitoring Agent and the Funding Agent (by their duly authorised officers and/or employees, and/or duly appointed representatives, advisers and/or agents) to take such other steps as they from time to time reasonably think fit for the purpose of examining, verifying or obtaining information concerning any of the Purchased Receivables, including, but not limited to, visiting the office and properties of each Seller, VEC and/or the Servicer, and the Sellers, VEC and Servicers shall take such action as is necessary for them to do so, and to discuss matters relating to the Purchased Receivables with any Seller, VEC or Servicer or any of the officers, employees or agents of any Seller, VEC or any Servicer who have knowledge of such matters and procure the access and cooperation of the Sellers, VEC and Servicers necessary to the foregoing.

Reviews

17.3 The Master Purchaser, the Security Trustee, the Funding Agent or the Collateral Monitoring Agent (as the case may be) will be entitled to appoint independent public accountants or other persons acceptable to the Master Purchaser, the Security Trustee, the Funding Agent or the Collateral Monitoring Agent to prepare and deliver to the Master Purchaser, the Security Trustee, the Funding Agent and the Collateral Monitoring Agent, a written report with respect to the Receivables originated by that Seller or, in the case of Receivables purchased by the Master

Purchaser from VC, originated by VEC, and of VEC's or the Seller's Seller Credit and Collection Procedures and the servicing thereof on behalf of the Master Purchaser by the relevant Servicer (including, in each case, the systems, procedures and records relating thereto) on a scope and in a form reasonably requested by the Master Purchaser, the Funding Agent, the Security Trustee and/or the Collateral Monitoring Agent. The expense of two periodic Reviews in each calendar year shall be borne by the relevant Seller, VEC or Servicer; PROVIDED, HOWEVER, that after the occurrence and during the continuance of an event which, but for notice or lapse of time or both, would constitute a Servicer Default, or after the occurrence and during the continuance of a Potential Event of Termination or an Event of Termination, or there shall occur a material change in the relevant Seller's or VEC's Seller Credit and Collection Procedures or in the relevant Servicer's reporting systems relating to the Receivables or used in the preparation of the Servicer Reports, or data in any Servicer Report is incorrect or the Seller or VEC has difficulty providing the data to the relevant Servicer or following an audit report indicating an audit deficiency, the expense of any additional audits, examinations, reports and visits as the Master Purchaser, the Collateral Monitoring Agent or the Security Trustee (as the case may be) shall reasonably deem necessary under the circumstances shall be borne by the relevant Seller, VEC or the relevant Servicer, as the case may be.

18. UNDERTAKINGS OF THE SERVICERS

Each Servicer severally undertakes with each of the Master Purchaser, the Funding Agent and the Security Trustee, that, without prejudice to any of its specific obligations under this Agreement as follows:

(a) it will devote to the performance of its obligations and the exercise of its discretions under this Agreement and its exercise of the rights of the Master Purchaser in respect of contracts and arrangements giving rise to payment obligations in respect of the Purchased Receivables at least the same amount of time and attention and that there is exercised the same level of skill, care and diligence as it would if it were administering receivables in respect of which it held the entire benefit (both legally and beneficially) and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder and will devote all operational resources necessary to fulfil its obligations under this Agreement and the other Transaction Documents to which it is a party;

(b) it will comply with any proper and lawful directions, orders and instructions which the Master Purchaser, the Security Trustee or the Collateral Monitoring Agent may from time to time give to it in connection with the performance of its obligations under this Agreement, but only to the extent that compliance with those directions does not conflict with any provision of the Transaction Documents, provided that this paragraph 18(b) shall not apply to Visteon Deutschland GmbH;

(c) it will obtain, make, take and keep in force all authorisations, approvals, consents, licences, exemptions, registrations, recordings, filings, notices, notifications and notarisations and comply with any other legal requirements

which may be required in connection with the performance of its functions, duties and obligations under this Agreement and the other Transaction Documents (other than where failure to do so would not have a Material Adverse Effect) and to ensure the validity, legality, or enforceability of its (or the Master Purchaser's) liabilities and the rights of the Master Purchaser, the Security Trustee and the Funding Agent and it shall perform its obligations under this Agreement and the other Transaction Documents to which it is a party in such a way as to not prejudice the continuation of any such approvals, consents, licences, exemptions, registrations, recordings, filings, or notarisations;

(d) in servicing the Purchased Receivables and performing its obligations under this Agreement and the other Transaction Documents to which it is a party, it will comply with all requirements of any relevant or applicable law, statutory instrument, regulation, directive, administrative requirement, licence, authorisation or order made by any government, supra national body, state, municipality, district, canton, authority, court, tribunal or arbitral body (other than where failure to do so would not have a Material Adverse Effect);

(e) it will make all payments required to be made by it pursuant to this Agreement and the other Transaction Documents to which it is a party on their due date for payment under this Agreement or such other Transaction Documents, as the case may be, in the applicable Agreed Currency, for value on such day without set off or counterclaim and (unless required by law to deduct or withhold) without deduction or withholding for any taxes or otherwise;

(f) it will give to the Master Purchaser, the Security Trustee and the Funding Agent, within three Business Days after written demand by the Master Purchaser or the Funding Agent, a compliance certificate substantially in the form set out in Schedule 5 and signed by two directors of that Servicer to the effect that as at a date not more than seven days before delivering such certificate, to its knowledge, there did not exist any Potential Termination Event, any Termination Event, any Potential Servicer Default or any Servicer Default (or, if such exists or existed, specifying the same) and that during the period from the date of this Agreement to the date of such certificate that Servicer has complied with all its obligations under this Agreement and the other Transaction Documents to which it is a party or (if this is not the case) specifying the respects in which it had not complied;

(g) it will fully co-operate with the Master Purchaser and provide it with such information and assistance as it shall reasonably require in order to keep all registers and make all returns required by law or by relevant regulatory authorities and it shall fully co-operate with the directors of the Master Purchaser and provide them with such information in relation to the Purchased Receivables and the operation of the transactions contemplated in the Transaction Documents as they shall reasonably require in order to discharge their functions and legal obligations as directors of the Master Purchaser;

(h) subject to and in accordance with the provisions of this Agreement, it will take all reasonable steps to recover all sums due to the Master Purchaser in respect of the Purchased Receivables;

(i) it will comply in all material respects with the Seller Credit and Collection Procedures, and, other than in relation to those policies and procedures:

(i) which are required by law or by any governmental body or regulatory authority; or

(ii) which would be adopted by a reasonably prudent operator of a business of the sale of interior automotive products; or

(iii) to which the Collateral Monitoring Agent has given its prior written consent,

it will not adopt any additional and/or alternative policies and procedures in place of the Seller Credit and Collection Procedures which are likely adversely to affect the Master Purchaser in relation to the Purchased Receivables and any other rights acquired under this Agreement and the other Transaction Documents. It will, in relation to any additional and/or alternative policies and procedures which are proposed to be adopted in accordance with paragraph (iii) above and which might affect such interests, inform the Master Purchaser and the Collateral Monitoring Agent in writing of any of the same, prior to their adoption, together with an explanation as to why such policies and procedures are proposed to be adopted and why, in its reasonable opinion, such effect is not likely to be adverse to such interests. It shall be entitled to adopt the additional and/or alternative policies and procedures to which the Servicer's written notification relates unless the Collateral Monitoring Agent has notified it in writing no later than the fifth Business Day after the Collateral Monitoring Agent has received the Servicer's notification in respect of the additional and/or alternative policies proposed, that in the reasonable opinion of the Collateral Monitoring Agent such effect is likely to be adverse to such interests; and

(j) it will promptly (and in any event within two Business Days of the date it obtains actual knowledge thereof or ought reasonably to have obtained knowledge thereof) notify the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent and the Security Trustee of the occurrence of a Termination Event, Potential Termination Event, Cash Control Event, Servicer Default or Potential Servicer Default;

(k) it will promptly (and in any event within two Business Days of the date it obtains actual knowledge thereof or ought reasonably to have obtained knowledge thereof) notify the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent and the Security Trustee if legal proceedings are initiated against it, any Seller, VEC or the Master Purchaser which might adversely affect the Seller's, VEC's, the Master Purchaser's or the Security Trustee's title to or interest in the Purchased Receivables or any of the other rights acquired under this Agreement;

(l) it will promptly execute all such further documents, deeds, agreements, instruments, consents, notices or authorisations and do all such further acts and things (or procure the same) as may be necessary at any time or times in the reasonable opinion of the Master Purchaser, the Security Trustee or the Collateral Monitoring Agent to perfect or protect the interests of the Master Purchaser, the Security Trustee or the Collateral Monitoring Agent and to give effect to this Agreement or any of the other Transaction Documents to which it is a party;

(m) it will not extend, amend or otherwise modify any Purchased Receivable, or amend, modify or waive any provision of the related Contract, except in accordance with the Seller Credit and Collection Procedures, except for any amendment, modification or waiver that would not have a material adverse effect on the collectability, enforceability or validity of such Purchased Receivables or the Related Contract Rights and as otherwise provided in the Transaction Documents;

(n) it will (i) instruct Obligors to make payments only to Deposit Accounts of the Seller which originated in the relevant Purchased Receivables (or the Deposit Account of VEC, in the case of Purchased Receivables originated by VEC) and in the same Agreed Currency and (ii) deposit, or cause to be deposited, all Collections of Purchased Receivables into the Deposit Accounts of the Seller which originated in the relevant Purchased Receivables (or the Deposit Account of VEC, in the case of Purchased Receivables originated by VEC) and in the same Agreed Currency promptly following receipt. No Collections other than those related to Purchased Receivables, or Receivables purchased by FCC Visteon, will be deposited into Deposit Accounts;

(o) it will as security for the discharge and performance of all its obligations under this Agreement at any time owed or due to the other parties hereto (i) on or prior to the Funding Date or as soon as possible following the Funding Date, execute a declaration of trust or a pledge, or other form of Encumbrance or commingling risk protection (including but not limited to the transfer of the Non-French Receivables Deposit Account into the name of the Master Purchaser), over each Non-French Receivables Deposit Account held in its name and (ii) procure that each of the Deposit Account Banks execute an acknowledgment of the pledge or Encumbrance or other form of commingling risk protection, or an agreement regarding the acknowledgement of the trust, created over the relevant Non-French Receivables Deposit Accounts held with the relevant Deposit Account Bank, or novation of the account agreement with the relevant Deposit Account Bank, and in the law of such pledge, trust or Encumbrance each such pledge, trust or Encumbrance (as the case may be) is perfected and acknowledged in writing by the relevant Deposit Account Bank in each case by no later than the date falling 60 days after the Closing Date (or, in the case of the US Sub-Servicer by no later than the first Settlement Date following the Second Closing Date), in such form as the Collateral Monitoring Agent may require; in the event that and so long as the Servicer fails to create such pledge, trust or Encumbrances in respect of any Non-French Receivables Deposit Account, or to deliver to the Master Purchaser the relevant

acknowledgment, agreement or novation agreement with respect to any Non-French Receivables Deposit Account, or the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee have not received opinions of counsel in form and substance reasonably satisfactory to them in respect of the pledge, trust or Encumbrance over the Deposit Account, the Receivables originated by the Seller or VEC (as the case may be) in whose name such Non-French Receivables Deposit Account is held shall not be Eligible Receivables from the first Determination Date occurring on or following the date falling 60 days after the Closing Date (or the first Settlement Date following the Second Closing Date, in the case of VEC originated Receivables) until the Determination Date immediately following the date on which the relevant trust or Encumbrance is created and is acknowledged by the relevant Deposit Account Bank to the satisfaction of the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee, and such satisfactory opinion is obtained (at which point a Purchased Receivable originated by that Seller or VEC (as the case may be) may be an Eligible Receivable subject to satisfaction of the Eligibility Criteria on its Purchase Date);

(p) it will as security for the discharge and performance of its obligations to the FCC under the FCC Documents, (i) on or prior to the French Programme Commencement Date or as soon as possible following the French Programme Commencement Date, execute a *compte d'affectation specialisé* agreement, pledge, trust, or other form of Encumbrance or commingling risk protection, over each Deposit Account held in its name and which are dedicated to Collections arising on Receivables purchased by the FCC and (ii) procure that each of the Deposit Account Banks execute an acknowledgment of the pledge or Encumbrance, or an agreement regarding the acknowledgement of the trust, created over the relevant French Receivables Deposit Accounts held with the relevant Deposit Account Bank, or novation of the account agreement with the relevant Deposit Account Bank, and in the law of such pledge, trust or Encumbrance each such pledge, trust or Encumbrance (as the case may be) is perfected and acknowledged in writing by the relevant Deposit Account Bank in each case by no later than the date falling 60 days after the French Programme Commencement Date, in such form as the Collateral Monitoring Agent may require; in the event that and so long as the Servicer fails to create such *compte d'affectation specialisé* agreement, pledge, trust or Encumbrances or to deliver to the FCC the relevant acknowledgements with respect to any Deposit Account, and the FCC, the Master Purchaser and the Security Trustee shall not have received opinions of counsel in form and substance reasonably satisfactory to them in respect of the trusts or Encumbrances over the Deposit Account, the Receivables originated by the Seller in whose name such Deposit Account is held shall not be Eligible Receivables from the first Determination Date on or following the date falling 60 days after the French Programme Commencement Date until the Determination Date immediately following the date on which the relevant trust or Encumbrance is created and is acknowledged by the relevant Deposit Account Bank to the satisfaction of the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee, and such satisfactory opinion is obtained (at which point a Receivable

originated by that Seller may be an Eligible Receivable subject to satisfaction of the Eligibility Criteria on the relevant Purchase Date);

(q) with respect to each Receivable, it will promptly upon that Receivable coming into existence, determine whether it is an Eligible Receivable or a non-Eligible Receivable.

19. Sub Contracts

Appointment of Sub-agents

19.1 No Servicer may without the prior written consent of the Collateral Monitoring Agent and the Security Trustee appoint any person as its sub-agent, sub-contractor or representative to carry out all or any material part of the services to be provided by it under this Agreement.

Liability of Servicer

19.2 Any appointment as referred to in this Clause 19 shall not in any way relieve the appointing Servicer from its obligations under this Agreement, for which it shall continue to be liable as if no such appointment had been made and any failure by any sub-agent, sub-contractor or representative of that Servicer to perform the services expressed to be performed by the Servicer hereunder shall be treated as a breach of this Agreement by the Servicer.

No Liability to Agents

19.3 The Master Purchaser, the Funding Agent, Collateral Monitoring Agent and the Security Trustee shall not have any liability to any sub-agent, sub-contractor or representative of any Servicer or any other person appointed pursuant to 19.1 whatsoever in respect of any cost, claim, charge, fees, loss, liability, damage or expense suffered or incurred by any sub agent, sub contractor or representative of any Servicer, or any such person in connection with this Agreement.

20. Liability of Servicer

Exclusion of Liability

20.1 The Servicers shall have no liability for the obligations of any Obligor and nothing in this Agreement or any other agreement or document executed pursuant to or in connection with the Transaction Documents shall constitute a guarantee, or similar obligation, by the any Servicer (in its capacity as servicer) of the performance by any person owing any payment obligation in respect of a Purchased Receivable.

Indemnity

20.2 The Sellers and the Servicers shall provide indemnities in accordance with clauses 7 and 9 of the Framework Deed.

21. Servicing Fee

Calculation of Servicing Fee

21.1 The Master Servicer shall, subject to the provisions of this Agreement, in respect of each Monthly Determination Period be entitled to a Servicing Fee from the Master Purchaser (inclusive of value added tax, sales tax, purchase tax or any other, similar taxes or duties) payable monthly in arrear on each Monthly Settlement Date in EUR out of the Collections and calculated on each Determination Date in an amount equal to:

(a) if the Parent or an affiliate of the Parent is acting as Master Servicer under this Agreement, 0.25 per cent. per annum based on the aggregate of the EUR Equivalent of the Outstanding Balances of all Purchased Receivables other than German Receivables as at the Monthly Determination Date on which the relevant Monthly Determination Period ends; and

(b) if a party not affiliated to the Parent is acting as Master Servicer under this Agreement, such other percentage fee per annum based on the daily Outstanding Balance of all Purchased Receivables other than German Receivables as may be agreed upon by the Collateral Monitoring Agent, the Master Purchaser and such party, provided that such fee shall not in any circumstances exceed 110% of such Master Servicer's costs and expenses in administering and collecting the Purchased Receivables other than German Receivables.

21.2 The Master Servicer shall not be entitled to reimbursement of any cost, claim, liability or expense incurred or suffered by it in the performance of its obligations under this Agreement save to the extent expressly set out in this Agreement.

21.3 Each of the Sub-Servicers acknowledges that it shall not be entitled to receive any fee from the Master Purchaser for the performance of any of the duties delegated to it (as Sub-Servicer) under this Agreement but shall look solely to the Master Servicer for payment of any fees due to it in consideration for the provision of such services.

22. Termination of Appointment

Termination by Master Purchaser

22.1 If a Servicer Default has occurred and has not been waived by the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee, then the Master Purchaser may, (and shall, if so directed by the Security Trustee or the Funding Agent) at once or at any time, by notice in writing to the relevant Servicer terminate the appointment (or in the case of a Sub-Servicer, delegated appointment) of that Servicer under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice. If a successor Servicer has been appointed in accordance with Clause 22.6 within the applicable cure period, then the related Potential Servicer Default shall be deemed to have been cured. Upon any termination of the appointment of the Master Servicer pursuant to this Clause 22.1, the

appointment of any Sub-Servicer will immediately be terminated.

Notification of Obligors

22.2 Upon the occurrence of a Termination Event which has not been waived by the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee, the Master Purchaser, the Collateral Monitoring Agent and/or the Security Trustee may, at their own discretion, notify or require the Master Servicer to notify (or to procure that any or all Sub-Servicers notify) the Obligors that all Collections must be paid into the Master Purchaser Transaction Accounts.

Agency to Terminate

22.3 On and after termination of the appointment of a Servicer all authority and power of the Servicer under this Agreement shall be terminated and of no further effect and the Servicer shall no longer hold itself out in any way as the agent of the Master Purchaser.

Redelivery of Records

22.4 Upon termination of the appointment of a Servicer, that Servicer shall promptly deliver or make available to or, if so requested by the Funding Agent, shall within 7 Business Days of such termination deliver to (and in the meantime shall hold as fiduciary agent of) the Funding Agent or as it shall direct all contract records, books of account, papers, records, registers, computer tapes and discs (and any duplicates thereof), statements, correspondence and documents in its possession or under its control or available to it and relating to the Purchased Receivables and/or the affairs of the Master Purchaser or belonging to the Master Purchaser including all original contracts and the Transaction Documents in its possession, any moneys then held by any Servicer (including moneys held by any Sub-Servicer on behalf of the Master Servicer) on behalf of the Master Purchaser and any other assets of the Master Purchaser and shall take such further action as the Master Purchaser or the Funding Agent may reasonably direct.

Confirmation of Certain Provisions

22.5 Any provision of this Agreement which is stated to continue after termination of this Agreement shall remain in full force and effect notwithstanding termination.

Successor Servicer

22.6 It is hereby declared that neither the Master Purchaser, the Security Trustee nor the Collateral Monitoring Agent shall be under any obligation to act as or to appoint a substitute Servicer or a successor Servicer and shall be under no liability for not so acting or appointing.

22.7 Upon the occurrence and during the continuation of a Servicer Default, the Collateral Monitoring Agent shall have the right to designate a new person as the successor Servicer. The successor Servicer may be the Collateral Monitoring Agent, the Funding Agent or any of its respective Affiliates; provided that if the Collateral

Monitoring Agent, the Funding Agent or any of its Affiliates does not accept its designation as the successor Servicer, the Collateral Monitoring Agent or the Funding Agent will provide the Parent with a list of four potential successor Servicers, which the Parent will review and from such list, the Parent shall approve a successor Servicer; provided further that if the Parent does not consent to any of such four proposed successor Servicers within three Business Days of the Collateral Monitoring Agent or the Funding Agent providing the Parent with the proposal, the Collateral Monitoring Agent shall have the right to designate any of such proposed successors as Master Servicer.

22.8 The Master Purchaser agrees that if the Master Servicer's appointment is terminated in accordance with Clause 22.1 and no successor Master Servicer has been appointed in accordance with Clause 22.7, the Master Purchaser shall use all reasonable efforts to appoint another servicer in substitution of the Master Servicer. In addition, the Master Purchaser agrees with the Collateral Monitoring Agent that the Master Purchaser will comply with all reasonable directions given by the Collateral Monitoring Agent in relation to the appointment of any substitute Master Servicer.

Expiry

22.9 If not otherwise terminated, this Agreement shall terminate at the later of (i) such time following the Securitisation Availability Period when the Master Purchaser has no further interest in relation to any Purchased Receivable and (ii) the Final Discharge Date.

Survival of Rights and Obligations

22.10 With effect from the date of termination of this Agreement, the rights and obligations of the Servicers under this Agreement shall cease but such termination shall be without prejudice to (a) any liabilities of the Servicers to the Master Purchaser incurred before the date of termination, and (b) any liabilities of the Master Purchaser incurred to any of the Servicers before the date of termination, provided that the Master Servicer shall have no right to withhold or set-off any amounts due to it under this Agreement against any amounts held by it on behalf of the Master Purchaser.

Fees

22.11 On termination of the appointment of the Master Servicer, it shall be entitled to receive all fees and other moneys accrued up to the date of termination but shall not be entitled to any other or further compensation. Such moneys so receivable by the Master Servicer shall be paid by the Master Purchaser on the dates on which they would otherwise have been payable under this Agreement subject always to the provisions of this Agreement and the other Transaction Documents. For the avoidance of doubt, such termination shall not affect the rights of the Master Servicer to receive payment of all amounts due to it from the Master Purchaser other than under this Agreement.

Security Trustee's Powers

22.12 In the event of the security constituted by the Master Purchaser Deed of Charge becoming enforceable, the Security Trustee shall be entitled to exercise any right or power of the Funding Agent and the Collateral Monitoring Agent under this Clause 22.

SECTION IV — GENERAL

23. Further Provisions

Rectification

23.1 In the event that any amount paid pursuant to this Agreement shall be determined (after consultation between the parties in good faith) to have been incorrect, the parties hereto shall consult in good faith in order to agree upon an appropriate method for rectifying such error so that the amounts received by all relevant parties are those which they would have received if no such error had been made.

Notification of Judgment Creditors of the Servicer

23.2 The Master Servicer undertakes that it shall, immediately upon it becoming aware of the same, notify the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee in the event that (i) any person shall have obtained judgment against the Master Servicer or any Sub-Servicer in any proceedings before any court, arbitration or administrative or other body or tribunal for an amount (or amounts) equal to or greater than USD2,500,000 (or its equivalent in any other currency) and/or (ii) any person shall have applied to a court for an order over or against any Purchased Receivable, any proceeds of or interests in any Purchased Receivable or any of the Deposit Accounts and in this event, the Master Servicer shall advise the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee of the need to verify that the interests of the Master Purchaser in the Purchased Receivables is known by the courts, arbitration board, or administrative or other body or tribunal. The Master Servicer further undertakes that it shall supply to the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee all such information as any of them may reasonably request in connection with the hearing of such application to enable all or any of them to intervene in such hearing.

No Enquiries

23.3 The Master Servicer acknowledges that none of the Master Purchaser, the Funding Agent, the Security Trustee or the Collateral Monitoring Agent will, prior to the completion of the sale and purchase of any Receivable under this Agreement, make any enquiries of or in respect of any person who owes payment or other obligations in respect of a Receivable and/or as to the creditworthiness of any such person and/or any Receivable and/or the sums receivable under or stated to be receivable under any contract or arrangement relating to a Receivable.

Limited Recourse, Subordination of Servicer's Rights and non Petition Undertaking

23.4 Notwithstanding anything to the contrary in this Agreement, all payments to be made by the Master Purchaser under this Agreement shall be made by the Master Purchaser solely from funds in an Agreed Currency credited to the relevant Master Purchaser Collection Account which the Master Purchaser is entitled to apply in accordance with the relevant Master Purchaser Priority of Payments and the Master Purchaser shall have no obligation to make any such payment except to the extent of such funds which the Master Purchaser is so entitled to apply.

23.5 Each party to this Agreement (other than the Master Purchaser and the Security Trustee) agrees, notwithstanding any other provision of this Agreement, or the winding up of the Master Purchaser, that such party will not take any corporate action or other steps or legal proceedings for the winding up, dissolution or reorganisation or examination or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of the Master Purchaser or of any or all of the revenues and assets of the Master Purchaser nor participate in any ex part proceedings nor seek to enforce any judgment against the Master Purchaser until two years and one day has elapsed following the Final Discharge Date.

23.6 Each Party to this Agreement (other than VC, the Master Purchaser and the Security Trustee) agrees, notwithstanding any other provision of this Agreement, or the winding up of VC, that such party will not take any corporate action or other steps or legal proceedings for the winding up, dissolution or reorganisation or examination or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer of VC or of any or all of the revenues and assets of VC nor participate in any ex parte proceedings nor seek to enforce any judgment against VC until two years and one day has elapsed following the Final Discharge Date.

Further Assurance

23.7 Each party to this Agreement (other than the Master Purchaser and the Security Trustee) agrees that from time to time it will, at its own cost, promptly execute and deliver all instruments and documents, and take all further action as the Master Purchaser or the Security Trustee may reasonably request in order to perfect, protect or more fully evidence the Master Purchaser's interest in the Purchased Receivables including without limitation any Related Contract Rights and any Related Security and any proceeds thereof without, however, giving notice to the Obligors (except in the circumstances contemplated in Clause 5.1 or Clause 5.2).

Enforcement

23.8 Each Seller hereby irrevocably consents to the Master Purchaser (or the Funding Agent on its behalf) or the Security Trustee at any time after the occurrence of a Termination Event, for its own benefit commencing proceedings in the name of that Seller in respect of any of the Purchased Receivables.

Payment to the Seller's Accounts

23.9 Whenever any amount is due, owing or payable to any Seller under or in connection with this Agreement, payment of such sum in cleared funds in the appropriate Agreed Currency into the relevant Seller Account shall constitute a complete discharge of the Master Purchaser's obligation to pay such amounts.

Appropriation of Payments

23.10 If a person owing a payment obligation in respect of a Purchased Receivable makes a general payment to a Seller or VEC on account both of a Purchased Receivable which the Master Purchaser has purchased or agreed to purchase and of any other moneys due for any reason whatsoever to that Seller or VEC and makes no apportionment between them then such payment shall be treated as though the person had appropriated it first to the Purchased Receivable which the Master Purchaser has purchased or agreed to purchase and the proceeds of or comprised in such payment up to the full amount due or to become due in respect of the Purchased Receivable shall accordingly be the property of the Master Purchaser, and the Seller or VEC shall immediately and without deduction transfer that amount in accordance with Clause 10.3 *(Payment of Collections)* and shall in the meantime hold such moneys as fiduciary agent for the Master Purchaser.

Security Trustee

23.11 The Security Trustee (for itself and in its capacity as security trustee under the Master Purchaser Deed of Charge) has agreed to become a party to this Agreement in order to receive the benefit of the warranties, covenants, undertakings and indemnities expressed in its favour, for agreeing amendments to this Agreement and for the better preservation and enforcement of the Security Trustee's rights under the Master Purchaser Deed of Charge. However, the Security Trustee shall not assume or incur any obligation or liability whatsoever to the other parties hereto by virtue of the provisions contained in this Agreement.

24. Governing Law and Jurisdiction

24.1 This Deed shall be governed by, and construed in accordance with, the laws of England, except for each Spanish Transfer Deed, which shall be governed by the laws of Spain, and except for each German Law Transfer Agreement, which shall be governed by the laws of Germany.

24.2 All the parties agree that the courts of England are (subject to 24.3 and 24.4 below) to have exclusive jurisdiction to settle any dispute (including claims for set off and counterclaims) which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, this Agreement or otherwise arising in connection with this Agreement and for such purposes irrevocably submit to the jurisdiction of the English courts, except in respect of any dispute regarding a Purchased Receivable assigned by a German Law Transfer Agreement or a Spanish Transfer Deed, in which case the courts of Germany and Spain respectively shall have exclusive jurisdiction and for such purposes the parties irrevocably submit to the jurisdiction of such courts.

24.3 The agreement contained in clause 24.2 above is included for the benefit of the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent, the MP Cash Manager and the Security Trustee. Accordingly, notwithstanding the exclusive agreement in clause 24.2 above, each of the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent, the MP Cash Manager and the Security Trustee shall retain the right to bring proceedings against the other parties in any other court which has jurisdiction by virtue of Council Regulation EC No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, the Convention on Jurisdiction and the Enforcement of Judgments signed on 27 September 1968 (as from time to time amended and extended) or the Convention on Jurisdiction and Enforcement of Judgments signed on 16 September 1988 (as in each case from time to time amended and extended).

24.4 Each of the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent, the MP Cash Manager and the Security Trustee may in its absolute discretion, take proceedings in the Courts of any other country which may have jurisdiction including the Courts of the State of New York to whose jurisdiction each of the Parent, Sellers and Servicers irrevocably submits.

24.5 Each of the Parent, Sellers, VEC and Servicers irrevocably waives any objections to the jurisdiction of any Court referred to in this clause.

24.6 Each of the Parent, Sellers, VEC and Servicers irrevocably agrees that a judgment or order of any Court referred to in this clause in connection with this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

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In witness of which this Deed has been executed and delivered as a deed by the parties to it on the date above mentioned.

The Parent

EXECUTED and **DELIVERED** as a **DEED**	**)**
by **VISTEON CORPORATION** a company	**)**
incorporated in the State of Delaware	**)**
acting by	**)**
being a person who, in accordance with the	**)**
laws of that territory, is acting under the	**)**
authority of the company	**)**

Witness:

Name:

Address:

The Sellers and Servicers (except for VC)

EXECUTED and **DELIVERED** as a **)**
DEED by **)**
as duly authorised attorney **)**
for and on behalf of **)**
by **VISTEON UK LIMITED** **)**
in the presence of: **)**

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a **)**
DEED by **VISTEON DEUTSCHLAND GMBH** **)**
a company incorporated in Germany **)**
by **)**
being a person who in accordance with **)**
the laws of that territory, is acting under **)**
the authority of the company **)**

EXECUTED and **DELIVERED** as a)
DEED by **VISTEON SISTEMAS**)
INTERIORES ESPAÑA, S.L.U.)
a company incorporated in Spain)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by **CÁDIZ ELECTRÓNICA, S.A.U.**)
a company incorporated in Spain)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by)
VISTEON PORTUGUESA LTD.)
a company incorporated in Bermuda)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

SIGNED, SEALED and **DELIVERED** as a)
DEED by **VC RECEIVABLES**)
FINANCING CORPORATION LIMITED)
a company incorporated in Ireland acting by,)
)
)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

Master Servicer, VEC and the US Sub-Servicer

EXECUTED and **DELIVERED** as a	**)**
DEED by **VISTEON ELECTRONICS**	**)**
CORPORATION a company incorporated	**)**
under the laws of the State of Delaware	**)**
by	**)**
being a person who in accordance with	**)**
the laws of that territory, is acting under	**)**
the authority of the company	**)**

Witness:

Name:

Address:

The Master Purchaser and the Issuer

SIGNED, SEALED and **DELIVERED** as a	**)**
DEED by **VISTEON FINANCIAL**	**)**
CENTRE P.L.C. a company incorporated in	**)**
Ireland, acting by	**)**
	)
being a person who, in accordance with the	**)**
laws of that territory, is acting under the	**)**
authority of the company	**)**

Witness:

Name:

Address:

The Funding Agent

EXECUTED and **DELIVERED** as a **DEED** by)
)
as duly authorised attorney for and on behalf of **CITIBANK INTERNATIONAL PLC** in the presence of)

Witness:

Name:

Address:

The Collateral Monitoring Agent

EXECUTED and **DELIVERED** as a **DEED** by **CITICORP USA, INC.,** a company incorporated under the laws of Delaware, acting by)
)
being a person who, in accordance with the laws of that territory, is acting under the authority of the company)

Witness:

Name:

Address:

The Security Trustee

EXECUTED and **DELIVERED** as a **DEED** **)**
under the **COMMON SEAL** of **THE LAW** **)**
DEBENTURE TRUST CORPORATION **)**
P.L.C. in the presence of: **)**

Director:

Authorised Signatory:

The MP Cash Manager

EXECUTED and **DELIVERED** as a **DEED** **)**
by **CITIBANK, N.A.** a national banking **)**
association organised under the banking laws **)**
of the United States of America, acting by **)**
)
being a person who, in accordance with the **)**
laws of that territory, is acting under the **)**
authority of the company **)**

Witness:

Name:

Address:

SCHEDULE 5
Form of amended and restated Subordinated VLN Facility Agreement

14 August 2006
(as amended and restated on 29 October 2008)

VISTEON NETHERLANDS FINANCE B.V.
(as Subordinated VLN Facility Provider)

VISTEON FINANCIAL CENTRE P.L.C.
(as *Master Purchaser*)

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
(as *Security Trustee*)

CITIBANK INTERNATIONAL PLC
(as *Funding Agent*)

SUBORDINATED VLN FACILITY AGREEMENT

FRESHFIELDS BRUCKHAUS DERINGER

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

CONTENTS

THIS AGREEMENT is made on 14 August 2006 as amended and restated on 29 October 2008

BETWEEN

(1) **VISTEON NETHERLANDS FINANCE B.V.,** a private company with limited liability, incorporated and existing under the laws of the Netherlands, having its corporate seat at Rotterdam, the Netherlands and having its offices at Weena 340, 3012 NJ Rotterdam, the Netherlands (the ***Subordinated VLN Facility Provider*****);**

(2) **VISTEON FINANCIAL CENTRE P.L.C.,** a company incorporated in Ireland, registered in Ireland with the Companies Registration Office with number 423820, whose registered office is at First Floor, 7 Exchange Place, International Financial Services Centre, Dublin 1, Ireland (the ***Master Purchaser);***

(3) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.,** a company incorporated in England and Wales with limited liability whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the ***Security Trustee*****);** and

(4) **CITIBANK INTERNATIONAL PLC,** a company incorporated in England and Wales whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the ***Funding Agent*****),**

(together the ***Parties*****).**

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 Capitalised terms in this Agreement shall, except where the context otherwise requires and save where otherwise defined herein, bear the meanings ascribed to them in the Master Definitions and Framework Deed (the ***Framework Deed*****)** executed by, among others, each of the parties hereto dated on or about the date hereof (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto unless, in relation to any such amendment, variation or supplement, such persons expressly state in writing that such amendment, variation or supplement is not to apply hereto) and this Agreement shall be construed in accordance with the principles of construction set out therein.

1.2 In addition, the provisions set out in Clauses 3 to 6 and 12 to 28 of the Framework Deed (the ***Framework Provisions*****)** shall be expressly and specifically incorporated into this Agreement, as though they were set out in full in this Agreement. In the event of any conflict between the provisions of this Agreement and the Framework Provisions, the provisions of this Agreement shall prevail.

1.3 This Agreement is the Subordinated VLN Facility Agreement referred to in the Framework Deed.

1.4 The Security Trustee has agreed to become a party to this Agreement solely for the better enforcement and preservation of its rights, to receive benefit of the representations, warranties, covenants, undertakings, indemnities and other obligations expressed to be in its favour hereunder and to agree amendments to this Agreement. The parties hereto acknowledge and agree that the Security Trustee shall not assume any obligation or incur any liability whatsoever to any Party by virtue of the provisions contained in this Agreement.

2. THE SUBORDINATED VLN FACILITY

Grant of the Subordinated VLN Facility

2.1 The Subordinated VLN Facility Provider hereby grants to the Master Purchaser upon and subject to the terms and conditions of this Agreement a committed note issuance facility in each of the Agreed Currencies pursuant to which the Master Purchaser shall issue to the Subordinated VLN Facility Provider:

(a) a Subordinated VLN denominated in Euro (the ***EUR Subordinated VLN*****);**

(b) a Subordinated VLN denominated in Sterling (the ***GBP Subordinated VLN*****);** and

(c) a Subordinated VLN denominated in US Dollars (the ***USD Subordinated VLN***),

upon and subject to the terms and conditions of this Agreement.

Security

2.2 It is hereby acknowledged and agreed that upon the Subordinated VLN Facility Provider making a payment of Subordinated VLN Initial Subscription Price following receipt by it of a Subordinated VLN Initial Funding Request for a Subordinated VLN in accordance with this Agreement, it:

(a) shall become a beneficiary of the security created by or pursuant to the Master Purchaser Deed of Charge in respect of all sums payable to it under this Agreement and in its capacity as Subordinated VLN Holder; and

(b) shall be bound by the terms of the Master Purchaser Deed of Charge.

3. PURPOSE

Purpose

3.1 The Subordinated VLN Facility is intended to provide the Master Purchaser with financing to fund:

(a) in part, the payment of the Purchase Price in respect of the Purchased Receivables;

(b) to enable the Issuer to repay advances made under the Variable Funding Agreement and the Notes from time to time; and

(c) in part, the payment of the initial subscription price and any further subscription price for the FCC Units,

and accordingly, the Master Purchaser shall apply all amounts raised by it under the Subordinated VLN Facility only for such purposes.

No obligation to monitor use of proceeds

3.2 Without in any way affecting the obligations of the Master Purchaser, the Subordinated VLN Facility Provider is not bound to monitor or verify the application of amounts raised by the Master Purchaser under this Agreement.

4. Conditions Precedent to Issue

The entitlement of the Master Purchaser to issue and the obligations of the Subordinated VLN Facility Provider to fund the Subordinated VLNs under this Agreement shall be subject in all respects to Clause 18 (*Conditions Precedent*) of the Framework Deed.

5. Utilisation of the Subordinated VLN Facility

Subordinated VLN Initial Funding Request

5.1 The Master Purchaser shall make a request for funding in respect of the Subordinated VLNs to the Subordinated VLN Facility Provider by delivering the Subordinated VLN Initial Funding Request to the Subordinated VLN Facility Provider on or before the Funding Date.

5.2 The Subordinated VLN Initial Funding Request delivered by the Master Purchaser pursuant to Clause 5.1 must specify:

(a) the initial par value of each Subordinated VLN; and

(b) the Subordinated VLN Initial Subscription Price of each Subordinated VLN (the aggregate USD Equivalent of which shall not be less than the Aggregate VNF Subordinated VLN Required Amount calculated as at the Funding Date).

5.3 Upon receipt of the Subordinated VLN Initial Funding Request made in accordance with Clause 5.1, the Subordinated VLN Facility Provider shall (i) subscribe for a Subordinated VLN in each Agreed Currency with a par value equal to the VNF Subordinated VLN Required Amount for that Agreed Currency as at the Funding Date and (ii) pay to, or to the order of, the Master Purchaser by no later than 11.00 a.m. London time (or in relation to any Subordinated VLN Subscription Price payable in USD, by no later than 11.00 a.m. (New York time)) on the Funding Date the Subordinated VLN Initial Subscription Price in respect of each Subordinated VLN

stated in the Subordinated VLN Initial Funding Request to be subscribed for by that Subordinated VLN Facility Provider.

5.4 Delivery of a Subordinated VLN Initial Funding Request pursuant to this Clause 5 shall constitute:

(a) an irrevocable agreement by the Master Purchaser binding upon it to accept the payment of each Subordinated VLN Initial Subscription Price described in it on the Funding Date; and

(b) a representation by the Master Purchaser that the conditions precedent described in Clause 4 have been satisfied.

Further Subordinated Advances

5.5 **USD Subordinated VLNs:** The Subordinated VLN Facility Provider shall, on each Settlement Date during the Securitisation Availability Period, make a further advance to the Master Purchaser in respect of the USD Subordinated VLN held by it in an amount equal to the amount by which:

(a) the USD VNF Subordinated VLN Required Amount on the Determination Date immediately preceding such Settlement Date; exceeds

(b) the aggregate Subordinated VLN Principal Amount Outstanding of the USD Subordinated VLNs as at such Determination Date, or

such other higher amount as shall otherwise be shown as required in respect of the USD Subordinated VLN in any Servicer Report,

(each such advance, a ***USD Further Subordinated Advance*).**

5.6 **EUR Subordinated VLNs:** The Subordinated VLN Facility Provider shall, on each Settlement Date during the Securitisation Availability Period, make a further advance to the Master Purchaser in respect of the EUR Subordinated VLN held by it in an amount equal to the amount by which:

(a) the EUR VNF Subordinated VLN Required Amount on the Determination Date immediately preceding such Settlement Date; exceeds

(b) the aggregate Subordinated VLN Principal Amount Outstanding of the EUR Subordinated VLN as at such Determination Date, or

such other higher amount as shall otherwise be shown as required in respect of the EUR Subordinated VLNs in any Servicer Report,

(each such advance, a ***EUR Further Subordinated Advance*).**

5.7 **GBP Subordinated VLNs**: The Subordinated VLN Facility Provider shall, on each Settlement Date during the Securitisation Availability Period, make a further advance to the Master Purchaser in respect of the GBP Subordinated VLN held by it in an amount equal to the amount by which:

(a) the GBP VNF Subordinated VLN Required Amount on the Determination Date immediately preceding such Settlement Date; exceeds

(b) the aggregate Subordinated VLN Principal Amount Outstanding of the GBP Subordinated VLNs as at such Determination Date, or

such other higher amount as shall otherwise be shown as required in respect of the GBP Subordinated VLN in any Servicer Report,

(each such advance, a ***GBP Further Subordinated Advance*** and, together with any USD Further Subordinated Advances and EUR Further Subordinated Advances, the ***Further Subordinated Advances***).

5.8 Upon payment by the Subordinated VLN Facility Provider of any Further Subordinated Advance, the Subordinated VLN Principal Amount Outstanding of the relevant Subordinated VLN shall be increased automatically by the amount of the Further Subordinated Advance made by the Subordinated VLN Facility Provider in the applicable Agreed Currency without the need for any further action by the Subordinated VLN Holder or the Master Purchaser by the amount of such payments.

5.9 Each Subordinated VLN shall evidence the outstanding indebtedness owed by the Master Purchaser to the relevant Subordinated VLN Holder in respect of that Subordinated VLN from time to time. The Master Purchaser authorises and instructs the Subordinated VLN Holder to record on the Grid attached to each Subordinated VLN held by it and also authorises and instructs the Subordinated VLN Facility Provider (which instruction the Subordinated VLN Facility Provider hereby acknowledges and undertakes so to do) to record in its internal books and records:

(a) the date and amount of the funding of:

  (i) the initial Subordinated VLN Principal Amount Outstanding of that Subordinated VLN; and

  (ii) each increase in the Subordinated VLN Principal Amount Outstanding of that Subordinated VLN; and

(b) the date and amount of each repayment of the principal amount represented by the Subordinated VLN and corresponding reduction in its Subordinated VLN Principal Amount Outstanding,

provided that the failure to record, or any error in recording, any of these matters on the Grid or in the internal books or records referred to above shall not adversely affect the right of the Subordinated VLN Holder to receive principal and interest in respect of its Subordinated VLN to the extent there is sufficient evidence otherwise available to determine the then current Subordinated VLN Principal Amount Outstanding of that Subordinated VLN.

6. Application of Advances

The obligation of the Subordinated VLN Facility Provider to fund any increase in the Subordinated VLN Principal Amount Outstanding of any Subordinated VLN in accordance with Clause 5.4, Clause 5.5 or Clause 5.6 on any Settlement Date shall be satisfied by a payment by the Subordinated VLN Facility Provider of the applicable amount of the Further Subordinated Advance to the Master Purchaser Transaction Account denominated in the applicable Agreed Currency on the relevant Settlement Date.

7. Constitution of each Subordinated VLN

7.1 The Master Purchaser hereby constitutes each Subordinated VLN and covenants in favour of the Subordinated VLN Facility Provider (and any successor Subordinated VLN Holder) that it will duly perform and comply with the obligations expressed to be undertaken by it in each Subordinated VLN and in the Subordinated VLN Conditions (and for this purpose any reference in the Subordinated VLN Conditions to any obligation or payment under or in respect of a Subordinated VLN shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

7.2 Each Subordinated VLN issued by the Master Purchaser pursuant to this Agreement shall be:

(a) in definitive registered form in the form set out in Schedule 1 or in such other form as may from time to time be agreed between the Master Purchaser, the relevant Subordinated VLN Holder, the Security Trustee and the Funding Agent and executed by, or on behalf of, the Master Purchaser; and

(b) denominated in an Agreed Currency and shall be the same currency in which the Receivables which are or are proposed to be purchased with the proceeds of the issue of such Subordinated VLNs are denominated; and

(c) subject to Clause 7.3 and Subordinated VLN Condition 2, transferable.

7.3 The Subordinated VLN shall only be transferable if each of the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent and the Security Trustee shall have given their prior written consent thereto.

7.4 The Master Purchaser covenants with the Subordinated VLN Facility Provider that it will register the Subordinated VLN Facility Provider as the Subordinated VLN Holder in the Register in respect of each Subordinated VLN subscribed by it immediately upon issue thereof and as the sole person with rights to payment of principal of, and interest on, such Subordinated VLN. The Register shall be held and maintained by or on behalf of the Master Purchaser in Ireland.

8. PAYMENTS

8.1 The currency of account in respect of the Subordinated VLNs and payment for each and every sum at any time payable by the Issuer in respect of the Subordinated VLN or under this Agreement is as follows:

(a) EUR, in respect of the EUR Subordinated VLNs;

(b) GBP, in respect of the GBP Subordinated VLNs; and

(c) USD, in respect of the USD Subordinated VLNs.

8.2 On each date on which this Agreement requires an amount denominated in an Agreed Currency to be paid by the Subordinated VLN Facility Provider hereunder, the Subordinated VLN Facility Provider shall make the same available to the Master Purchaser by payment in such Agreed Currency and in immediately available cleared funds to the Master Purchaser Transaction Account denominated in the applicable Agreed Currency.

8.3 On each date on which this Agreement or the Subordinated VLN Conditions of any Subordinated VLN require an amount denominated in an Agreed Currency to be paid by the Master Purchaser, the Master Purchaser shall make the same available to the Subordinated VLN Facility Provider as Subordinated VLN Holder by payment in such Agreed Currency and in immediately available, freely transferable, cleared funds to the Subordinated VLN Facility Provider's Subordinated VLN Holder Account denominated in the Agreed Currency in which the payment is to be made.

8.4 The calculation of the Subordinated VLN Interest Rate (as defined in Subordinated VLN Condition 3.4) in respect of each Subordinated VLN will be undertaken by the Funding Agent. The Funding Agent agrees to notify the Master Purchaser and the Subordinated VLN Facility Provider of each Subordinated VLN Interest Rate by no later than 12 noon London time on the day falling two (2) Business Days prior to each Monthly Settlement Date (in respect of the Subordinated VLN Interest Rate applicable to the USD Subordinated VLN and the EUR Subordinated VLN) and by no later than 12 noon London time on each Monthly Settlement Date (in respect of the Subordinated VLN Interest Rate applicable to the GBP Subordinated VLN).

9. REPRESENTATIONS AND WARRANTIES

By the Master Purchaser

9.1 The Master Purchaser represents and warrants to and agrees with the Subordinated VLN Facility Provider on the date of this Agreement and on each Settlement Date that each of the statements set out in Schedule 4 to this Agreement is true and accurate by reference to the facts and circumstances then existing and the Master Purchaser undertakes to notify the Funding Agent and the Subordinated VLN Facility Provider (and any successor Subordinated VLN Holder) as soon as it becomes aware of any breach of the representations and warranties set out in Schedule 4.

9.2 The Master Purchaser hereby covenants in favour of the Subordinated VLN Facility Provider (and any successor Subordinated VLN Holder) that it shall:

(a) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals licences and consents required in or by the laws and regulations of Ireland and any other applicable law to enable it lawfully to enter into and perform its obligations under each of the Transaction Documents or to ensure the legality, validity, enforceability or, subject to the compliance with applicable procedural rules, admissibility in evidence in Ireland in all material respects of each; and

(b) promptly inform the Subordinated VLN Facility Provider and each Subordinated VLN Holder of the occurrence of any event which is or may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) a Master Purchaser Event of Default and, upon receipt of a written request to that effect from the Subordinated VLN Facility Provider or a Subordinated VLN Holder, confirm to the Subordinated VLN Facility Provider or a Subordinated VLN Holder (as the case may be) that, save as previously notified to the Subordinated VLN Facility Provider or Subordinated VLN Holder (as the case may be) or as notified in such confirmation, no such event has occurred.

9.3 The Master Purchaser hereby covenants with the Subordinated VLN Facility Provider (and any successor Subordinated VLN Holder) and save to the extent as permitted or contemplated by the Transaction Documents not to:

(a) have any employees or premises; or

(b) pay any dividends or make any distributions in respect of its share capital or issue any additional shares; or

(c) consolidate or merge with any other person or convey or transfer its properties or assets substantially in their entirety to any person except as permitted or contemplated by the Transaction Documents; or

(d) incur, create, assume or suffer to exist or otherwise become or be liable in respect of any indebtedness whether present or future other than indebtedness in respect of taxes, assessments or governmental charges not yet overdue or administration, corporate or secretarial expenses, or indebtedness incurred, created or assumed with the prior consent of the Subordinated VLN Facility Provider, it being understood that the Master Purchaser will incur present and future indebtedness under the Notes and the Variable Funding Agreement to which the Subordinated VLN Facility Provider hereby consents; or

(e) make, incur, assume or suffer to exist any loan, advance or guarantee (including any indemnity) to any person (other than in respect of the FCC Units and the VC Subordinated VLNs); or

(f) sell, transfer, release or otherwise dispose of any of, or grant options, warrants or other rights in respect to, any of its assets to any person without the prior

consent of the Subordinated VLN Facility Provider (other than payments of amounts of a type permitted under paragraph (d) above); or

(g) have an interest in any bank account, other than the Master Purchaser Transaction Accounts and those other accounts specified or contemplated in the Transaction Documents; or

(h) have any subsidiaries; or

(i) carry on any business other than that which is contemplated or necessitated by the operation of the Transaction Documents.

By the Subordinated VLN Facility Provider

9.4 The Subordinated VLN Facility Provider hereby represents and warrants in favour of the Master Purchaser on the date of this Agreement and on the Funding Date in the terms set out in Schedule 6 with reference to the facts and circumstances then subsisting.

9.5 The Subordinated VLN Facility Provider hereby represents and warrants to, and covenants with, the Master Purchaser:

(a) it will not make any offer in Ireland in circumstances that would require the publication of a prospectus in respect of the Subordinated VLNs (and the offer thereof) in accordance with the Prospectus (Directive 2003/71/EC) Regulations 2005;

(b) the Subordinated VLNs will not be the subject of a local offer (within the meaning of section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland); and

(c) the Subordinated VLNs will not be offered other than in compliance with all applicable provisions of the European Communities (Market in Financial Instruments) Regulations 2007 of Ireland.

9.6 The Subordinated VLN Facility Provider hereby undertakes to the Master Purchaser that for so long as it is a Subordinated VLN Holder, it will promptly inform the Master Purchaser of any change in the identity of its Subordinated VLN Holder Accounts.

9.7 The Subordinated VLN Facility Provider represents and warrants in favour of the Master Purchaser on the date of this Agreement and on each Interest Payment Date that it is an Irish Qualifying Lender.

9.8 The Subordinated VLN Facility Provider represents and warrants that (i) it is either (x) not a US Person and is acquiring the Subordinated VLNs for its own account or for the account or benefit exclusively of non-US Persons or (y) an Accredited Investor acquiring the Subordinated VLNs for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except in accordance with a transaction exempt from registration under the

Securities Act **(provided** that in making the foregoing representation, the Subordinated VLN Facility Provider does not agree to hold its Subordinated VLNs for any minimum or other specific term and reserves the right to dispose of the Subordinated VLNs (subject always to the provisions of this Agreement and the Subordinated VLN Conditions) at any time pursuant to an exemption from the registration requirements of the Securities Act) and (ii) it understands that the Subordinated VLNs are being offered and sold to in reliance on specific exemptions from the registration requirements of the United States Federal and state securities laws and that the Master Purchaser is relying in part upon the truth and accuracy of the representation made pursuant to (i) above and the other representations, warranties, agreements, acknowledgments and understandings of the Subordinated VLN Facility Provider set forth in this Agreement and the Subordinated VLN Conditions in order to determine the availability of such exemptions.

Consequences of breach

9.9 If the Subordinated VLN Facility Provider (or any successor Subordinated VLN Holder) becomes aware of any breach of the covenants, representations and warranties given by the Master Purchaser under Clause 9.1, it shall be entitled (but not bound) by notice to the Master Purchaser to elect to treat such breach as releasing and discharging it from its obligations under this Agreement on or after that date PROVIDED THAT the Subordinated VLN Facility Provider shall not be entitled so to elect unless a Termination Event shall have occurred and not been waived or cured and in any event shall not be permitted or entitled to take any action or exercise any remedy unless all amounts outstanding under the Notes and the Variable Funding Agreement and all amounts ranking higher in the applicable Master Purchaser Priorities of Payments have been paid or discharged in full.

10. Illegality and Mitigation

10.1 If at any time it becomes unlawful for the Subordinated VLN Facility Provider to maintain, make, or fund a Subordinated VLN or to allow a Subordinated VLN to remain outstanding, it shall, as soon as reasonably practicable after becoming aware of that fact, deliver to the Master Purchaser and to the Funding Agent (copied to the Security Trustee) a certificate to that effect, and unless such illegality is avoided in accordance with Clause 10.2, then subject to Clause 10.2, the applicable Subordinated VLN will become immediately repayable at the amount of its Subordinated VLN Principal Amount Outstanding plus any accrued interest.

10.2 If circumstances arise which would (with the giving of any requisite notice or certificate or the lapse of time or the making of any determination or the satisfaction of any other condition) result in an event specified in Clause 10.1 occurring, the Subordinated VLN Facility Provider shall, as soon as reasonably practicable upon becoming aware of that fact, notify the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee and take such steps as may reasonably be open to it to mitigate the effects of such circumstances, including the transfer of its rights and obligations hereunder to another entity agreed by the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent and the Security

Trustee as being acceptable to it, such agreement not to be unreasonably withheld or delayed.

11. No Liability and No Petition

11.1 No recourse under any obligation, covenant, or agreement of the Master Purchaser contained in this Agreement or any Subordinated VLN shall be had against any shareholder, officer, trustee or director of the Master Purchaser, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that each obligation, covenant and agreement of the Master Purchaser under this Agreement or any other Transaction Document is a corporate obligation and no personal liability shall attach to or be incurred by the shareholders, officers, trustees, agents, employees or directors of the Master Purchaser as such, or any of them, or implied therefore, and that any and all personal liability for breaches by such party of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, trustee, agent, employee or director is hereby expressly waived by the other parties as a condition of and consideration for the execution of this Agreement.

12. No Petition

12.1 The Subordinated VLN Facility Provider hereby undertakes to the Master Purchaser that it shall not, nor shall any party on its behalf, at any time institute against, or join any person in instituting against the Master Purchaser or any or all of the revenues or assets of the Master Purchaser any bankruptcy, winding up, reorganisation, examination, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law nor petition for the appointment of a receiver, administrator, examiner, administrative receiver, trustee, liquidator, sequestrator or similar officer of it nor participate in any *ex parte* proceedings.

13. Limited Recourse

13.1 Notwithstanding any other provision of this Agreement and the other Transaction Documents, each Party agrees and acknowledges with the Master Purchaser that, save as otherwise provided for in any Transaction Document:

(a) it will only have recourse in respect of any amount, claim or obligation due or owing to it by the Master Purchaser (the ***Claims*****)** only to the extent of available funds pursuant to the applicable Master Purchaser Priorities of Payments and subject to the provisos therein, which shall be applied by the Security Trustee, subject to and in accordance with the terms thereof and after all other prior ranking claims in respect thereof have been satisfied and discharged in full; and

(b) following the application of funds following enforcement of the security interests created under the Master Purchaser Deed of Charge, subject to and in accordance with the Master Purchaser Post-Enforcement Priorities of Payments, the Master Purchaser will have no assets available for payment of its obligations under this Agreement, the Subordinated VLNs, the Master Purchaser Deed of Charge and the other Transaction Documents other than as

provided for pursuant to the Master Purchaser Deed of Charge, and that any Claims will accordingly be extinguished to the extent of any shortfall; and

(c) the obligations of the Master Purchaser under this Agreement, each Subordinated VLN, the Master Purchaser Deed of Charge and the other Transaction Documents will not be obligations or responsibilities of, or guaranteed by, any other person or entity.

14. Benefit of Agreement

14.1 This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent successors and permitted assigns.

14.2 Other than pursuant to the Master Purchaser Deed of Charge, the Master Purchaser shall not be entitled to assign or transfer all or part of its rights and benefits or obligations hereunder.

14.3 The Subordinated VLN Facility Provider shall not be entitled to assign or transfer all or part of any of its rights and benefits or obligations hereunder or to transfer any Subordinated VLN to another party unless the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent and the Security Trustee have given their prior written consent.

15. Evidence of Debt

The Subordinated VLN Facility Provider shall maintain, in accordance with usual accounting practice, accounts evidencing the amounts from time to time owing to it hereunder and in its capacity as Subordinated VLN Holder (including in respect of the Subordinated VLN Principal Amount Outstanding and any other sums due in respect of any Subordinated VLN at any time it is a Subordinated VLN Holder).

16. Counterparts

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

17. Rights of Third Parties

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

18. Governing Law

This Agreement is governed by, and shall be construed in accordance with English law.

19. Jurisdiction

The provisions of Clause 4 of the Framework Deed shall apply to this Agreement on the basis set out therein.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Subordinated VLN Facility Provider

SIGNED by)
for and on behalf of)
VISTEON NETHERLANDS)
FINANCE B.V.)

The Master Purchaser

SIGNED by)
for and on behalf of) Sunil Masson
VISTEON FINANCIAL CENTRE P.L.C.) Authorised Signatory

The Security Trustee

SIGNED by)
for and on behalf of)
THE LAW DEBENTURE TRUST)
CORPORATION P.L.C.)

The Funding Agent

SIGNED by)
for and on behalf of)
CITIBANK INTERNATIONAL PLC)

SCHEDULE 1

FORM OF SUBORDINATED VLN

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OF AMERICA, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U. S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

VISTEON FINANCIAL CENTRE P.L.C.

(incorporated in the Republic of Ireland with limited liability; registered number 423820)
(the ***Master Purchaser*)**

[EUR [•]/GBP [•]/USD [•]] Note Due 20[•]

issued to: [INSERT SUBORDINATED VLN FACILITY PROVIDER NAME]

(*the* ***Subordinated VLN***)

This Subordinated VLN has been constituted by the Master Purchaser pursuant to a Subordinated VLN Facility Agreement (the ***Subordinated VLN Facility Agreement*)** dated 14 August 2006 as amended and restated on [•] 2008 between the Master Purchaser, Visteon Netherlands Finance B.V. (as the ***Subordinated VLN Facility Provider*),** The Law Debenture Trust Corporation p.l.c. (as ***Security Trustee*)** and Citibank International plc (as ***Funding Agent*)** and is subject to, and with the benefit of, the attached terms and conditions (the ***Subordinated VLN Conditions*)** and the Subordinated VLN Facility Agreement.

Capitalised terms used and not otherwise defined in this Subordinated VLN have the respective meanings specified in the Subordinated VLN Facility Agreement.

The Master Purchaser, for value received, promises, in accordance with the Subordinated VLN Conditions to pay to the registered holder of this Subordinated VLN on the Subordinated VLN Final Maturity Date the Subordinated VLN Principal Amount Outstanding on that date as shown on the Grid attached to this Subordinated VLN or otherwise recorded in the books and records of the Subordinated VLN Facility Provider and confirmed in the relevant Servicer Report, together with accrued interest in accordance with the Subordinated VLN Conditions and any additional amounts payable thereunder.

Upon any redemption or increase of the Subordinated VLN Principal Amount Outstanding of the Subordinated VLN in accordance with the Subordinated VLN

Conditions, the Master Purchaser shall procure that the amount so redeemed be recorded on the Subordinated VLN Grid and in the books and records of the Subordinated VLN Holder and the relevant Servicer Report.

This Subordinated VLN is in registered form and is transferable in whole (but not in part) only in accordance with Condition 2 and the Subordinated VLN Facility Agreement.

AS WITNESS the signature of a duly authorised officer on behalf of the Master Purchaser

SIGNED, SEALED and **DELIVERED** as a	)
DEED by	)
as duly authorised attorney	)
for and on behalf of	)
VISTEON FINANCIAL CENTRE P.L.C.	)
in the presence of:	)

Witness:

Name:

Address:

ISSUED in [Ireland] on [•]

FORM OF NOTE TRANSFER

For value received _____ (the ***transferor*)** hereby transfer(s) on the Transfer Date (as defined below) to

_____

_____

_____ (the ***transferee*)**

(Please print or type name and address of transferee)

this Subordinated VLN (which has a Subordinated VLN Principal Amount Outstanding of **[EUR [•]/ GBP [•]/USD [•]]** at the date of this transfer) and all rights hereunder, hereby irrevocably constituting and appointing **[•]** as attorney to transfer such Subordinated VLN in the relevant Register maintained by or on behalf of the Master Purchaser with full power of substitution.

Transfer Date means _____ (insert effective date for transfer).

By its transfer hereof, the transferor represents that:

(1) it is transferring this Subordinated VLN, and has offered this Subordinated VLN for transfer only (i) to a non-U.S. person acquiring this Subordinated VLN for its own account or for the account or benefit exclusively of non-U.S. persons and (ii) outside the United States in an offshore transaction in compliance with Regulation S ***(Regulation S)*** under the U.S. Securities Act of 1933, as amended (the ***Securities Act***) or (iii) pursuant to another exemption from the registration requirements of the Securities Act and any applicable State securities laws;

(2) it has obtained the prior written consent of the Master Purchaser, the Funding Agent and the Collateral Monitoring Agent to such transfer (a signed original of each such consent being delivered herewith to the Registrar).

Signature of transferor _____

_____

We hereby accept this Subordinated VLN (which has a Subordinated VLN Principal Amount Outstanding at the date of this transfer) and agree to be bound by the Subordinated VLN Conditions of this Subordinated VLN. By its acquisition hereof, the transferee represents that:

(a) (i) it is either (x) not a US Person and is acquiring this Subordinated VLN for its own account or for the account or benefit exclusively of non-US Persons outside the United States in an offshore transaction (as defined in Regulation S) in accordance with Regulation S or (y) an Accredited Investor acquiring this Subordinated VLN for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except in

accordance with a transaction exempt from registration under the Securities Act and (ii) it understands that the Subordinated VLNs are being offered and sold to in reliance on specific exemptions from the registration requirements of the United States Federal and state securities laws and that the Issuer is relying in part upon the truth and accuracy of the representation made pursuant to clause (i) and the other representations, warranties, agreements, acknowledgments and understandings of such Transferee set forth in the Subordinated VLN Facility Agreement in order to determine the availability of such exemptions;

(b) it is an Irish Qualifying Lender;

(c) it is a person to whom this Subordinated VLN may be transferred in accordance with Condition 2.8 and 2.9; and

(d) it has executed a Subordinated VLN Holder Accession Letter in or substantially in the form set out in Schedule 3 to the Subordinated VLN Facility Agreement.

Signature(s) of transferee _____

_____

VISTEON FINANCIAL CENTRE P.L.C. hereby approves the transfer.

_____

Signature of **VISTEON FINANCIAL CENTRE P.L.C.**

Date: _____

The Registrar hereby approves the transfer.

Signature of Registrar _____

Date: _____

N.B.:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Subordinated VLN Conditions.

2. This form of transfer must be executed under the hand of the transferor and the transferee or, if the transferee is a corporation, under the hand of two of its officers duly authorised in writing and, the document so authorising such officers must be delivered with the form of transfer.

3. This transfer will be subject to the payment by the transferor of any stamp duty, tax or other governmental charge as is referred to in Subordinated VLN Condition 2.5.

SCHEDULE 2

TERMS AND CONDITIONS

The following is the text of the terms and conditions of the Subordinated VLNs which (subject to completion and amendment) will be attached to each Subordinated VLN.

The **[EUR [•]/ GBP [•]/USD [•]]** (initial par value) Note (the ***Subordinated VLN,*** and together with each other note issued by the Master Purchaser pursuant to the Subordinated VLN Facility Provider, the ***Subordinated VLNs*****)** due **20[•]** of **VISTEON FINANCIAL CENTRE P.L.C.** (the ***Master Purchaser*****)** is constituted by a variable funding agreement dated 14 August 2006 as amended and restated on **[•]** 2008 between the Master Purchaser, Visteon Netherlands Finance B.V. (the ***Subordinated VLN Facility Provider*****),** The Law Debenture Trust Corporation p.l.c. **(**the ***Security Trustee*****)** and Citibank International plc (as ***Funding Agent*****)** (the Subordinated VLN Facility Agreement). Certain provisions of these Subordinated VLN Conditions are summaries of the Subordinated VLN Facility Agreement and are subject to its detailed provisions including without limitation the provisions of Clauses 11, 12 and 13 thereof. The Subordinated VLN Holder (as defined below) is bound by, and is deemed to have notice of, all the provisions of the Subordinated VLN Facility Agreement applicable to it. Terms defined in the Subordinated VLN Facility Agreement (including by cross reference or incorporation) shall, unless otherwise defined herein or the context requires otherwise bear the same meanings in these terms and conditions.

1. Form, Denomination and Status

Form and denomination

1.1 The Subordinated VLN is in definitive registered form with the initial par value of **[EUR [•]/GBP [•]/USD [•]]** and thereafter in such other amount as may from time to time be recorded in the Subordinated VLN Grid attached to the Subordinated VLN or as recorded on behalf of the Master Purchaser in the books and records of the Subordinated VLN Facility Provider.

Status

1.2 The Subordinated VLN constitutes a direct, secured (on a subordinated basis) and unconditional obligation of the Master Purchaser.

2. Title and Transfers

Title

2.1 The Master Purchaser or the Corporate Administrator on its behalf (in such capacity, the ***Registrar*****)** will cause to be kept, at the specified office of the Registrar in Ireland, a register (the ***Register*****)** on which shall be entered the names and addresses of the holders of each of the Subordinated VLNs from time to time.

2.2 Title to the Subordinated VLN will pass by and upon registration of transfers in the Register. In these Subordinated VLN Conditions the ***holder*** of the Subordinated VLN or the ***Subordinated VLN Holder*** means the person in whose name such Subordinated VLN is for the time being registered in the Register. Registration of ownership of the Subordinated VLN shall be conclusive evidence (in the absence of manifest error) of absolute ownership of the Subordinated VLN.

Transfers

2.3 Subject to Subordinated VLN Conditions 2.6 and 2.7 below, the Subordinated VLN may be transferred in whole (but not in part) upon surrender of the Subordinated VLN at the specified office of the Registrar, with the form of transfer endorsed on the Subordinated VLN duly completed and signed by or on behalf of the transferor and the Master Purchaser and together with such evidence as the Registrar may reasonably require to prove:

(a) the title of the transferor;

(b) the authority of the individuals who have executed the form of transfer;

(c) the payment of any stamp duty payable on such transfer;

(d) that the transferee is either (x) not a US Person and is acquiring the Subordinated VLN for its own account or for the account or benefit exclusively of non-US Persons outside the United States in an offshore transaction (as defined in Regulation S) in accordance with Regulation S or (y) an Accredited Investor acquiring the Subordinated VLN for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except in accordance with a transaction exempt from registration under the Securities Act; and

(e) that the transferee is an Irish Qualifying Lender;

(f) that the transferee is a person to whom the Subordinated VLN may be transferred in accordance with Subordinated VLN Conditions 2.8 to 2.10 (inclusive) below.

PROVIDED THAT NO SUBORDINATED VLN MAY BE TRANSFERRED TO ANY PERSON AND ANY PURPORTED TRANSFER SHALL BE OF NO EFFECT UNLESS AND UNTIL:

1. the prior written consent of each of the Master Purchaser, the Funding Agent and the Collateral Monitoring Agent has been obtained; and

2. the transferee has executed a Subordinated VLN Holder Accession Letter in or substantially in the form set out in Schedule 3 to the Subordinated VLN Facility Agreement.

Registration and delivery of the Subordinated VLN

2.4 Within 5 Business Days of the surrender of the Subordinated VLN in accordance with Subordinated VLN Condition 2.3 above (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), the Registrar will register the transfer in question and deliver at the Registrar's specified office a new Subordinated VLN or (at the request, cost and risk of the transferee) send by uninsured first class mail to such address as the transferee may specify for the purpose.

No Charge

2.5 Subordinated VLN Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular mail and except that the Master Purchaser will require the payment by a transferee Subordinated VLN Holder of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

Closed Periods

2.6 No Subordinated VLN Holder may require a transfer to be registered during the period of three (3) Business Days ending on the due date for any payment in respect of the Subordinated VLN.

Registrar

2.7 The Master Purchaser reserves the right at any time with the consent of the Security Trustee to vary or terminate the appointment of, or resign as, the Registrar and to appoint another Registrar. Notice of any resignation, termination or appointment and of any changes in specified offices will be given to the Subordinated VLN Holders promptly by the Master Purchaser in accordance with the Framework Deed.

Restrictions on Transferees

2.8 The Subordinated VLN may not be offered or sold to any person in the United Kingdom in circumstances which would require a prospectus to be made available to the public pursuant to Part VI of the Financial Services and Market Act 2000.

2.9 The Subordinated VLN may not be:

(a) offered in Ireland in circumstances that would require the publication of a prospectus in respect of the Subordinated VLNs (and the offer thereof) in accordance with the Prospectus (Directive 2003/71/EC) Regulations 2005;

(b) the subject of a local offer (within the meaning of section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland); and

(c) offered other than in compliance with all applicable provisions of the Investment Intermediaries Acts 1995 to 2000 of Ireland (as amended).

2.10 This Subordinated VLN may only be transferred to a person that is either (x) not a US Person and is acquiring this Subordinated VLN for its own account or for the account or benefit exclusively of non-US Persons or (y) an Accredited Investor acquiring this Subordinated VLN for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except in accordance with a transaction exempt from registration under the Securities Act.

2.11 Any transfer to a person other than as permitted in this Condition 2 shall be null and void.

2.12 The Subordinated VLN will bear a legend substantially to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OF AMERICA, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

3. INTEREST

Settlement Dates and Interest Periods

3.1 The Subordinated VLN bears interest on its Subordinated VLN Principal Amount Outstanding from (and including) the Funding Date, to (but excluding) the date on which its Subordinated VLN Principal Amount Outstanding is paid in full.

3.2 Interest on the Subordinated VLN is payable in arrears on each Monthly Settlement Date in respect of the Interest Period ending on that Monthly Settlement Date. Interest with respect to each Interest Period shall accrue from (and including) the first day of such Interest Period to (but excluding) the last day of such Interest Period. If any Settlement Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event the Settlement Date shall be the immediately preceding business day.

3.3 Interest shall cease to accrue on the Subordinated VLN as from (and including) the Subordinated VLN Final Maturity Date or the date on which a Subordinated VLN Termination Event has occurred and be continuing unless, upon due presentation payment of principal due is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Subordinated VLN

Condition 3 (after as well as before judgement) at the rate from time to time applicable to the Subordinated VLN until the moneys in respect thereof have been received by the Subordinated VLN Holder and notice to that effect is given in accordance with the Framework Deed.

Rate of Interest

3.4 The Subordinated VLN will bear interest on the Subordinated Loan Principal Amount Outstanding at the rate equal to the aggregate of 4.50 per cent. per annum and [USD LIBOR]/[GBP LIBOR]/[EURIBOR][1] (the ***Subordinated VLN Interest Rate*****).**

Payment of Interest

3.5 Subject to Subordinated VLN Condition 10 an amount of interest calculated in accordance with Subordinated VLN Condition 3.6 (the ***Interest Amount*****)** will be payable in respect of the Subordinated Loan Principal Amount Outstanding in arrears on the Monthly Settlement Date in respect of the Interest Period ending on (but excluding) that Monthly Settlement Date.

Calculation of Interest Amount

3.6 The Interest Amount for the Subordinated VLN in respect of an Interest Period shall be calculated by the Funding Agent by applying the Subordinated VLN Interest Rate for such Interest Period to the then Subordinated VLN Principal Amount Outstanding of the Subordinated VLN, multiplying the product by [[the actual number of days in such Interest Period divided by 365][2] /[the actual number of days in such Interest Period divided by 360][3] / [the actual number of days in such Interest Period divided by 360][4].

4. REDEMPTION

Optional Redemption

4.1 The Subordinated VLN may be redeemed at the option of the Master Purchaser (with the prior written consent of the Security Trustee) in whole (or in part) at its Subordinated VLN Principal Amount Outstanding (or a proportion thereof) on any Settlement Date by the Master Purchaser giving at least ten (10) Business Days' written notice to the Subordinated VLN Facility Provider prior to the relevant Settlement Date.

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1 Delete as applicable.

2 Include if Note is denominated in GBP.

3 Include if Note is denominated in USD.

4 Include if Note is denominated in EUR.

Mandatory Redemption

4.2 On each Settlement Date, the Subordinated VLN will be subject to mandatory redemption in part in an amount equal to the amount (if any) by which its Subordinated VLN Principal Amount Outstanding on that date exceeds the [EUR/GBP/USD][5] VNF Subordinated VLN Required Amount as at such date provided that no such amount shall be repayable to the extent that, prior to the Programme Termination Date, such repayment would result in the Subordinated VLN Principal Amount Outstanding of the Subordinated VLN being less then [EUR]/[USD]/[GBP] 1,000.

4.3 If a payment of Further Subscription Price is paid to the Master Purchaser (as Issuer) on a date other than a Settlement Date in respect of Notes denominated in the same Agreed Currency as the Subordinated VLN, the Subordinated VLN will on the date of payment of such Further Subscription Price be subject to mandatory redemption in part in an amount equal to the VNF Proportion for such Agreed Currency amount of such Further Subscription Price multiplied by the fraction calculated by dividing the Subordinated VLN Principal Amount Outstanding of the Subordinated VLN by the aggregate of the Subordinated VLN Principal Amount Outstanding of all Subordinated VLNs denominated in that Agreed Currency.

4.4 Following the Programme Termination Date, the Subordinated VLN will, on each Settlement Date thereafter, be subject to mandatory redemption in an amount equal to the lower of (a) its Subordinated VLN Principal Amount Outstanding and (b) the VNF Proportion for the relevant Agreed Currency multiplied by the Master Purchaser Available Funds remaining after satisfaction in full of all amounts ranking in priority to payment of principal in respect of the Subordinated VLN in the applicable Master Purchaser Priorities of Payments (each such payment together with any redemption payment made or to be made in accordance with Subordinated VLN Conditions 4.1, 4.2, and 4.3 a ***Subordinated VLN Principal Payment*****)**

Determinations and Calculations

4.5 Following a Subordinated VLN Principal Payment, the Funding Agent (acting for and on behalf of the Master Purchaser) shall determine the new Subordinated VLN Principal Amount Outstanding of the Subordinated VLN on the basis of the Subordinated VLN Grid and the books and records of the Subordinated VLN Facility Provider. Each determination by the Funding Agent (acting for and behalf of the Master Purchaser) of the amount of such Subordinated VLN Principal Amount Outstanding shall (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons. The Master Purchaser will cause each determination of such new Subordinated VLN Principal Amount Outstanding to be reflected in the Subordinated VLN Grid and the books and records of the Subordinated VLN Facility Provider.

5 Delete as applicable.

Redemption on maturity

4.6 If not otherwise redeemed and cancelled, the Subordinated VLN will be redeemed (subject to available funds) at its then Subordinated VLN Principal Amount Outstanding on the Subordinated Note Final Maturity Date. The Subordinated VLN may be redeemed in whole or in part prior to such date in accordance with Subordinated VLN Conditions 4.1 and 4.2, but without prejudice to Subordinated VLN Condition 6.

Purchase

4.7 The Master Purchaser shall not be entitled to purchase the Subordinated VLN at any time.

Cancellation

4.8 If the Subordinated VLN is redeemed in full pursuant to the foregoing provisions it will be cancelled forthwith and may not be resold or reissued.

Extension of maturity

4.9 The Master Purchaser may request the Subordinated VLN Holder to agree to an extension of the Subordinated Note Final Maturity Date and if, in the Subordinated VLN Holder's sole discretion, the Subordinated VLN Holder agrees to such request in writing, the date agreed shall thereafter be the "Subordinated VLN Final Maturity Date".

5. TAXES

Payment without withholding

5.1 All sums payable to the Subordinated VLN Holder in respect of the Subordinated VLN shall be paid free and clear of, and without withholding or deduction for, or on account of, any Tax unless the Master Purchaser is required by law to make such a payment subject to the withholding or deduction of Tax.

Notice of obligation to withhold

5.2 If, at any time, the Master Purchaser is required by law to make any withholding or deduction from any sum payable by it in respect of the Subordinated VLN (or if thereafter there is any change in the rate at which or the manner in which such withholding or deduction is calculated), the Master Purchaser shall promptly notify the Subordinated VLN Holder.

Payment of withholding

5.3 If the Master Purchaser makes any payment hereunder in respect of which it is required to make any withholding or deduction of Tax, it shall pay the full amount required to be withheld or deducted to the relevant taxation or other authority within the time allowed for payment to the applicable authority. An original receipt (or a certified copy thereof) issued by such authority or other evidence reasonably

satisfactory to the Subordinated VLN Holder shall be evidence of the payment to such authority of all amounts so required to be withheld or deducted in respect of such payment and the Master Purchaser shall deliver such receipt to such Subordinated VLN Holder within thirty (30) days after it has made such payment or when such receipt is available (whichever is later).

6. SUBORDINATED VLN TERMINATION EVENTS

Subordinated VLN Termination Events

6.1 Each of the following events is a ***Subordinated VLN Termination Event*** in respect of the Subordinated VLN:

(a) a Termination Event has occurred and has not been waived; and

(b) any Subordinated VLN becomes repayable, subject always to Clause 10.2 of the Subordinated VLN Facility Agreement, in accordance with Clause 10.1 of the Subordinated VLN Facility Agreement.

Covenant of the Master Purchaser

6.2 So long as any amount remains outstanding under the Subordinated VLN, the Master Purchaser or the Funding Agent will promptly upon becoming aware of any Subordinated VLN Termination Event in respect of the Subordinated VLN give notice in writing thereof to the Subordinated VLN Holder.

7. EFFECT OF SUBORDINATED VLN TERMINATION EVENT

7.1 At any time after:

(a) the occurrence of a Subordinated VLN Termination Event; or

(b) the failure on the Subordinated VLN Final Maturity Date of the Subordinated VLN Holder to have received the Subordinated VLN Principal Amount Outstanding of the Subordinated VLN in full together with any amount of interest and other amounts calculated in respect thereof,

and without prejudice to its rights of enforcement in relation to the Master Purchaser Deed of Charge, and **PROVIDED ALWAYS** that the Notes issued under the Variable Funding Agreement shall have become due and payable or shall have been redeemed in full, the Subordinated VLN Holder may declare by written notice to the Master Purchaser (copied to the Security Trustee) the Subordinated VLN Principal Amount Outstanding of the Subordinated VLN to be immediately due and payable together with accrued interest thereon and any other sums then owed by the Master Purchaser hereunder. Any amounts then payable will be paid in accordance with the terms of the Master Purchaser Deed of Charge. The security under the Master Purchaser Deed of Charge will become enforceable only as provided in the Master Purchaser Deed of Charge.

7.2 A Subordinated VLN Holder may, at its option, by notice in writing to the Master Purchaser (copied to the Security Trustee) withdraw any notice previously given under Subordinated VLN Condition 7.1 whereupon such notice shall cease to have effect.

7.3 After realisation of the Master Purchaser Secured Property and distribution of the net proceeds thereof by the Security Trustee in each case in accordance with the provisions of the Master Purchaser Deed of Charge, the Subordinated VLN Holder may not take any further steps against the Master Purchaser or any of its assets to recover any sums unpaid in respect of the Subordinated VLN and all claims against the Master Purchaser in respect of any such unpaid sum shall be extinguished.

8. Payments and Calculations

8.1 On each date on which these Subordinated VLN Conditions require an amount to be paid by the Master Purchaser in respect of the Subordinated VLN, the Master Purchaser shall make the same available to the Subordinated VLN Holder by payment in [EUR/GBP/USD][6] and in immediately available cleared funds to the Subordinated VLN Holder's [EUR/GBP/USD][7] Account.

8.2 If the date on which any payment is to be made under the Subordinated VLN Conditions is not a Business Day then the Subordinated VLN Holder shall not be entitled to payment of such amount until the next following Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

8.3 All payments due and payable by the Master Purchaser in accordance with these Subordinated VLN Conditions shall only be made to the extent that it has sufficient funds available to it in accordance with the terms of the Master Purchaser Deed of Charge.

9. Replacement of Note

If a Subordinated VLN issued and outstanding at any time is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Master Purchaser, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Master Purchaser may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

10. Calculation of Interest Due and Payable

10.1 Interest on the Subordinated VLN shall be payable in accordance with the provisions of Subordinated VLN Condition 3, subject to the terms in this Subordinated VLN Condition 10.

6 Delete as applicable.

7 Delete as applicable.

10.2 In the event that Master Purchaser Available Funds on any Settlement Date for application in or towards the payment of interest and principal which is, other than by virtue of this Subordinated VLN Condition, due on the Subordinated VLN on such Settlement Date are not sufficient to satisfy in full the aggregate amount of interest and principal which is, other than by virtue of this Subordinated VLN Condition, due on the Subordinated VLN on such Settlement Date (such aggregate amount of unpaid interest and principal being referred to in this Subordinated VLN Condition as the ***Residual Amount***) then the Residual Amount shall not be due and payable on such Settlement Date, but the Master Purchaser shall create a provision in its accounts equal to the Residual Amount, and such shortfall shall accrue interest during each Interest Period for which it remains outstanding at the rate of interest applicable to the Subordinated VLN (as determined pursuant to these Subordinated VLN Conditions) for such Interest Period, the Residual Amount and such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purposes of this Subordinated VLN Condition as if it were interest due, subject to this Subordinated VLN Condition on the Subordinated VLN on the next succeeding Settlement Date.

11. Remedies and Waivers

No failure by the Subordinated VLN Holder to exercise, nor any delay by the Subordinated VLN Holder in exercising any right or remedy in respect of the Subordinated VLN shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any other rights or remedies (whether provided by law or otherwise).

12. Partial Invalidity

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

13. Governing Law

These Subordinated VLN Conditions and the Subordinated VLN are governed by, and shall be construed in accordance with English law. The provisions of Clause 4 of the Framework Deed shall apply to this Subordinated VLN.

14. Modification

Any modification to these Subordinated VLN Conditions must be agreed in writing between the Master Purchaser, the Subordinated VLN Holder, the Funding Agent and the Security Trustee and will be binding on all future Subordinated VLN Holders.

THE SCHEDULE

GRID

For recording increases and reductions in the Subordinated VLN Principal Amount Outstanding of the Subordinated VLN

Date of change	Subordinated VLN Principal Amount Outstanding	Amount of increase	Date of increase	Amount of reduction	Date of reduction
On issue	**[EUR [•]/ GBP [•]/USD [•]]**	**—**	**—**	**—**	**—**

SCHEDULE 3

FORM OF SUBORDINATED VLN HOLDER ACCESSION LETTER

[Date]

To: **VISTEON FINANCIAL CENTRE P.L.C.**
(the ***Master Purchaser*****)**

[and other parties]

We refer to the Subordinated VLN Facility Agreement (the ***Subordinated VLN Facility Agreement*****)** dated 14 August 2006 as amended and restated on 29 October 2008 between the Master Purchaser, Visteon Netherlands Finance B.V. (the ***Subordinated VLN Facility Provider*****),** The Law Debenture Trust Corporation p.l.c. (the ***Security Trustee*****)** and Citibank International plc (as ***Funding Agent*****).**

Terms defined in, or incorporated by reference into, the Subordinated VLN Facility Agreement shall have the same meanings herein as therein.

We confirm that we are in receipt of the following documents and have found them to our satisfaction:

(a) a copy of the Subordinated VLN Facility Agreement;

(b) a copy of the Framework Deed;

(c) a copy of the Master Purchaser Deed of Charge; and

(d) a copy of current versions of all other Transaction Documents as we have requested.

For the purposes of Clause 6 of the Framework Deed our notice details are as follows:

[insert name, address, telephone, facsimile and attention].

[•], being the current registered holder, is proposing to transfer to us in accordance with Subordinated VLN Condition 2.3 of the Subordinated VLN.

In consideration of our accession to the Subordinated VLN Facility Agreement pursuant to this letter, we hereby undertake with effect from the date hereof, for the benefit of the Master Purchaser and each of the other parties to the Subordinated VLN Facility Agreement, that, in relation to our holding of the Subordinated VLN, we will perform and comply with all the duties and obligations expressed to be assumed by the Subordinated VLN Holder under the Subordinated VLN Facility Agreement and the Master Purchaser Deed of Charge and will have the benefit of all the provisions of

the Subordinated VLN Facility Agreement and the Master Purchaser Deed of Charge as if we were named in it as the Subordinated VLN Holder.

In addition, we hereby make each of the representations and warranties to be made by each Subordinated VLN Facility Provider pursuant to Clauses 9.4 through 9.8 of the Subordinated VLN Facility Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Signed by

The Acceding Subordinated VLN Facility Provider

SIGNED by)
for and on behalf of)
[•])

The Existing Subordinated VLN Facility Provider

SIGNED by)
for and on behalf of)
[•])

The Master Purchaser

SIGNED by)
for and on behalf of)
VISTEON FINANCIAL CENTRE)
PLC)

The Security Trustee

SIGNED by)
for and on behalf of)
THE LAW DEBENTURE TRUST)
CORPORATION P.L.C.)

The Funding Agent

SIGNED by)
for and on behalf of)
CITIBANK INTERNATIONAL PLC)

SCHEDULE 4

REPRESENTATIONS AND WARRANTIES OF THE MASTER PURCHASER

(a) **Status:** it is duly incorporated with limited liability and validly existing under the laws of Ireland;

(b) **Powers and Authorisations:** the documents which contain or establish its constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for it to own its assets, carry on its business and operations as they are now being conducted and to sign and deliver, and perform the transactions contemplated in, the Transaction Documents to which it is a party;

(c) **Legal Validity:** its obligations under the Transaction Documents constitute, or when executed by it will constitute, its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(d) **Non-Violation:** the execution, signing and delivery of the Transaction Documents to which it is a party and the performance of any of the transactions contemplated in any of them do not and will not contravene or breach or constitute a default under or conflict or be inconsistent with or cause to be exceeded any limitation on it or the powers of its directors imposed by or contained in:

(i) any law, statute, decree, rule or regulation to which it or any of its assets or revenues is subject or of any order, judgment, injunction, decree, resolution, determination or award of any court or any judicial, administrative, or governmental authority or organisation which applies to it or any of its assets or revenues; or

(ii) any agreement, indenture, mortgage, deed of trust, bond, or any other document, instrument or obligation to which it is a party or by which any of its assets or revenues is bound or affected; or

(iii) any document which contains or establishes its constitution;

(e) **Consents:** save in respect of:

(i) the registration of the Master Purchaser Deed of Charge with the Registrar of Companies in accordance with the ruling in *Re Slavenburg* and the provisions of Chapter I of Part XII of the Companies Act 1985;

(ii) the delivery of all necessary particulars of the security created pursuant to the Master Purchaser Security Documents in the prescribed form to

the Registrar of Companies in Ireland within 21 days of the creation of such security in accordance with section 99 of the Companies Act, 1963 (as amended) of Ireland; and

(iii) the delivery of the particulars of such security (constituting a fixed charge over book debts) to the Revenue Commissioners in Ireland in accordance with section 1001 of the Taxes Consolidation Act, 1997 (as amended) of Ireland

no authorisation, approval, consent, exemption, registration, recording or filing and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken or which is expressly provided in the Transaction Documents as is only being required to be obtained, made or taken at a particular time or in certain circumstances is required to ensure:

(A) the creation, validity, legality, enforceability or priority of its liabilities and obligations or of the rights of the Subordinated VLN Facility Provider against it under the Transaction Documents; or

(B) to perform its obligations under the Transaction Documents; or

(C) to issue the Subordinated VLN;

(f) **Solvency:** it is solvent and able to pay its debts as they fall due and has not suspended or threatened to suspend making payments (whether of principal or interest) with respect to all or any class of its debts and will not become insolvent or unable to pay its debts in consequence of any obligation or transaction contemplated in the Transaction Documents;

(g) **Insolvency Procedures:** no corporate action has been taken or is pending, no other steps have been taken (whether out of court or otherwise) and no legal proceedings have been commenced or are threatened or are pending for (i) its bankruptcy, liquidation, suspension of payments, controlled management, winding-up, liquidation, dissolution, administration, examinership or reorganisation; or (ii) it to enter into any composition or arrangement with its creditors; or (iii) the appointment of a receiver, administrative receiver, trustee or similar officer in respect of it or any of its property, undertaking or assets. No event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction;

(h) **No Litigation:** no litigation to which it is a party or which any third party has brought against it in any court, arbitral tribunal or public or administrative body or otherwise and which, if adversely determined, could reasonably be expected to have a Material Adverse Effect on its ability to perform its obligations under the terms of the relevant Transaction Document exists or is threatened to exist at the present time; and

(i) **Financial Statements:** its audited financial statements for its most recently-ended financial year have been prepared in accordance with generally accepted accounting principles, consistently applied, and present a true and fair view of its financial condition on such date and the results of its operations for the financial year ended on such date;

(j) **Security:** the Master Purchaser Security Documents create the Encumbrances they purport to create and are not liable to be avoided or otherwise set aside on the occurrence of an event of insolvency in respect of the Master Purchaser or otherwise;

(k) **No Adverse Claim over the Master Purchaser Secured Property:** no Encumbrance exists over any Master Purchaser Secured Property other than the security created under the Master Purchaser Security Documents; and

(l) **Activities:** the Master Purchaser has not engaged in any activities since the date of its incorporation other than those incidental to its incorporation and its entry into and exercise of its rights and performance of its obligations under the Transaction Documents to which it is a party.

SCHEDULE 5

FORM OF SUBORDINATED VLN INITIAL FUNDING REQUEST

To: **VISTEON NETHERLANDS FINANCE B.V.**

From: **VISTEON FINANCIAL CENTRE P.L.C.**

Date: [•] 2006

Dear Sirs

SUBORDINATED VLN INITIAL FUNDING REQUEST

1. We refer to the Subordinated VLN Facility Agreement (as from time to time amended, supplemented or novated) dated 14 August 2006 as amended from time to time (the ***Subordinated VLN Facility Agreement*)** and made between, *inter alios*, ourselves and yourselves.

2. Terms defined in (or incorporated by reference into) the Subordinated VLN Facility Agreement bear the same meaning herein.

3. We hereby request that you subscribe for:

(a) a EUR Subordinated VLN with an initial par value, and for a Subordinated VLN Initial Subscription Price, of EUR [•];

(b) a USD Subordinated VLN with an initial par value, and for a Subordinated VLN Initial Subscription Price, of USD [•]; and

(c) a GBP Subordinated VLN with an initial par value, and for a Subordinated VLN Initial Subscription Price, of GBP [•].

4. The Subordinated VLN Final Maturity Date of the Subordinated VLNs will be 20[•].

5. We warrant that each of the representations referred to in Schedule 4 of the Subordinated VLN Facility Agreement is true on and as of the date of this Subordinated VLN Initial Funding Request.

Yours faithfully

for and on behalf of
VISTEON FINANCIAL CENTRE P.L.C.

SCHEDULE 6

REPRESENTATIONS AND WARRANTIES OF THE SUBORDINATED VLN FACILITY PROVIDER

(a) **Status:** it is duly incorporated with limited liability and validly existing under the laws of its jurisdiction of incorporation and is duly qualified to do business (unless the failure to so qualify would not have a material and adverse effect on its ability to observe or perform its obligations under the Transaction Documents to which it is a party) in every jurisdiction where the nature of its business requires it to be so qualified;

(b) **Capacity and authorisation:** the execution, delivery and performance by it of this Agreement and each other Transaction Document to which it is a party and any other documents to be delivered by it hereunder (i) are within its corporate powers, (ii) have been duly authorised by all necessary corporate action, (iii) do not contravene (a) its articles of association, (b) any law, rule or regulation applicable to it, (c) any contractual restriction binding on or affecting it or its property (unless such contravention would not have a Material Adverse Affect) or (d) any order, writ, judgement, award, injunction or decree binding on or affecting it or its property; and it has duly executed and delivered this Agreement and each other Transaction Document to which it is a party;

(c) **Consents:** no authorisation or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by it of this Agreement or any other Transaction Document to which it is a party or any other document to be delivered by it hereunder, except for filings of the Security Trustee's security interests and related actions;

(d) **Legal Validity:** this Agreement and any other Transaction Document to which it is a party constitutes its legal, valid and binding obligations enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally;

(e) **No Default:** no event has occurred which constitutes, or which with the giving of notice or the lapse of time or the making of a relevant determination, or some combination of such criteria, would constitute, a contravention of, or default under, any such law, statute, decree rule, regulation, order, judgment, injunction, decree, resolution, determination or award or any agreement, document or instrument by which it or any of its assets is bound or affected, being a contravention or default which could reasonably be expected to materially and adversely to affect its ability to observe or perform its obligations under the Transaction Documents to which it is a party;

(f) **Solvency:** it is solvent and able and expects to be able to pay its debts as they fall due and has not suspended or threatened to suspend making payments (whether of principal or interest) with respect to all or any class of its debts

and will not become insolvent or unable to pay its debts in consequence of any other obligation or transaction contemplated in the Transaction Documents to which it is a party;

(g) **Suspect period:**

(i) the transactions undertaken by it as described in the Transaction Documents to which it is a party are transactions at an arm's length consideration and will not be transactions at an undervalue within the meaning of the insolvency laws of its jurisdiction of incorporation;

(ii) in entering into the transactions as described in the Transaction Documents to which it is a party, it is acting without the intent to defraud its creditors within the meaning of the insolvency laws of its jurisdiction of incorporation;

(iii) in entering into the transactions as described in the Transaction Documents to which it is a party, its purpose was not to put assets beyond the reach of a person who is making, or may at some future time make, a claim against it or of otherwise prejudicing the interests of such a person in relation to the claim which he is making or may make; and

(iv) it is entering into the transactions as described in the Transaction Documents to which it is a party (including all obligations to be assumed by it in connection therewith) in good faith and for the purpose of carrying on its business.

(h) **No Litigation:** no actual, pending or (to the best of its knowledge) threatened investigation, proceedings or litigation to which it is a party or which any third party has brought against it in any court, arbitral tribunal or public or administrative body or otherwise in relation to the validity of the Agreement in any of the Transaction Documents or the transactions thereunder and which, if adversely determined will have a material adverse effect on its ability to perform its obligations under the terms of the relevant Transaction Documents exists at the present time;

(i) **Insolvency Procedures:** no corporate action has been taken or is pending, and, to the knowledge of the Subordinated VLN Facility Provider, no other steps have been taken and no legal proceedings have been commenced or are threatened or are pending for:

(i) its winding-up, bankruptcy, suspension of payments, liquidation, dissolution, administration or reorganisation; or

(ii) it to enter into any composition or arrangement with its creditors; or

(iii) the appointment of a receiver, administrative receiver, trustee or similar officer in respect of it or any of its property, undertaking or assets.

No event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction; and

SCHEDULE 4
FORM OF AMENDED AND RESTATED FRAMEWORK DEED

14 August 2006
(as amended on 13 November 2006 and as further amended and restated on 29 October 2008)

VISTEON FINANCIAL CENTRE P.L.C.
(as *Master Purchaser*)

VISTEON CORPORATION
(as *Parent*)

VISTEON NETHERLANDS FINANCE B.V.
(as *Subordinated VLN Facility Provider*)

THE FINANCIAL INSTITUTIONS LISTED IN SCHEDULE 6
(as *Lenders* and *Noteholders*)

VISTEON ELECTRONICS CORPORATION
(as *VEC*, *US Sub-Servicer* and *Master Servicer*)

VISTEON UK LIMITED
VISTEON DEUTSCHLAND GMBH
VISTEON SYSTEMES INTERIEURS S.A.S.
VISTEON ARDENNES INDUSTRIES S.A.S.
VISTEON SISTEMAS INTERIORES ESPAÑA, S.L.U.
CÁDIZ ELECTRÓNICA, S.A.U.
VISTEON PORTUGUESA LIMITED
VC RECEIVABLES FINANCING CORPORATION LIMITED
(each a *Seller* and, except for VC, a *Servicer*)

VC RECEIVABLES FINANCING CORPORATION LIMITED
(as *VC*, a *Seller*, the *Purchaser* and the *VC Subordinated VLN Provider*)

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
(as *Security Trustee*)

CITIBANK INTERNATIONAL PLC
(as *Funding Agent*)

CITICORP USA, INC.
(as *Collateral Monitoring Agent*)

CITIBANK, N.A.
(as *Master Purchaser Transaction Account Bank* and *MP Cash Manager*)

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED
(as *Corporate Administrator*)

MASTER DEFINITIONS AND FRAMEWORK DEED

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

THIS DEED is made on 14 August 2006 (as amended on 13 November 2006 and as further amended and restated on 29 October 2008)

BETWEEN:

(1) **VISTEON FINANCIAL CENTRE P.L.C.,** a company incorporated in Ireland, registered in Ireland with the Companies Registration Office with number 423820, whose registered office is at First Floor, 7 Exchange Place, International Financial Services Centre, Dublin 1, Ireland (the ***Master Purchaser*** and the ***Issuer***);

(2) **VISTEON CORPORATION**, a corporation incorporated under the laws of the State of Delaware with its principal place of business at One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A. (the ***Parent***);

(3) **VISTEON NETHERLANDS FINANCE B.V.**, a private company with limited liability, incorporated and existing under the laws of the Netherlands, having its corporate seat at Rotterdam, the Netherlands and having its offices at Weena 340, 3012 NJ Rotterdam, The Netherlands (the ***Subordinated VLN Facility Provider***);

(4) each of the entities listed in Schedule 6 (the ***Lenders*** and the ***Noteholders***);

(5) each of the entities listed in Part A of Schedule 7 (the ***Sellers***);

(6) each of the entities listed in Part B of Schedule 7 (the ***Servicers***);

(7) **VC RECEIVABLES FINANCING CORPORATION LIMITED**, a company incorporated in Ireland, registered in Ireland with the Companies Registration Office with number 463231, whose registered office is at 5 Habourmaster Place, I.F.S.C, Dubin 1 (***VC***, the ***Purchaser*** and the ***VC Subordinated VLN Facility Provider***);

(8) **VISTEON ELECTRONICS CORPORATION**, a company incorporated under the laws of the State of Delaware with registered number 4370018 whose registered office is at One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A. (***VEC, US Sub-Servicer*** and ***Master Servicer***);

(9) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, a company incorporated in England and Wales with limited liability whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the ***Security Trustee***);

(10) **CITIBANK INTERNATIONAL PLC**, a company incorporated in England and Wales with limited liability whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the ***Funding Agent***);

(11) **CITICORP USA, INC.** a corporation incorporated in the State of Delaware with its principal office at 399 Park Avenue, New York, New York, U.S.A. (the ***Collateral Monitoring Agent***);

(12) **CITIBANK, N.A.**, a national banking association formed under the banking laws of the United States of America acting through its London branch at Citigroup

Centre, Canada Square, Canary Wharf, London E14 5LB (the ***Master Purchaser Transaction Account Bank*** and the ***MP Cash Manager***);

(13) **WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED**, a company incorporated with limited liability in Ireland, registered in Ireland with the Companies Registration Office with number 318390, whose registered office is at First Floor, 7 Exchange Place, International Financial Services Centre, Dublin 1, Ireland (the ***Corporate Administrator***),

(together the ***Parties***).

BACKGROUND:

(A) The Sellers wish to sell and the Master Purchaser wishes to purchase all the Receivables (except the French Receivables and the Excluded Receivables) on the terms and subject to the conditions set out in this Agreement and the other Transaction Documents.

(B) The Sellers wish to sell the French Receivables to FCC Visteon, which will issue units or notes to the Master Purchaser pursuant to the terms of the FCC Units Subscription Agreement to fund the purchase of the French Receivables.

(C) VEC wishes to sell and the Purchaser wishes to purchase all Receivables on terms and subject to conditions set out in the VC Receivables Purchase Agreement with the intention that the Purchaser will on-sell such Receivables to the Master Purchaser on terms and subject to conditions set out in the Master Receivables Purchase and Servicing Agreement.

(D) The Master Purchaser is to be funded by means of variable loan notes to be issued pursuant to the Variable Funding Agreement and subordinated notes to be issued pursuant to the VC Subordinated VLN Facility Agreement and the Subordinated VLN Facility Agreement.

1. INTERPRETATION

1.1 Capitalised terms in this Deed shall, except where the context otherwise requires and save where otherwise defined in this Deed, have the meanings given to them in Clause 2.1 (as it may be amended, varied or supplemented from time to time with the consent of the parties to this Deed) and this Deed shall be construed in accordance with the principles of construction set out in Clauses 2.2 to 2.9.

1.2 Where any party to this Deed from time to time acts in more than one capacity under a Transaction Document, the provisions of this Deed shall apply to it as though it were a separate party in each such capacity except insofar as they require it in one capacity to give any notice or information to itself in another capacity.

2. DEFINITIONS

2.1 In any agreement, instrument or deed expressly and specifically incorporating by reference this Master Definitions and Framework Deed the following expressions shall,

except where the context otherwise requires and except where otherwise defined therein, have the following meanings:

Account Control Agreements means the UK Account Control Deeds, the German Account Control Agreements, any Portuguese Account Control Agreement, the Spanish Deeds of Pledge and each of the FCC Account Control Agreements;

Accredited Investor means an "accredited investor" within the meaning of Rule 501(a) under the Securities Act;

Adjusted Advance Rate Percentage means, on any date, the then current Advance Rate Percentage less the Required Dilution Reserve Percentage;

Advance Purchase Price has the meaning given to it in Clause 3.6 (*Advance Purchase Price*) of the Master Receivables Purchase and Servicing Agreement;

Advance Rate Percentage means 85 per cent. or such other percentage determined by the Collateral Monitoring Agent, from time to time, using its reasonable discretion;

Affected Person has the meaning given to it in Clause 10.1 of the Variable Funding Agreement;

Affiliate or ***affiliate*** means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person;

Aggregate Subordinated VLN Required Amount means as at the Funding Date and as at any Determination Date, an amount equal to the sum of the USD Subordinated VLN Required Amount, the USD Equivalent of the EUR Subordinated VLN Required Amount and the USD Equivalent of the GBP Subordinated VLN Required Amount;

Aggregate USD Equivalent Purchase Price means as at any date an amount calculated as being equal to:

A – (A x B)

where

A = the aggregate of the USD Equivalent of the Outstanding Balances of all Purchased Receivables as at such date; and

B = the Discount Percentage calculated (if such date is a Monthly Determination Date) on such date or (if such date is not a Monthly Determination Date) on the immediately preceding Monthly Determination Date;

Aggregate VC Proportion means, on any day, the fraction expressed as a percentage calculated by dividing:

(a) the USD Equivalent of the Outstanding Balance of all Purchased Receivables sold by VC; by

(b) the USD Equivalent of the Outstanding Balance of all Purchased Receivables;

Aggregate VC Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the sum of (i) the USD VC Subordinated VLN Required Amount, (ii) the USD Equivalent of the EUR VC Subordinated VLN Required Amount and (iii) the USD Equivalent of the GBP VC Subordinated VLN Required Amount;

Aggregate VNF Proportion means, on any day, the fraction expressed as a percentage which is the difference between (i) 100 per cent. and (ii) the Aggregate VC Proportion;

Aggregate VNF Subordinated VLN Required Amount means as at the Funding Date and any Determination Date thereafter, an amount equal to the sum of the (i) USD VNF Subordinated VLN Required Amount, (ii) the USD Equivalent of the EUR VNF Subordinated VLN Required Amount and (iii) the USD Equivalent of the GBP VNF Subordinated VLN Required Amount;

Agreed Currencies means USD, EUR and GBP, each being an ***Agreed Currency***;

Assignable Receivables means any Receivables which are not either (i) English Restricted Receivables, (ii) Excluded Receivables or (iii) French Receivables;

Auditors means the auditors from time to time of the Master Purchaser;

Average Receivables Balance means at any time in respect of an Obligor an amount in USD equal to (i) the sum of the Peak Receivables Balance in respect of that Obligor for the most recent complete Monthly Determination Period and the Peak Receivables Balance in respect of that Obligor for each of the 5 consecutive Monthly Determination Periods immediately preceding such Monthly Determination Period, divided by (ii) 6;

Business Day means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London, Paris, Frankfurt, Madrid, Lisbon and Dublin and (to the extent that it relates to a payment to be made in USD) which is a day on which banks are generally open for business in New York and (to the extent that it relates to a payment to be made in EUR) which is a TARGET Day;

Cash Control Events means the occurrence of any of the following events:

(a) any Termination Event that has not been waived; or

(b) an event that but for the giving of notice or the lapse of time would constitute a Termination Event of the kind described in paragraphs (a) (unless such event arises as a result of a technical or operational error or malfunction), (j), (m) or (n) of Schedule 1;

(c) at any time the aggregate USD Equivalent of the Principal Amount Outstanding of all Notes is and continues to be greater than an amount equal to the lower of (i) the Variable Funding Facility Limit less USD 30,000,000 and (ii) the product of the Net Receivables Pool Balance and the Adjusted Advance Rate less USD 30,000,000 and the Collateral Monitoring Agent acting either on its discretion or on the instruction of the Majority Lenders has notified the Parent in writing that the occurrence thereof constitutes a Cash Control Event and provided that the Majority Lenders have not waived the occurrence of such event as a Cash Control Event,

provided that a Cash Control Event of the type described in paragraph (c) above will lapse if and as soon as the aggregate USD Equivalent of the Principal Amount Outstanding of all Notes ceases to be greater than the amount equal to the lower of (i) the Variable Funding Facility Limit less USD 30,000,000 and (ii) the product of the Net Receivables Pool Balance and the Adjusted Advance Rate less USD 30,000,000;

Cash Management Agreement means the cash management agreement dated on or about the Closing Date entered into between the Master Purchaser, Citibank, N.A. as MP Cash Manager, the Master Purchaser Transaction Account Bank and the Security Trustee;

Change in Law means (a) the adoption of any law, rule or regulation after the Closing Date, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any Lender or Noteholder (or, for purposes of Clause 7.2, by any lending office of such Lender or Noteholder or by such Lender's or Noteholder's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date;

Change of Control means the occurrence of any of the following after the Closing Date:

(a) with respect to a Seller or VEC, more than 51 per cent. of the issued voting share capital of that Seller or VEC, as the case may be, ceases to be held directly or indirectly, by the Parent

(b) with respect to the Parent, either (i) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended (the ***Exchange Act***)) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 50 per cent. of the outstanding common stock of the Parent, or (ii) the board of directors of the Parent shall cease to consist of a majority of Continuing Directors;

Chargebacks means an amount charged to an Obligor in respect of a previously invoiced Receivable following a failure by the Obligor to pay such Receivable in full as a result of a dispute or error;

Citibank means Citibank, N.A., a national banking association formed under the laws of the United States of America;

Citigroup Fee Letter means the fee letter dated 9 August 2006 between Visteon Corporation and Citigroup Global Markets Inc.;

Closing Date means 14 August 2006;

Collateral Monitoring Agent means Citicorp USA, Inc. or such other person appointed as Collateral Monitoring Agent in accordance with Clause 10;

Collections means with respect to any Purchased Receivable, all cash collections and other cash proceeds of such Receivable (including without limitation cash proceeds of cheques, promissory notes, bills of exchange or other instruments and wire transfers) received into a Deposit Account during a Determination Period, including, without

limitation, amounts received in respect of Value Added Tax, all finance charges, if any, all cash proceeds of the Related Security with respect to such Receivable, and any amounts received from any Seller or VEC in respect of Deemed Collections of such Receivable;

Commitment Fee means a fee payable monthly in arrears on each Monthly Settlement Date in USD to the Funding Agent for the account of the Lenders calculated on a daily basis in an amount equal to 0.375 per cent. per annum of the amount by which the Variable Funding Facility Limit exceeds the USD Equivalent of the aggregate Principal Amount Outstanding of all Notes from time to time;

Commitment Letters means the commitment letter dated 9 August 2006 from Citigroup Global Markets Inc., J.P. Morgan Securities Inc., JPMorgan Chase Bank, N.A. to the Parent and the commitment letter dated 19 July 2006 from UBS Loan Finance LLC to the Parent or in each case any subsequent commitment letters expressed to replace such letters;

Commitment Proportion means, in respect of any Lender and/or Noteholder either (i) the percentage set out against that Lender's or Noteholder's name in the third column of Schedule 1 to the Variable Funding Agreement less any part of that percentage commitment transferred by that Lender or Noteholder to another Noteholder in accordance with the provisions of the Variable Funding Agreement and the Conditions, or (ii) as applicable, the percentage set out as a Noteholder's Commitment Proportion in a Note Transfer less any part of that percentage commitment transferred by that Noteholder in accordance with the provisions of the Variable Funding Agreement and the Conditions after the date of such Note Transfer, or (iii) in each case such other percentage applicable to that Lender or Noteholder calculated in accordance with Clause 13.2 of the Variable Funding Agreement;

Concentration Limit has the meaning set out in paragraph (o) of Schedule 3 to the Master Receivables Purchase and Servicing Agreement;

Condition and ***Conditions*** means, in relation to the Notes, the terms and conditions applicable to the Notes as set out in Schedule 3 to the Variable Funding Agreement;

Conditions Precedent means the conditions precedent set out in Schedule 3 to this Deed;

Continuing Directors means the directors of the Parent on the Closing Date and each other director, if, in each case, such other director's nomination for election to the board of directors of the Parent is recommended by the committee of the board of directors designated to make such recommendations, provided that such committees has been appointed by not less than 51 per cent. of the then Continuing Directors;

Contract means a contract concluded between a Seller (other than VC) and an Obligor or VEC and an Obligor, pursuant to which a Receivable arises;

Corporate Administrator means Wilmington Trust SP Services (Dublin) Limited, in its capacity as such under the Corporate Services Agreement;

Corporate Services Agreement means the agreement dated on or about the date of this Deed between the Master Purchaser, the Corporate Administrator and the Security Trustee;

CSA MRPSA Deed of Novation means the deed of novation of the pledge over bank accounts of Cádiz Electrónica, S.A.U. in relation to the Master Receivables Purchase and Servicing Agreement between Cádiz Electrónica, S.A.U., the Master Purchaser, the Security Trustee, the Funding Agent and the Collateral Monitoring Agent dated on or about 29 October 2008 and entered into before a Spanish Notary;

CSA MFRTSA Deed of Novation means the deed of novation of the pledge over bank accounts of Cádiz Electrónica, S.A.U. in relation to the FCC Master French Receivables Transfer and Servicing Agreement between Cádiz Electrónica, S.A.U., the FCC Management Company and the FCC Custodian dated on or about 29 October 2008 and entered into before a Spanish Notary;

Cut-Off Date means 31 July 2006;

Debt means, as of any date in relation to any person, the sum of, without duplication (a) the amount outstanding on such date under notes, bonds, debentures, commercial paper or other similar evidences of indebtedness for money borrowed of such person and (b) all other amounts that would appear as debt on a consolidated balance sheet of such person and its subsidiaries as of such date in accordance with generally accepted accounting principles in the United States of America as in effect from time to time (excluding items which appear in the footnotes only);

Debt Rating for any Person, means the rating by S&P or Moody's of such Person's unsecured, unsubordinated and unguaranteed long term debt obligations;

Deemed Collections means, any amounts paid by a Seller to the Master Purchaser pursuant to Clauses 7.1 or 7.2 of the Master Receivables Purchase and Servicing Agreement and any amounts paid by VEC to the Master Purchaser pursuant to Clauses 7.1 or 7.2 of the VC Receivables Purchase Agreement;

Default Rate means, for any Interest Period, the applicable Reference Rate plus two per cent (2%);

Defaulted Receivable means a Receivable which remains unpaid for more than 90 days from the original due date, or, in respect of a Receivable that is required to be paid in full between 125 and 180 days from the invoice date, which remains unpaid for more than 60 days from the original due date; or the Obligor of which is in a bankruptcy or similar proceeding, or which, consistent with the Seller Credit and Collection Procedures, would be written off as uncollectible;

Delinquent Receivables means a Receivable which is not a Defaulted Receivable, which remains unpaid for more than 60 days but equal to or less than 90 days from the original due date; or, in respect of a Receivable that is required to be paid in full between 125 and 180 days from the invoice date, which remains unpaid for more than 30 days but equal to or less than 60 days from the original due date; or which would be classified as delinquent pursuant to the Seller Credit and Collection Procedures;

Deposit Account Bank means with respect to each Seller and VEC each bank identified as such in the second column of Schedule 8 acting through its branch set out in the third column of Schedule 8 together with such other bank or banks as may from time to time be approved by the Collateral Monitoring Agent and notified in writing to the Security Trustee, the Funding Agent and the Master Purchaser, and, with respect to the French

Receivables Deposit Accounts the banks at which such accounts are held as specified in the FCC Documents and with respect to the Master Purchaser Portuguese Deposit Accounts, the bank at which such Master Purchaser Portuguese Deposit Accounts are maintained;

Deposit Accounts means the Non-French Receivables Deposit Accounts and the French Receivables Deposit Accounts;

Designated Person means each of Brian Casey, Michael Lewis, Neil Mitchell, Sabine Dumanois, Glenda Minor and Salvador Medina or any other officer of the Parent or any Servicer or any Seller or any of its Affiliates notified in writing to the Master Purchaser and the Collateral Monitoring Agent;

Determination Date means a Monthly Determination Date or a Semi-Monthly Determination Date, as the case may be;

Determination Period means a Monthly Determination Period or a Semi-Monthly Determination Period, as the case may be;

Diluted Receivables means the portion of any Receivable which is either (a) reduced or cancelled for any reason, or (b) subject to any specific offset, recoupment claim, counterclaim or defense;

Dilution Ratio means in respect of a Monthly Determination Period, the fraction (expressed as a percentage) calculated by dividing (i) the USD Equivalent of the aggregate of all Dilutions arising during such Monthly Determination Period by (ii) the USD Equivalent of the aggregate invoiced amount of all Receivables which arose during such Monthly Determination Period;

Dilutions means together all Unapplied Credit Notes and all other credits notes, refunds, discounts, allowances, set-offs or reverse invoices permitted or issued by the Seller against any Purchased Receivable;

Discount means, on the relevant Payment Date and in respect of a Purchased Receivable, the amount calculated by multiplying the Outstanding Balance of that Purchased Receivable by the Discount Percentage calculated as at the immediately preceding Monthly Determination Date;

Discount Collections means, in respect of a Determination Period and a particular Agreed Currency, an amount equal to the amount by which Collections received during such Determination Period in respect of Purchased Receivables denominated in that Agreed Currency exceeds the aggregate Purchase Price paid by the Master Purchaser for such Purchased Receivables;

Discount Percentage means a percentage calculated as at each Monthly Determination Date equal to:

$$\frac{(A + B + C + D) \times 90}{360}$$

where:

A = the Weighted Average Floating Rate as at such Monthly Determination Date;

B = 2.00 per cent.;

C = the Senior Expenses Percentage as at such Monthly Determination Date;

D = the Servicer Fee Percentage;

Due Date means, in respect of any Receivable, the date on which such Receivable will be expressed to be payable when invoiced in accordance with the Seller Credit and Collection Procedures;

Eligible Country means Germany, France, Spain, the United Kingdom, Portugal, Belgium, the Netherlands or such other countries as may from time to time be agreed in writing between the Parent and the Collateral Monitoring Agent;

Eligible Institution means a bank or financial institution duly authorised in respect of its activities under the laws and regulations of a member state of the European Union, the short term unsecured and unsubordinated debt obligations of which are rated at least P-1 by Moody's and A-1 by S&P;

Eligible Investment means:

(a) any senior (unsubordinated) debt security, bank account, deposit (including, for the avoidance of doubt, time deposit) or other debt instrument issued by, or fully and unconditionally guaranteed on an unsecured and unsubordinated basis by, or, if a bank account deposit, held at or made with, an Eligible Institution (provided that in the case of any such investment other than a bank account or deposit, the long-term rating for unsecured, unsubordinated and unguaranteed debt obligations of the relevant Eligible Institution is at least equal to Aa2 by Moody's and AA by S&P);

(b) commercial paper or money market funds which are rated at least P-1 by Moody's and A-1 by S&P;

(c) with respect to paragraphs (a) and (b) above, that have maturity dates on or prior to the next Settlement Date; and

(d) any other investments agreed between the Parent and the Funding Agent;

Eligible Obligor means an Obligor which satisfies the following characteristics:

(a) it is a corporate entity acting in its ordinary course of business only subject to private laws and regulations;

(b) it is not a government or a government subdivision or government agency or legal entity part of a public administration nor an individual;

(c) to the best of the applicable Seller's knowledge (or where VC is the Seller, VEC), it is not Insolvent or subject to any Insolvency Proceedings in its jurisdiction of incorporation and its holding company is not subject to Chapter 11 proceedings in the United States of America;

(d) it is not a debtor of any other Receivables (other than prior to the French Programme Commencement Date only, the French Receivables) which persist at the time of sale and have been sold, assigned, transferred or subrogated in any way by the applicable Seller (or where VC is the Seller, VEC) under any factoring transactions;

(e) it is not subject to any immunity of jurisdiction and/or execution and it or its assets are not subject to any limitation or restriction on enforcement;

(f) it is organized under the laws of, and resident in, an Eligible Country;

(g) it has no current/running accounts with any Seller (or where VC is the Seller, VEC); and

(h) it is not the Obligor of Defaulted Receivables, the aggregate USD Equivalent of the Outstanding Balance of which is in excess of 50 per cent. of the aggregate USD Equivalent of the Outstanding Balance of all Receivables owed by such Obligor;

Eligible Receivables means the Receivables that satisfy each of the Eligibility Criteria but excluding those Receivables which are otherwise required to be treated as Ineligible Receivables pursuant to Clause 18(o) and/or Clause 18(p) of the Master Receivables Purchase and Servicing Agreement or pursuant to the provisions of the FCC Master French Receivables Transfer and Servicing Agreement;

Eligibility Criteria means the criteria set out in Schedule 3 to the Master Receivables Purchase and Servicing Agreement;

Encumbrance includes any mortgage, charge, pledge, lien, hypothecation or other encumbrance or other security interest of any kind securing any obligation of any person or any other type of agreement, trust or arrangement (including, without limitation, title transfer and retention arrangements) or analogous right having a similar effect;

Enforcement Event means the occurrence of any of the events set out in Condition 6.1 of the Notes;

English Restricted Receivable means a Receivable originated by the English Seller which arises on a Contract which contains a limitation on assignment such that the Receivable may not be assigned without the debtor having given consent or received notice, but which contractual restriction does not impair the ability of the English Seller to declare a trust over such Receivable;

English Restricted Receivables Trust means the trust over the English Restricted Receivables constituted by the English Seller pursuant to the declaration of trust at Clause 2.2(c) of the Master Receivables Purchase and Servicing Agreement;

English Restricted Receivables Trust Property means the trust property that is the subject of the English Restricted Receivables Trust;

English Restricted Receivables Trustee means the English Seller in its capacity as trustee of the English Restricted Receivables Trust;

English Seller means Visteon UK Limited in its capacity as Seller under the Master Receivables Purchase and Servicing Agreement;

English Sub-Servicer means Visteon UK Limited in its capacity as a Sub-Servicer appointed under the Master Receivables Purchase and Servicing Agreement;

English Sub-Servicer Collection Accounts means the Non-French Receivables Deposit Accounts in the name of Visteon UK Limited;

Estimated Master Purchaser Senior Expenses means, as at any Monthly Determination Date, the aggregate of the USD Equivalent of the amounts which are expected to become due and payable in accordance with paragraphs (a) to (c) of each of the Pre-Enforcement Priorities of Payment (other than to the extent such amounts relate to interest payable in respect of the Notes) on any Settlement Dates falling during the Monthly Determination Period commencing on such Monthly Determination Date (other than the first Settlement Date immediately following such Monthly Determination Date) or on the first Settlement Date following the end of such Monthly Determination Period;

EUR Equivalent or ***Euro Equivalent*** means on the day on which a calculation falls to be made (i) in relation to an amount in EUR, that amount, (ii) in relation to an amount in USD, the amount obtained by applying the applicable EUR Spot Rate as at such date to such amount of USD and (iii) in relation to an amount in GBP, the amount obtained by applying the applicable EUR Spot Rate as at such date to such amount of GBP;

EUR Further Subordinated Advance has the meaning given to it in Clause 5.6 of the Subordinated VLN Facility Agreement;

EUR Further VC Subordinated Advance has the meaning given to it in Clause 5.6 of the VC Subordinated VLN Facility Agreement;

EUR Notes means the EUR denominated variable loan notes issued by the Issuer and subscribed for by the Lenders under the Variable Funding Agreement, issued in registered form substantially in the form set out in Schedule 1 to the Variable Funding Agreement with the Conditions set out in Schedule 2 of the Variable Funding Agreement, each such note being a ***EUR Note***;

EUR Post-Enforcement Priority of Payments means the order of priority of payments set out in Clause 8.2 of the Master Purchaser Deed of Charge and reference to a particular item of the EUR Post-Enforcement Priority of Payments is to the corresponding paragraph of Clause 8.2 of the Master Purchaser Deed of Charge;

EUR Pre-Enforcement Priority of Payments means the order of priority of payments set out in Clause 7.3 of the Master Purchaser Deed of Charge and reference to a particular item of the EUR Pre-Enforcement Priority of Payments is to the corresponding paragraph of Clause 7.3 of the Master Purchaser Deed of Charge;

EUR Purchase Price means the Purchase Price payable in EUR in respect of EUR Receivables;

EUR Receivable means a Receivable that is denominated and payable in EUR;

EUR Spot Rate means (i) in respect of an amount in USD on any date, the spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of EUR with USD at or about 9.00 a.m. (London time) on such date and (ii) in respect of an amount in GBP on any date, the spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of EUR with GBP at or about 9.00 a.m. (London time) on such date;

EUR Subordinated VLN means the EUR denominated subordinated variable loan note issued by the Master Purchaser and subscribed for by the Subordinated VLN Facility Provider under the Subordinated VLN Facility Agreement, issued in registered form substantially in the form set out in Schedule 1 to the Subordinated VLN Facility Agreement with the Subordinated VLN Conditions set out in Schedule 2 of the Subordinated VLN Facility Agreement;

EUR Subordinated VLN Required Amount means as at the Funding Date and as at any Determination Date, an amount equal to the sum of:

(a) the aggregate Purchase Price of all Purchased EUR Receivables (other than French Receivables) which are outstanding on such date (or in relation to the calculation made in respect of the Funding Date which are to be purchased by the Master Purchaser on the Funding Date); and

(b) the principal amount outstanding of any FCC Units denominated in EUR then held by the Master Purchaser;

less the Principal Amount Outstanding of the EUR Notes as at such date (or in relation to the calculation made in respect of the Funding Date which are to be issued by the Master Purchaser on the Funding Date);

EURIBOR means:

(a) the applicable Screen Rate; or

(b) (if such Screen Rate is not available for the relevant period in relation to which such interest rate is being determined) the rate (rounded upwards to four decimal places) the rate offered by the Funding Agent to leading banks in the European interbank market,

at or about 11.00 a.m. on the date upon which the determination of the relevant rate is to be made for the offering of deposits in EUR for a period comparable to the period in relation to which such interest rate is being determined;

Euro Equivalent means, as of any date, the amount obtained by applying the rate for converting the relevant currency into Euro at the spot rate of exchange for that currency as reasonable determined and advised by the Funding Agent;

European Programme means the receivables securitisation programme relating to Receivables of the Sellers effected pursuant to the Transactions Documents;

European Programme Limit means USD 350 million or, any other amount which is agreed in writing between the Parent and the Funding Agent;

EUR VC Proportion means, on any day, the fraction expressed as a percentage calculated by dividing:

(a) the Outstanding Balance of all Purchased EUR Receivables sold to the Master Purchaser by VC; by

(b) the Outstanding Balance of all Purchased EUR Receivables;

EUR VC Subordinated VLN means the EUR denominated subordinated variable loan note issued by the Master Purchaser and subscribed for by the VC Subordinated VLN Facility Provider under the VC Subordinated VLN Facility Agreement, issued in registered form substantially in the form set out in Schedule 1 to the VC Subordinated VLN Facility Agreement with the VC Subordinated VLN Conditions set out in Schedule 2 of the VC Subordinated VLN Facility Agreement;

EUR VC Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the multiple of:

(a) the EUR VC Proportion; and

(b) the EUR Subordinated VLN Required Amount,

provided that prior to the Variable Funding Facility Termination Date, the EUR VC Subordinated VLN Required Amount shall not be less than EUR 1,000;

EUR VNF Proportion means, on any day, the percentage which is the difference between:

(a) 100 per cent.; and

(b) the EUR VC Proportion;

EUR VNF Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the multiple of:

(a) the EUR VNF Proportion; and

(b) the EUR Subordinated VLN Required Amount,

provided that prior to the Variable Funding Facility Termination Date, the EUR VNF Subordinated VLN Required Amount shall not be less than EUR 1,000;

Excess Concentration means that part of the Outstanding Balance of any Purchased Receivable which would result in a breach of the Concentration Limits applicable to the relevant Obligor;

Exchange Rate Adjustment Amount means, as at any Determination Date, an amount expressed in USD equal to the product of A and B, where:

A is equal to the NRPB Before Excess Concentrations and Exchange Rate Protection (as determined on such date) multiplied by (1 — the Advance Rate Percentage); and

B is equal to the Exchange Rate Protection Factor Percentage (as determined on such date);

Exchange Rate Protection Factor Percentage means the higher of:

(a) the percentage determined from time to time by the Collateral Monitoring Agent in accordance with the Collateral Monitoring Agent's internal policies in respect of exchange rate exposure, to protect the Master Purchaser against adverse fluctuations in the exchange rate between EUR and USD;

(b) the percentage determined from time to time by the Collateral Monitoring Agent in accordance with the Funding Agent's internal policies in respect of exchange rate exposure, to protect the Master Purchaser against adverse fluctuations in the exchange rate between GBP and USD; and

(c) the percentage determined from time to time by the Collateral Monitoring Agent in accordance with the Collateral Monitoring Agent's internal policies in respect of exchange rate exposure, to protect the Master Purchaser against adverse fluctuations in the exchange rate between EUR and GBP,

which as at the Funding Date shall be 9.5 per cent.;

Excluded Receivable means any Receivable which:

(a) is governed by Belgian law, Netherlands law, Swedish law, Portuguese law or Spanish law where the Contract under which such Receivable arises contains a requirement to obtain the consent of the relevant Obligor for, or a requirement to notify the relevant Obligor of any sale, assignment or other transfer of such Receivable and where such consent has not been obtained or such notice has not been given; or

(b) the Collateral Monitoring Agent has identified to the Sellers shall be an Excluded Receivable;

(c) the Obligor in respect of which is Volkswagen AG or an Affiliate of Volkswagen AG (other than any Receivables owed by Volkswagen AG or any of its Affiliates which arise after the date on which the Parent has given written notice to each of the Collateral Monitoring Agent, the Security Trustee and the Master Purchaser to the effect that such Receivables shall cease to be Excluded Receivables);

(d) is owed by an Obligor in respect of which a Seller has given notice in writing to the Collateral Monitoring Agent, the Security Trustee and the Master Purchaser to the effect that no Receivables owed by such Obligor are to be sold to the Master Purchaser or, as the case may be, FCC Visteon (an ***Exclusion Notice***) where such Receivable arises after the date of delivery of such Exclusion Notice **provided that** (A) the aggregate Average Receivables Balance as at the date of such Exclusion Notice when aggregated with the average Receivables Balance of all other Obligors in respect of which an Exclusion Notice has been given in

accordance with this paragraph (d) and in respect of which the proviso below does not apply (calculated in each case as at the date the relevant Exclusion Notice was given in relation to each such Obligor) does not exceed 5 per cent. of the aggregate USD Equivalent of the Outstanding Balances of all Purchased Receivables as at the immediately preceding Determination Date; and (B) a certificate of the Parent, signed by a director or other officer stating that the Exclusion Notice given to excludes Receivables owed by that Obligor is being given in good faith for valid business reasons to preserve the Visteon Group's trading relationship with that Obligor;

(e) is governed by French law and originated by VEC,

provided that where the Parent has given an Exclusion Notice in respect of Receivables owed by a particular Obligor in accordance with paragraph (d) above and the Parent has subsequently given written notice to each of the Collateral Monitoring Agent, the Security Trustee and the Master Purchaser to the effect that Receivables owed by that Obligor shall no longer be considered to be Excluded Receivables, any Receivables owed by that Obligor which arise after the date of such notice shall not be Excluded Receivables (subject to any subsequent delivery of a further Exclusion Notice in respect of such Obligor);

Exempt Transaction means a transaction whereby any interest or other distribution is paid out of the assets of the Master Purchaser under any securities where (i) the consideration given by the Master Purchaser for the use of the principal secured is to any extent dependent on the results of the Master Purchaser's business or any part of the Master Purchaser's business; or (ii) the consideration so given represents more than a reasonable commercial return for the use of that principal, unless such interest or other distribution has been paid as part of a scheme or arrangement the main purpose or one of the main purposes of which is to obtain a tax relief or the reduction of a tax liability by a person within the charge to Irish corporation tax (referred to as the ***beneficiary***) and the beneficiary is the person from whom qualifying assets were acquired by the Master Purchaser, or with whom the Master Purchaser has entered into an arrangement as a result of which the Master Purchaser holds or manages qualifying assets, or with whom the Master Purchaser has entered into a legally enforceable arrangement which arrangement itself constitutes a qualifying asset, and the Master Purchaser is, at the time of the acquisition of the qualifying assets, in possession, or aware, of information which can reasonably be used by it to identify the beneficiary;

FCC Account Control Agreements means the French Account Control Agreements, the UK FCC Account Control Deeds, the German FCC Account Control Agreements, any Portuguese FCC Account Control Agreement and the Spanish FCC Deeds of Pledge;

FCC Custodian means BNP Paribas Securities Services, being the person appointed to act as the custodian of FCC Visteon;

FCC Documents means the documents by which FCC Visteon will be established and operate, including but not limited to the FCC Regulations, the FCC Master French Receivables Transfer and Servicing Agreement, the FCC Units Subscription Agreement, the FCC Master Definitions Agreement, the FCC Account Control Agreements together with each of the other documents required to be entered into pursuant to any such documents;

FCC Management Company means France Titrisation, being the person appointed to act as the management company of FCC Visteon;

FCC Master Definitions Agreement means the agreement dated 13 November 2006 between *inter alios* the FCC Management Company and the FCC Custodian, the Master Purchaser, the Sellers and the Servicers, pursuant to which the parties thereto shall agree on the definitions and the meanings of certain terms and expressions applicable to the FCC Documents;

FCC Master French Receivables Transfer and Servicing Agreement means the master receivables transfer and servicing agreement dated 13 November 2006 between, amongst others, the Sellers, the Servicers, the FCC Management Company and the FCC Custodian in respect of the sale of French Receivables by the Sellers to FCC Visteon and to the servicing of the French Receivables transferred to FCC Visteon;

FCC Regulations means the regulations dated 13 November 2006 between the FCC Management Company and the FCC Custodian, under which the FCC Management Company and the FCC Custodian agree to create FCC Visteon and which shall relate to the creation and operation of FCC Visteon;

FCC Regulations Amendment Agreement No.1 means the amendment agreement in respect of the FCC Regulations dated on or about the Second Closing Date and entered into between the FCC Management Company, the FCC Custodian and the Collateral Monitoring Agent;

FCC Units Subscriber means, prior to the Second Closing Date, Visteon UK Limited, a company incorporated in England and Wales with registered number 039353326, whose registered office is at Endeavour Drive, Basildon, Essex SS14 3WF and from (and including) the Second Closing Date, the Master Purchaser;

FCC Units means the floating rate units issued by FCC Visteon according to the FCC Regulations, in accordance with Articles L. 214-43 to L. 214-49 of the French *Code monétaire et financier*, the proceeds of which are used by the FCC Management Company to purchase French Receivables from the Sellers;

FCC Units Pledge Agreement has the meaning given to it in Clause 3.9 of the Master Purchaser Deed of Charge;

FCC Units Subscription Agreement means any agreement entered into from time to time by the Master Purchaser in respect of the subscription by the Master Purchaser of FCC Units;

FCC Units Subscription Date means, in respect of any FCC Unit, the Settlement Date on which such FCC Unit is issued by FCC Visteon;

FCC Visteon means the *fonds commun de créances* entitled FCC Visteon Financial Center or such other name as may be notified in writing by the Parent to the Collateral Monitoring Agent, the Security Trustee and the Master Purchaser established for the purpose of purchasing, from the Sellers, the French Receivables;

Fee Letters means the Citigroup Fee Letter and the ST Fee Letter;

Fees means the aggregate of any fees payable to the Lenders, the Noteholders, the Security Trustee, the Funding Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank or the Collateral Monitoring Agent pursuant to any Transaction Document;

Final Discharge Date means the date upon which the Master Purchaser has discharged all its obligations under the Transaction Documents and after which no Lender or Noteholder has any commitment to provide funding pursuant to the Variable Funding Agreement or any Note;

Final Maturity Date means, in relation to each Note, the date determined and specified by the Issuer in accordance with the provisions of the Variable Funding Agreement to be the final maturity date of such Note;

Finance Parties means the Lenders, the Noteholders and the Funding Agent;

First Deed of Amendment means the deed of amendment dated 13 November 2006 entered into between, *inter alios*, the Master Purchaser, the Parent, the Security Trustee, the Funding Agent and the Collateral Monitoring Agent to amend certain provisions of the Master Receivables Purchase and Servicing Agreement, this Deed, the Master Purchaser Deed of Charge, the Variable Funding Agreement and the Subordinated VLN Facility Agreement;

Framework Deed means this document;

Framework Deed of Amendment means the deed of amendment and restatement dated on or about the Second Closing Date in respect of the Framework Deed and the Subordinated VLN Facility Agreement, entered into between each of the parties to this Deed;

French Account Control Agreement means, in respect of each French Seller, each agreement for the *compte d'affectation specialisé* in respect of the Deposit Accounts in the name of that French Seller entered into by that French Seller after the Closing Date in connection with the establishment of FCC Visteon and the issue by it of FCC Units;

French Agreement Deed of Formalisation means the deed of formalisation to raise the FCC Master French Receivables Transfer and Servicing Agreement into public status under Spanish law executed by the Spanish Sellers, FCC Management Company and the FCC Custodian dated on or about 29 October 2008 and entered into before a Spanish Notary;

French Programme Commencement Date means the first date upon which French Receivables are sold to FCC Visteon;

French Receivables means Receivables originated by a French Seller together with Receivables originated by any other Seller arising from a Contract governed by French law;

French Receivables Deposit Accounts means each of the accounts in the name of a Seller with Deposit Account Banks into which are collected amounts paid by Obligors in respect of Purchased French Receivables as may be identified as such in the FCC Documents or such other account(s) of any Seller as may be utilised for the collection of such amounts in accordance with the FCC Documents;

French Sellers means Visteon Systemes Interieurs S.A.S. and Visteon Ardennes Industries S.A.S.;

Funding Agent means Citibank International plc or such other person approved as Funding Agent in accordance with Clause 19 of the Variable Funding Agreement;

Funding Agent Accounts means (i) the USD denominated account of the Funding Agent held with Citibank, N.A., New York (Swift Code: CITIUS33) with account number 10963054, (ii) the EUR denominated account of the Funding Agent held with Citibank, N.A., London Branch (Swift: CITIGB2L) with account number 944823 and (iii) the GBP denominated account of the Funding Agent held with Citibank, N.A., London Branch (Swift: CITIGB2L, Sort Code: 18-50-04) with account number 558397, or in each case such other replacement account or accounts as the Funding Agent may from time to time notify in writing to the Master Purchaser, the MP Cash Manager, the Lenders and the Noteholders;

Funding Date means 8 September 2006;

Funding Request Date means the date on which a Further Funding Request is made in accordance with the Variable Funding Agreement provided that if such date is not a Business Day the Funding Request Date shall be the next day that is a Business Day;

Further Funding Request means a request, substantially in the form set out in Part B of Schedule 7 to the Variable Funding Agreement, made by the Issuer (or the Master Servicer on its behalf) to the Funding Agent (copied to the Collateral Monitoring Agent) pursuant to Clause 5.4 of the Variable Funding Agreement, in relation to an increase in the par value of each of the Notes denominated in a particular Agreed Currency;

Further Security has the meaning given to it in the Master Purchaser Deed of Charge;

Further Subordinated Advance has the meaning given to it in Clause 5.7 of the Subordinated VLN Facility Agreement;

Further Subscription Price means, in relation to a Noteholder, the amount in a particular Agreed Currency payable by that Noteholder to the Issuer on any date in relation to a Note denominated in such Agreed Currency held by that Noteholder pursuant to the Variable Funding Agreement calculated as being an amount equal to that Noteholder's Commitment Proportion of the aggregate amount of all funding requested to be made in such Agreed Currency on that date by the Lenders pursuant to the Variable Funding Agreement, as set out in the applicable Further Funding Request;

Further VC Subordinated Advance has the meaning given to it in Clause 5.7 of the VC Subordinated VLN Facility Agreement;

GBP Equivalent or ***Sterling Equivalent*** means on the day on which a calculation falls to be made (i) in relation to an amount in GBP, that amount, (ii) in relation to an amount in EUR, the amount obtained by applying the applicable GBP Spot Rate as at such date to such amount of EUR and (iii) in relation to an amount in USD, the amount obtained by applying the applicable GBP Spot Rate as at such date to such amount of USD;

GBP Further Subordinated Advance has the meaning given to it in Clause 5.7 of the Subordinated VLN Facility Agreement;

GBP Further VC Subordinated Advance has the meaning given to it in Clause 5.7 of the VC Subordinated VLN Facility Agreement;

GBP LIBOR means:

(a) the applicable Screen Rate; or

(b) (if such Screen Rate is not available for the relevant period in relation to which such interest rate is being determined) the rate (rounded upwards to four decimal places) as offered by the Funding Agent to leading banks in the London interbank market,

at or about 11.00 a.m. on the date upon which the determination of the relevant rate is to be made for the offering of deposits in GBP for a period comparable to the period in relation to which such interest rate is being determined;

GBP Notes means the GBP denominated variable loan notes issued by the Issuer and subscribed for by the Lenders under the Variable Funding Agreement, issued in registered form substantially in the form set out in Schedule 1 to the Variable Funding Agreement with the Conditions set out in Schedule 2 to the Variable Funding Agreement, each such note being a ***GBP Note***;

GBP Post-Enforcement Priority of Payments means the order of priority of payments set out in Clause 8.4 of the Master Purchaser Deed of Charge and reference to a particular item of the GBP Post-Enforcement Priority of Payments is to the corresponding paragraph of Clause 8.4 of the Master Purchaser Deed of Charge;

GBP Pre-Enforcement Priority of Payments means the order of priority of payments set out in Clause 7.5 of the Master Purchaser Deed of Charge and reference to a particular item of the GBP Pre-Enforcement Priority of Payments is to the corresponding paragraph of Clause 7.5 of the Master Purchaser Deed of Charge;

GBP Purchase Price means the Purchase Price payable in GBP in respect of GBP Receivables;

GBP Spot Rate means (i) in respect of an amount in USD on any date, the spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of GBP with USD at or about 9.00 a.m. (London time) on such date and (ii) in respect of an amount in EUR on any date, the spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of GBP with EUR at or about 9.00 a.m. (London time) on such date;

GBP Receivable means a Receivable that is denominated and payable in GBP;

GBP Subordinated VLN means the GBP denominated subordinated variable loan note issued by the Master Purchaser and subscribed for by the Subordinated VLN Facility Provider under the Subordinated VLN Facility Agreement, issued in registered form substantially in the form set out in Schedule 1 to the Subordinated VLN Facility Agreement with the Subordinated VLN Conditions set out in Schedule 2 to the Subordinated VLN Facility Agreement;

GBP Subordinated VLN Required Amount means as at the Funding Date and as at any Determination Date, an amount equal to the sum of:

(a) the aggregate Purchase Price of all Purchased GBP Receivables (other than French Receivables) which are outstanding on such date (or in relation to the calculation made in respect of the Funding Date which are to be purchased by the Master Purchaser on the Funding Date); and

(b) the principal amount outstanding of any FCC Units denominated in GBP then held by the Master Purchaser;

less the Principal Amount Outstanding of the GBP Notes as at such date (or in relation to the calculation made in respect of the Funding Date which are to be issued by the Master Purchaser on the Funding Date);

GBP VC Proportion means, on any day, the fraction expressed as a percentage calculated by dividing:

(a) the Outstanding Balance of all Purchased GBP Receivables sold by VC; by

(b) the Outstanding Balance of all Purchased GBP Receivables;

GBP VC Subordinated VLN means the GBP denominated subordinated variable loan note issued by the Master Purchaser and subscribed for by the VC Subordinated VLN Facility Provider under the VC Subordinated VLN Facility Agreement, issued in registered form substantially in the form set out in Schedule 1 to the VC Subordinated VLN Facility Agreement with the VC Subordinated VLN Conditions set out in Schedule 2 to the VC Subordinated VLN Facility Agreement;

GBP VC Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the multiple of:

(a) the GBP VC Proportion; and

(b) the GBP Subordinated VLN Required Amount,

provided that prior to the Variable Funding Facility Termination Date, the GBP VC Subordinated VLN Required Amount shall not be less than EUR 1,000;

GBP VNF Proportion means, on any day, the percentage which is the difference between:

(a) 100 per cent.; and

(b) the GBP VC Proportion;

GBP VNF Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the multiple of:

(a) the GBP VNF Proportion; and

(b) the GBP subordinated VLN Required Amount,

provided that prior to the Variable Funding Facility Termination Date, the GBP VNF Subordinated VLN Required Amount shall not be less than GBP 1,000;

German Account Control Agreement means the account control agreement dated the Closing Date made between the German Seller (as pledgor), the Master Purchaser (as pledgee) and the Security Trustee (as pledgee) in respect of the Non-French Receivables Deposit Accounts in the name of the German Seller held with Deutsche Bank AG together with such other account control agreements as may from time to time be entered into by the German Seller with the consent of the Collateral Monitoring Agent and the Funding Agent in respect of any further Non-French Receivables Deposit Accounts in the name of the German Seller;

German FCC Account Control Agreements means each account control agreement entered into in accordance with the FCC Documents by the German Seller (as Pledgor) in favour of FCC Visteon in respect of the French Receivables Deposit Accounts in the name of the German Seller;

German Receivable means a Purchased Receivable originated by the German Seller;

German Receivables Deferred Purchase Price has the meaning given to it in Clause 3.10 of the Master Receivables Purchase and Servicing Agreement;

German Seller means Visteon Deutschland GmbH;

Governmental Authority means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization;

Grid means, in relation to a Note, the grid contained in the Schedule to such Note showing increases and decreases in the Principal Amount Outstanding and maintained by the Issuer;

Indebtedness has the meaning given to it as at the Closing Date in the US ABL Credit Agreement, it being agreed that (i) any amendment made after the Closing Date to such definition in the US ABL Credit Agreement shall not have the effect of amending this definition unless such amendment is made in accordance with Clause 13 of this Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this definition;

Ineligible Receivable means the whole of the Outstanding Balance of a Receivable which does not comply with the Eligibility Criteria on the date on which they are transferred or which is otherwise required to be treated as an Ineligible Receivable pursuant to Clause 18(o) and/or Clause 18(p) of the Master Receivables Purchase and Servicing Agreement or pursuant to the provisions of the FCC Master French Receivables Transfer and Servicing Agreement;

Initial Funding Request means a request, substantially in the form set out in Part A of Schedule 7 to the Variable Funding Agreement, made by the Issuer to the Funding Agent

pursuant to Clause 5 of the Variable Funding Agreement, in relation to the issue by the Issuer of Notes denominated in a particular Agreed Currency and the subscription by a Lender of such Notes;

Initial Sub-Servicer means each of Visteon UK Limited, Visteon Deutschland GmbH, Visteon Systemes Interieurs S.A.S., Visteon Ardennes Industries S.A.S., Visteon Sistemas Interiores España, S.L.U., Cádiz Electrónica, S.A.U., Visteon Portuguesa Limited and Visteon Electronics Corporation, each in its capacity as a Sub-Servicer appointed pursuant to Clause 8 of the Master Receivables Purchase and Servicing Agreement;

Initial Subscription Price means, in relation to a Lender, the amount in a particular Agreed Currency payable by that Lender to the Issuer for the subscription of a Note denominated in such Agreed Currency calculated as being an amount equal to the greater of (i) that Lender's Commitment Proportion of the aggregate amount of all funding requested to be made in such Agreed Currency on the Funding Date by the Lenders pursuant to the Variable Funding Agreement and (ii) USD 1,000 (in relation to the subscription of a Note denominated in USD), EUR 1,000 (in relation to the subscription of a Note denominated in EUR) and GBP 1,000 (in relation to the subscription of a Note denominated in GBP), as set out in the applicable Initial Funding Request;

Insolvency means, with respect to any of the Parent, any Seller, VEC, any Servicer, the VC Subordinated Facility Provider or any Subordinated VLN Facility Provider, the occurrence of any of the following:

(a) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or is otherwise insolvent under the laws of any applicable jurisdiction;

(b) it admits its inability to pay its debts as they fall due;

(c) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities);

(d) it suspends making payments on any of its debts or announces an intention to do so;

(e) by reason of actual or anticipated financial difficulties, it commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or

(f) a moratorium is or has been declared in respect of any of its indebtedness;

Insolvency Proceedings means, in respect of the Parent, any Seller, VEC, any Servicer, the VC Subordinated Facility Provider or any Subordinated VLN Facility Provider, any corporate action, legal proceeding or other procedure or step is taken in relation to or with a view to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration (whether out of court or otherwise) or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);

(b) a composition, assignment or arrangement with any creditor;

(c) the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer (in each case, whether out of court or otherwise) in respect of itself or any of its assets;

(d) the enforcement of any Encumbrances over any of its assets with an aggregate value of not less than USD 10,000,000;

(e) a meeting of its directors or its members being convened for the purpose of considering any resolution for, or to petition for, or apply for or to file documents with a court for its winding-up, administration (whether out of court or any registrar or otherwise) or dissolution and any such resolution is passed;

(f) any person presenting a petition or an application for its winding-up, administration (whether out of court or otherwise) or dissolution where such petition or application is not withdrawn or dismissed within 60 days;

(g) its directors or other officers requesting the appointment of or giving notice of their intention to appoint or take any step with a view to appointing a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (whether out of court or otherwise) or similar officer; or

(h) or any analogous procedure or step is taken in any jurisdiction;

Institutional Investor shall mean a person of a kind specified in article 9 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

Interest Payment Date means, in respect of an Interest Period, the Monthly Settlement Date on which that Interest Period ends;

Interest Period means the period from (and including) one Monthly Settlement Date to (but excluding) the immediately following Monthly Settlement Date, with the first Interest Period commencing on (and including) the Funding Date and ending on (but excluding) the first Monthly Settlement Date;

Invoice means the account for payment specifying the goods supplied by a Seller, the amount due to be paid in respect thereof by the Obligor including any VAT chargeable in respect of those goods and the due date for such payment;

Irish Qualifying Lender means a person who is or would be beneficially entitled to the interest payments it receives under the Notes or the other Transaction Documents to which it is, or would become, party and is:

(a) the holder of a licence for the time being in force granted under section 9 of the Irish Central Bank Act 1971 or an authorised credit institution under the terms of EU Council Directive 2000/12/EC of 20 March 2000 which has duly established a branch in Ireland or has made all necessary notifications to its home state competent authorities required thereunder in relation to its intention to carry on

banking business in Ireland provided it is carrying on a bona fide banking business in Ireland with which the payment is connected; or

(b) a body corporate which is resident in Ireland for the purposes of Irish tax or which carries on a trade in Ireland through a branch or agency:

(i) which advances money in the ordinary course of a trade which includes the lending of money; and

(ii) in whose hands any interest payable in respect of the Note is taken into account in computing the trading income of the company; and

(iii) which has complied with all of the provisions of Section 246(5) of the Taxes Consolidation Act, 1997 as amended, of Ireland including making the appropriate notifications thereunder, or

(c) is a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act 1997, as amended, of Ireland; or

(d)

(i) a body corporate that is resident for the purposes of tax in a member state of the European Communities (other than Ireland) or in a territory with which Ireland has concluded a Treaty (residence for these purposes to be determined in accordance with the laws of the territory of which the body corporate claims to be resident); or

(ii) a corporate body organised or formed under the laws of the U.S. and subject to federal tax in the U.S. on its worldwide income; or

(iii) a U.S. LLC, provided the ultimate recipients of the interest are resident in and under the laws of a territory with which Ireland has a Treaty (residence for these purposes to be determined in accordance with the laws of the territory of which the recipient claims to be resident) or resident in and under the laws of a member state of the European Communities (other than Ireland) and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes;

provided in each case at (i), (ii) or (iii), if the person is a company, it is not carrying on a trade or business in Ireland through an agency or branch with which the interest payment is connected; or

(e) a Treaty Lender; or

(f) An investment undertaking within the meaning of section 739B of the Taxes Consolidation Act 1997 of Ireland as amended.

Issuer means Visteon Financial Centre p.l.c. in its capacity as issuer of the Notes under the Variable Funding Agreement;

Joint Lead Arrangers means Citigroup Global Markets Inc. and J.P. Morgan Securities Inc.;

Lender means each of the parties identified as a Lender in Schedule 6 and each party that accedes to both the Variable Funding Agreement and this Deed as a Lender or a Noteholder;

Lender Reserved Matters means any matter that would give rise to:

(a) any increase in the Maximum Commitment Amount or Commitment Proportion of any Lender;

(b) any reduction or forgiveness of the principal amount of any Note or the reduction of the rate of interest applicable thereto or reduce or forgive any interest or fees payable to (or for the account of) a Lender (in its capacity as a Lender or a Noteholder) under the Transaction Documents (provided however that waiver of any default or Master Purchaser Event of Default shall not be deemed to be a reduction in the rate of interest or any fee);

(c) the postponement of any scheduled date of payment of the principal amount of any Note, or any date for the payment of any interest, fees or other obligations payable to (or for the account of) a Lender (in its capacity as a Lender or a Noteholder);

(d) an amendment to any Master Purchaser Priority of Payment or any other provision of any Transaction Document that would alter the priority or ranking of any payments due to any Lender or Noteholder;

(e) an amendment to the Eligibility Criteria;

(f) an amendment to this definition or to the provisions of Clause 12 or Clause 10 of the Master Purchaser Deed or Charge or any other provision of any Transaction Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder;

(g) the release of the Master Purchaser from its obligations under the Variable Funding Agreement or the Notes (except as otherwise permitted in any of the Transaction Documents); or

(h) the release of substantially all of the Master Purchaser Secured Property from the Encumbrances created under the Master Purchaser Security Documents other than as permitted or expressly provided for in any of the Transaction Documents;

LP(MP) Act has the meaning given to it in the Master Purchaser Deed of Charge;

Majority Lenders means Lenders the sum of whose Commitment Proportions is equal to or greater than 51 per cent.;

Manager means any insolvency official appointed by the court under any applicable law;

Manual Invoices means Invoices issued in respect of the supply of tooling products, prototypes and/or engineering charges;

Master French Definitions Agreement Amendment Agreement No.1 means the amendment agreement in respect of the FCC Master French Definitions Agreement dated on or about the Second Closing Date and entered into between the FCC Management Company, the FCC Custodian, the Sellers, the Servicers, the Master Purchaser, the Security Trustee, the Collateral Monitoring Agent and the Subordinated VLN Facility Provider;

Master French Receivables Transfer and Servicing Agreement Amendment Agreement No.1 means the amendment agreement in respect of the FCC Master French Receivables Transfer and Servicing Agreement dated on or about the Second Closing Date and entered into between the FCC Management Company, the FCC Custodian, the Sellers and Servicers;

Master Purchaser means Visteon Financial Centre p.l.c. being a company incorporated in Ireland;

Master Purchaser Accounts means each of the Master Purchaser Transaction Accounts and the Master Purchaser Portuguese Deposit Accounts;

Master Purchaser Available Funds means the Master Purchaser USD Available Funds, the Master Purchaser EUR Available Funds and the Master Purchaser GBP Available Funds;

Master Purchaser Deed of Charge means the deed of charge dated on or about the date of this Deed between, *inter alios*, the Master Purchaser and the Security Trustee pursuant to which the Master Purchaser grants security over its assets to the Security Trustee for the benefit of the Master Purchaser Secured Creditors;

Master Purchaser Deed of Charge Accession Deed means an accession deed substantially in the form set out in Schedule 2 to the Master Purchaser Deed of Charge;

Master Purchaser Deed of Charge Deed of Amendment means the deed of amendment and restatement dated on or about the Second Closing Date in respect of the Master Purchaser Deed of Charge, entered into between each of the parties to the Master Purchaser Deed of Charge;

Master Purchaser EUR Available Funds means with respect to any Settlement Date, the aggregate of (i) all moneys standing to the credit of the Master Purchaser Transaction Account denominated in EUR as at the opening of business on that Settlement Date, (ii) the principal amount of all Eligible Investments denominated in EUR maturing on or prior to that Settlement Date together with interest and other income earned in respect thereof, (iii) any amounts of Further Subscription Price to be paid to the Master Purchaser on such Settlement Date under the Variable Funding Agreement in respect of any EUR Note, (iv) any EUR Further Subordinated Advances to be paid to the Master Purchaser on such Settlement Date under the Subordinated VLN Facility Agreement and the EUR Subordinated VLN and (v) any EUR Further VC Subordinated Advances to be paid to the Master Purchaser on such Settlement Date under the VC Subordinated VLN Facility Agreement and the EUR VC Subordinated VLN; **provided that** Master Purchaser EUR Available Funds shall not include the proceeds of any payment of Further Subscription Price to the Master Purchaser under the Variable Funding Agreement in respect of any EUR Note and any corresponding increase in the Principal Amount Outstanding of such

Notes if the full amounts of any advances required to be made to the Master Purchaser under the Subordinated VLN Facility Agreement and/or the VC Subordinated VLN Facility Agreement have not been credited to the Master Purchaser Transaction Accounts as of 11:00 a.m. (London time) on that Settlement Date;

Master Purchaser Event of Default means the occurrence of any of the events set out in Condition 5.1 of the Notes;

Master Purchaser Further Security Agreement has the meaning given to it in Clause 3.8 of the Master Purchaser Deed of Charge;

Master Purchaser GBP Available Funds means with respect to any Settlement Date, the aggregate of (i) all moneys standing to the credit of the Master Purchaser Transaction Account denominated in GBP as at the opening of business on that Settlement Date, (ii) the principal amount of all Eligible Investments denominated in GBP maturing on or prior to that Settlement Date together with interest and other income earned in respect thereof, (iii) any amounts of Further Subscription Price to be paid to the Master Purchaser on such Settlement Date under the Variable Funding Agreement in respect of any GBP Note, (iv) any GBP Further Subordinated Advances to be paid to the Master Purchaser on such Settlement Date under the Subordinated VLN Facility Agreement and the GBP Subordinated VLN and (iv) any GBP Further VC Subordinated Advances to be paid to the Master Purchaser on such Settlement Date under the VC Subordinated VLN Facility Agreement and the GBP VC Subordinated VLN; **provided that** Master Purchaser GBP Available Funds shall not include the proceeds of any payment of Further Subscription Price to the Master Purchaser under the Variable Funding Agreement in respect of any GBP Note and any corresponding increase in the Principal Amount Outstanding of such Notes if the full amounts of any advances required to be made to the Master Purchaser under the Subordinated VLN Facility Agreement and/or the VC Subordinated VLN Facility Agreement have not been credited to the Master Purchaser Transaction Accounts as of 11:00 a.m. (London time) on that Settlement Date;

Master Purchaser German Receivables Security Assignment Agreement means the security assignment agreement governed by German law dated 14 August 2006 between the Master Purchaser and the Security Trustee relating to the Purchased Receivables governed by German law;

Master Purchaser Portuguese Deposit Accounts means any accounts opened by or transferred to the Master Purchaser with the consent of the Collateral Monitoring Agent and in accordance with Clause 18(o) of the Master Receivables Purchase and Servicing Agreement into which Collections received in respect of Purchased Receivables sold to the Master Purchaser by the Portuguese Seller are to be paid in accordance with the Master Receivables Purchase and Servicing Agreement;

Master Purchaser Post-Enforcement Priorities of Payments means each of the USD Post-Enforcement Priority of Payments, the EUR Post-Enforcement Priority of Payment and the GBP Post-Enforcement Priority of Payments;

Master Purchaser Pre-Enforcement Priorities of Payments means each of the USD Pre-Enforcement Priority of Payments, the EUR Pre-Enforcement Priority of Payment and the GBP Pre-Enforcement Priority of Payments;

Master Purchaser Priority of Payments means the Master Purchaser Pre-Enforcement Priority of Payments and the Master Purchaser Post-Enforcement Priority of Payments;

Master Purchaser Receivables Power of Attorney has the meaning given to it in Clause 2.4 of the Master Receivables Purchase and Servicing Agreement;

Master Purchaser Secured Creditors means the Noteholders, the Lenders, the Subordinated VLN Provider, the VC Subordinated VLN Provider, the Sellers, the Servicers, the Security Trustee, the Funding Agent, the Collateral Monitoring Agent, the MP Cash Manager, the Master Servicer, the Master Purchaser Transaction Account Bank and the Corporate Administrator;

Master Purchaser Secured Obligations means the aggregate of all moneys and other liabilities for the time being due or owing by the Master Purchaser to the Master Purchaser Secured Creditors under or pursuant to the Transaction Documents;

Master Purchaser Secured Property means the whole of the right, title, benefit and interest of the Master Purchaser in the property, assets and rights of the Master Purchaser that are subject to the encumbrances granted by the Master Purchaser pursuant to the Master Purchaser Security Documents;

Master Purchaser Security Documents means the Master Purchaser Deed of Charge, the Master Purchaser German Receivables Security Assignment Agreement and each Master Purchaser Further Security Agreement and any other security document entered into by the Master Purchaser pursuant to which the Master Purchaser grants security to the Security Trustee (for itself and the other Master Purchaser Secured Creditors) in respect of the Master Purchaser Secured Obligations;

Master Purchaser Security Enforcement Notice means a notice given by the Security Trustee to the Master Purchaser pursuant to Clause 8.1 of the Master Purchaser Deed of Charge;

Master Purchaser's Settlement Date Amounts means the aggregate amounts owing by the Master Purchaser under the Master Purchaser Pre-Enforcement Priority of Payments on any Settlement Date or, following a Master Purchaser Security Enforcement Notice, under the Master Purchaser Post-Enforcement Priority of Payments from time to time;

Master Purchaser Transaction Account Bank means Citibank, N.A. London Branch or such other bank appointed from time to time in replacement thereof pursuant to and in accordance with the Transaction Documents;

Master Purchaser Transaction Accounts means:

(a) the EUR denominated account with account number 11648411;

(b) the USD denominated account with account number 11648446; and

(c) the GBP denominated account with account number 11648438,

each in the name of the Master Purchaser with the Master Purchaser Transaction Account Bank or such other accounts in the name of the Master Purchaser with the Master Purchaser Transaction Account Bank as the Master Purchaser may be permitted to open

by the Collateral Monitoring Agent and which are notified to the other parties in accordance with this Deed;

Master Purchaser USD Available Funds means with respect to any Settlement Date, the aggregate of (i) all moneys standing to the credit of the Master Purchaser Transaction Account denominated in USD as at the opening of business on that Settlement Date, (ii) the principal amount of all Eligible Investments denominated in USD maturing on or prior to that Settlement Date together with interest and other income earned in respect thereof, (iii) any amounts of Further Subscription Price to be paid to the Master Purchaser on such Settlement Date under the Variable Funding Agreement in respect of any USD Note, (iv) any USD Further Subordinated Advances to be paid to the Master Purchaser on such Settlement Date under the Subordinated VLN Facility Agreement and the USD Subordinated VLN and (v) any USD Further VC Subordinated Advances to be paid to the Master Purchaser on such Settlement Date under the VC Subordinated VLN Facility Agreement and the USD VC Subordinated VLN; **provided that** Master Purchaser USD Available Funds shall not include the proceeds of any payment of Further Subscription Price to the Master Purchaser under the Variable Funding Agreement in respect of any USD Note and any corresponding increase in the Principal Amount Outstanding of such Notes if the full amounts of any advances required to be made to the Master Purchaser under the Subordinated VLN Facility Agreement and/or the VC Subordinated VLN Facility Agreement have not been credited to the Master Purchaser Transaction Accounts as of 11:00 a.m. (New York time) on that Settlement Date;

Master Receivables Purchase and Servicing Agreement means the Master Receivables Purchase and Servicing Agreement dated 14 August 2006 (as amended on 13 November 2006 as further amended and restated on or about the Second Closing Date) between (*inter alios*) the Sellers, the Master Purchaser, the Security Trustee, the Master Servicer and the Funding Agent;

Master Servicer means the person appointed by the Master Purchaser under the Master Receivables Purchase and Servicing Agreement to provide administration and collection services in relation to the Purchased Receivables, being at the Second Closing Date Visteon Electronics Corporation;

Master Servicer Report means a Master Servicer's Monthly Report or Master Servicer's Semi-Monthly Settlement Report;

Master Servicer's Monthly Report means the monthly report substantially in the form attached as Part A of Schedule 6 to the Master Receivables Purchase and Servicing Agreement and containing such additional information as the Master Purchaser or the Funding Agent may reasonably request from time to time prepared by the Master Servicer and delivered to the Master Purchaser, the MP Cash Manager and the Collateral Monitoring Agent in accordance with Clause 14.1 of the Master Receivables Purchase and Servicing Agreement;

Master Servicer's Semi-Monthly Settlement Report means a report in substantially the form attached as Part B of Schedule 6 to the Master Receivables Purchase and Servicing Agreement and containing such additional information as the Master Purchaser or the Funding Agent may reasonably request from time to time, prepared by the Master Servicer and delivered to the Master Purchaser, the MP Cash Manager and the Collateral

Monitoring Agent in accordance with Clause 14.2 of the Master Receivables Purchase and Servicing Agreement;

Material Adverse Effect means a material adverse effect on:

(a) the collectability, enforceability or value of the Receivables or any significant portion thereof;

(b) the ability of the Master Purchaser, a Seller, VEC, a Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider to perform any of its respective obligations under the Transaction Documents to which it is a party;

(c) the legality, validity or (subject to any qualifications or reservations set out in the legal opinions listed in Part B of Schedule 3) enforceability of the Transaction Documents (including, without limitation, the validity, enforceability or priority of any of the Encumbrances granted thereunder) or the rights of any Noteholder or Lender under the Transaction Documents; or

(d) the business, assets, operations or financial condition of the Parent and its Subsidiaries, taken as a whole;

Maximum Commitment Amount means, in respect of any Lender and/or Noteholder either (i) the amount set out against that Lender's or Noteholder's name in the fourth column of Schedule 1 to the Variable Funding Agreement less any part of that commitment amount transferred by that Lender or Noteholder to another Noteholder in accordance with the provisions of the Variable Funding Agreement and the Conditions, or (ii) as applicable, the amount set out as a Noteholder's Maximum Commitment Amount in a Note Transfer less any part of that commitment amount transferred by that Noteholder in accordance with the provisions of the Variable Funding Agreement and the Conditions after the date of such Note Transfer;

Maximum EUR Available Amount means, as at a Determination Date an amount calculated as equal to the EUR Equivalent of:

$$(A \times B) \times \frac{C}{D}$$

where:

A = the Net Receivables Pool Balance as at such Determination Date;

B = the Adjusted Advance Rate Percentage;

C = the USD Equivalent of the aggregate Outstanding Balance of all Purchased EUR Receivables; and

D = the sum of (i) the aggregate Outstanding Balance of all Purchased USD Receivables, (ii) the USD Equivalent of the aggregate Outstanding Balances of all Purchased EUR Receivables and (iii) the USD Equivalent of the aggregate Outstanding Balance of all Purchased GBP Receivables;

Maximum GBP Available Amount means, as at a Determination Date an amount calculated as equal to the GBP Equivalent of:

$$(A \times B) \times \frac{C}{D}$$

where:

A = the Net Receivables Pool Balance as at such Determination Date;

B = the Adjusted Advance Rate Percentage;

C = the USD Equivalent of the aggregate Outstanding Balance of all Purchased GBP Receivables; and

D = the sum of (i) the aggregate Outstanding Balance of all Purchased USD Receivables, (ii) the USD Equivalent of the aggregate Outstanding Balances of all Purchased EUR Receivables and (iii) the USD Equivalent of the aggregate Outstanding Balance of all Purchased GBP Receivables;

Maximum USD Available Amount means, as at a Determination Date an amount calculated as equal to:

$$(A \times B) \times \frac{C}{D}$$

where:

A = the Net Receivables Pool Balance as at such Determination Date;

B = the Adjusted Advance Rate Percentage;

C = the aggregate Outstanding Balance of all Purchased USD Receivables; and

D = the sum of (i) the aggregate Outstanding Balance of all Purchased USD Receivables, (ii) the USD Equivalent of the aggregate Outstanding Balances of all Purchased EUR Receivables and (iii) the USD Equivalent of the aggregate Outstanding Balance of all Purchased GBP Receivables;

Minimum Consolidated Excess Liquidity means as at any date the sum of A+B+C where:

A = Minimum Excess Liquidity as at such date;

B = the USD Equivalent of the aggregate amount of cash and cash equivalents of the Sellers deposited or held in deposit or investment accounts maintained with Citibank or any of its Affiliates and up to two other Lenders as at such date; and

C = an amount calculated as equal to: (i) the lower of (A) the Variable Funding Facility Limit and the product of the Net Receivables Pool Balance as at such date and (B) the then applicable Adjusted Advance

Rate minus (ii) the aggregate USD Equivalent of the Principal Amount Outstanding of all Notes as at such date;

Minimum Excess Liquidity has the meaning given to it as at the Closing Date in the US ABL Credit Agreement, it being agreed (i) that any amendment made after the Closing Date to such definition in the US ABL Credit Agreement shall not have the effect of amending this definition unless such amendment is made in accordance with Clause 13 of this Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this definition;

Monthly Determination Date means the last day of each calendar month**,** with the first such Monthly Determination Date being 31 July 2006;

Monthly Determination Period means any of the periods beginning on (but excluding) a Monthly Determination Date and ending on (and including) the next following Monthly Determination Date provided that the first such period shall commence on the Cut-Off Date and end on the first Monthly Determination Date following the Funding Date;

Monthly Reporting Date means the ninth Business Day of each calendar month, with the first Monthly Reporting Date being 13 September 2006;

Monthly Settlement Date means the third Business Day following a Monthly Reporting Date, with the first Monthly Settlement Date being 18 September 2006;

Moody's means Moody's Investors Service Limited or the successor to its rating business;

MP Cash Manager means Citibank acting through its London Branch or such other person from time to time appointed by the Master Purchaser to act as its MP Cash Manager in accordance with the Cash Management Agreement;

MRPSA Deed of Amendment means the deed of amendment and restatement in respect of the Master Receivables Purchase and Servicing Agreement dated on or about the Second Closing Date entered into between each of the parties to the Master Receivables Purchase and Servicing Agreement;

MRPSA Deed of Formalisation means the deed of formalisation to raise the Master Receivables Purchase and Servicing Agreement into public status under Spanish law executed by the Spanish Sellers, VEC, VC, the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee dated on or about 29 October 2008 and entered into before a Spanish Notary;

Negative Balance has the meaning given to it in Clause 3.8 (*Reconciliation on Settlement Date*) of the Master Receivables Purchase and Servicing Agreement;

Net Receivables Pool Balance means, as at any date, the NRPB Before Excess Concentrations and Exchange Rate Protection as at such date reduced (without double counting or duplication) by the sum of:

(a) an amount expressed in USD equal to the sum of (i) the aggregate Excess Concentrations in respect of Purchased USD Receivables, (ii) the USD Equivalent of the aggregate Excess Concentrations in respect of Purchased EUR

Receivables, and (iii) the USD Equivalent of the aggregate Excess Concentrations in respect of Purchased GBP Receivables; and

(b) the Exchange Rate Adjustment Amount;

Non-Conforming Receivable has the meaning specified in Clause 7.1 of the Master Receivables Purchase and Servicing Agreement and Clause 7.1 of the VC Receivables Purchase Agreement;

Non-French Receivables Deposit Accounts means each of the accounts in the name of a Seller or VEC with the Deposit Account Banks as set out in Schedule 8 and each of the Master Purchaser Portuguese Deposit Accounts into which are collected amounts paid by Obligors in respect of Purchased Receivables which are not French Receivables (or such other account(s) of any Seller or VEC (or of the Master Purchaser) with such other bank(s) as may, with the prior written consent of the Collateral Monitoring Agent, be utilised for the collection of such amounts);

North American Programme means the asset based credit facility secured on, *inter alia*, receivables relating to the supply of automotive products by certain subsidiaries of the Parent effected pursuant to the US ABL Credit Agreement;

Note means a loan note issued by the Issuer under the Variable Funding Agreement, denominated in EUR, USD or GBP and issued in registered form substantially in the form set out in Schedule 2 to the Variable Funding Agreement with the Conditions set out in Schedule 3 of the Variable Funding Agreement;

Note Interest Rate has the meaning given to it in the Variable Funding Agreement;

Note Principal Payment has the meaning given to it in Condition 4.3;

Note Programme Limit has the meaning given to it in Clause 2.1 of the Variable Funding Agreement;

Note Transfer means any transfer substantially in the form set out in Schedule 4 to the Variable Funding Agreement entered into to transfer a Note from a Noteholder to another person;

Noteholder means the registered holder of a Note issued pursuant to the Variable Funding Agreement;

Noteholder Accession Letter means the letter substantially in the form set out in Schedule 4 to the Variable Funding Agreement;

Noteholder Account means each Noteholder USD Account, each Noteholder EUR Account and each Noteholder GBP Account;

Noteholder EUR Account means:

(a) in respect of Citibank, N.A., account no. 780839 at Citibank N.A., London (Swift Code: CITGB2L);

(b) in respect of UBS AG, London Branch, account IBAN: DE58501306002864438010 at UBS Deutschland AG Frankfurt (UBSWDEFFXXX) for the account of UBS AG, London Branch (UBSWGB2LXXX);

(c) in respect of BNP Paribas, to its account at BNP Paribas SA (Swift Code: BNPAFRPPPTX);

(d) in respect of BNP Paribas, Dublin Branch, account no.: 002680161 at BNP Paribas, Paris Branch (Swift Code: BNPAFRPP), for the account of BNP Paribas, Dublin Branch (Swift Code: BPLA1E3D);

(e) in respect of JPMorgan Chase Bank N.A., account no.:6231400604 at J P Morgan Chase, Frankfurt (Swift Code: CHASDEFX) for the account of J P Morgan Chase Bank, London (Swift Code: CHASGB2L);

(f) in respect of Bank of America N.A., account no.: 55848025 in the name of Bank of America N.A., London;

(g) in respect of Credit Suisse, account no.: 8545111 at Citibank, N.A., London Branch (Swift Code: CITIGB2L);

(h) in respect of Deutsche Bank AG London, account no.: 9257999 at Deutsche Bank AG Frankfurt (Swift Code: DEUTDEFF), for the account of: Deutsche Bank London (Swift Code: DEUTGB2L);

(i) in respect of The Bank of New York Mellon, account no.: 468-800-9710 at Bank of New York Mellon, Frankfurt (Swift Code: IRVTDEFX) for the account of Bank of New York Mellon, New York in favour of: Grand Cayman Islands, Ref: Visteon European;

(j) in respect of Wachovia Capital Finance Corporation (Central), account no.: 59023107 at Lloyds TSB Bank London (Swift Code: LOYDGB2LXXX) for the account of Wachovia Bank London (Swift Code: ID PNBPGB2L);

(k) in respect of The CIT Group/Business Credit, Inc., account no.: 6231400604 at J.P. Morgan AG, Frankfurt (Swift Code: CHASDEFX) for the account of JPMorgan Chase Bank N.A. London (Swift Code: CHASGB2L) for further credit to account no.: 32771301 for the account of CIT Lending Services (EUR);

(l) in respect of Kings Cross Asset Funding No. 6, account no.: GB46BOFA16505029087021 and account name BANA RE LASALLE GTS at Bank of America (BOFAGB22) for the account of ABN Amro Bank N.V., London Branch reference: LOAN NAME/EXPLANATION.

or in each case such other account denominated in EUR as may from time to time be notified in writing by the relevant Noteholder to the Issuer and the Funding Agent for the receipt of payments in respect of the EUR Note held by that Noteholder;

Noteholder GBP Account means:

(a) in respect of Citibank, N.A., account no.: 9380008011 at Citibank N.A., 11 Jewry Street EC2, London (Sort Code: 185004) for the account of Citibank NA, London;

(b) in respect of UBS AG, London Branch, the account of UBS AG, London (UBSWGB2LXXX), Sort Code 232323;

(c) in respect of BNP Paribas, to its account at Barclays Bank Plc, London (Swift Code: BARC GB 22);

(d) in respect of BNP Paribas, Dublin Branch, account no.: 026010 001 40 000 at BNP Paribas, London Branch (Swift Code: BNPAGB22), for the account of BNP Paribas, Dublin Branch (Swift Code: BNPAIE2D);

(e) in respect of JPMorgan Chase Bank, N.A., the account of J P Morgan Chase Bank, London (Direct Sort Code: 60-92-42);

(f) in respect of Bank of America N.A., account no.: 55848033 in the name of Bank of America NA., London;

(g) in respect of Credit Suisse, account no.: 39269462 at HSBC Bank plc, London Branch (Sort Code: 400515);

(h) in respect of Deutsche Bank AG London, the account of Deutsche Bank AG, London Branch, Sort Code 40-50-81;

(i) in respect of The Bank of New York Mellon, account no.: 464-600-8260 at Bank of New York Mellon, London (Swift Code: IRVTGB2X) for the account of Bank of New York Mellon, New York, in favour of: Grand Cayman Islands;

(j) in respect of Wachovia Capital Finance Corporation (Central), account no.: 12251333 at The Royal Bank of Scotland, London (Direct Sort Code: 16-56-71) for the account of Wachovia Bank London (Swift Code: PNBPGB2L);

(k) in respect of The CIT Group/Business Credit, Inc., account no.: 32771302 for the account of CIT Lending Services (GBP) paid direct from JPMorgan Chase Bank, N.A. (Swift Code: CHASGB2L, Sort Code: 60-92-42);

(l) in respect of Kings Cross Asset Funding No. 6, account no.: GB68BOFA16505029087013 and account name BANA RE LASALLE GTS at Bank of America (BOFAGB22) for the account of ABN Amro Bank N.V., London Branch reference: LOAN NAME/EXPLANATION.

or in each case such other account denominated in GBP as may from time to time be notified in writing by the relevant Noteholder to the Issuer and the Funding Agent for the receipt of payments in respect of the GBP Note held by that Noteholder;

Noteholder USD Account means:

(a) in respect of Citibank, N.A., account no.: 10990765 at Citibank N.A., London (Swift Code: CITIGB2L) for the account of Citibank N.A., London,;

(b) in respect of UBS AG, London Branch, account no.: 101-WA-140007-000 at UBS AG, Stamford (UBSWUS33XXX) for the account of UBS AG, London Branch (UBSWGB2LXXX);

(c) in respect of BNP Paribas, account no.: 0200 194093 00136 at BNP Paribas New York (Swift Code: BNP A US 3N) for the account of BNP Paribas SA (Swift Code: BNPAFRPPPTX);

(d) in respect of BNP Paribas, Dublin Branch, account no.: 0200 1927590 0110 at BNP Paribas New York Branch (Swift Code: BNPAUS3N) for the account of BNP Paribas, Dublin Branch (Swift Code: BNPAIE2D);

(e) in respect of JP Morgan Chase, account no.: 0010962009 at JP Morgan Chase New York (Swift Code: CHASUS33XXX) for the account of JP Morgan Chase Bank, London (Swift Code: CHASGB2L);

(f) in respect of Bank of America N.A., the account of Bank of America, New York (Swift Code: BOFAUS3N) with further credit to Bank of America N.A., London account no.: 55848017;

(g) in respect of Credit Suisse, account no.: 890-0492-627 at The Bank of New York Mellon (ABA: 021000018) for the account of CS Agency Cayman;

(h) in respect of Deutsche Bank AG London, account no.: 04411739 at Bankers Trust Co. NY (Swift Code BKTRUS33), for the account of Deutsche Bank London (Swift Code: DEUTGB2L);

(i) in respect of The Bank of New York, account no.: GLA111556 at The Bank of New York (ABA 021000018) in the name of Commercial Loan Dept;

(j) in respect of Wachovia Capital Finance Corporation (Central), account no.: 59023107 at Lloyds TSB Bank London (Swift Code: LOYDGB2LXXX) for the account of Wachovia Bank London (Swift Code: PNBPGB2L);

(k) in respect of The CIT Group/Business Credit, Inc., account no.: 144-0-64425 at JP Morgan Chase Bank for the account of The CIT Group/Business Credit, Inc.;

(l) in respect of Kings Cross Asset Funding No. 6, account no.: GB45BOFA16505029087039 and account name BANA RE LASALLE GTS at Bank of America (BOFAGB22) for the account of ABN Amro Bank N.V., London Branch reference: LOAN NAME/EXPLANATION.

or in each case such other account denominated in USD as may from time to time be notified in writing by the relevant Noteholder to the Issuer and the Funding Agent for the receipt of payments in respect of the USD Note held by that Noteholder;

Notes means the USD Notes, the EUR Notes and the GBP Notes;

NRPB Before Excess Concentrations and Exchange Rate Protection means on any date the Aggregate USD Equivalent Purchase Price as at such date reduced (for the avoidance of doubt without double counting or duplication) by the sum of:

(a) the aggregate of (i) the Outstanding Balance of Purchased USD Receivables that are not Eligible Receivables as at such date, and (ii) the USD Equivalent of the Outstanding Balances of Purchased EUR Receivables and Purchased GBP Receivables that are not Eligible Receivables as at such date;

(b) the aggregate of (i) the Outstanding Balance of Purchased USD Receivables that are subject to litigation, dispute or counterclaim, and (ii) the USD Equivalent of the Outstanding Balances of all Purchased EUR Receivables and Purchased GBP Receivables that are subject to litigation, dispute or counterclaim;

(c) the sum of (i) the aggregate outstanding amount of deposits or advance payments received in USD by a Seller or Servicer from any Obligor which are not Collections received in respect of Purchased USD Receivables, and (ii) the USD Equivalent of the aggregate outstanding amount of deposits or advance payments received in EUR or GBP by a Seller or Servicer from any Obligor which are not Collections received in respect of Purchased EUR Receivables or Purchased GBP Receivables respectively;

(d) the sum of (i) the aggregate amount of Unapplied USD Cash at such time, (ii) the USD Equivalent of the aggregate amount of Unapplied EUR Cash at such time and (iii) the USD Equivalent of the aggregate amount of Unapplied GBP Cash at such time;

(e) the sum of (A) the aggregate amount of (i) Unapplied Credit Notes issued by the Sellers or VEC in USD and (ii) all other credit notes, refunds, discounts, allowances or reverse invoices permitted or issued by the Sellers or VEC, as the case may be, against any Purchased USD Receivables at such time, and (B) the USD Equivalent of the aggregate amount of (i) Unapplied Credit Notes issued by the Sellers or VEC, as the case may be, in EUR or GBP and (ii) all other credit notes, refunds, discounts, allowances or reverse invoices permitted or issued by the Sellers or VEC, as the case may be, against any Purchased EUR Receivables or Purchased GBP Receivables at such time;

(f) the aggregate of all amounts (actual but not contingent) owed by the Sellers to any Obligors (or owed by VEC to any Obligor) (if such amount is denominated in any currency other than USD, then as expressed in its USD Equivalent);

(g) an amount expressed in USD equal to the aggregate amount of Manual Invoices as at such date (if any such amount is denominated in EUR or GBP, then as expressed in its USD Equivalent);

(h) an amount expressed in USD equal to the aggregate amount of Chargebacks as at such date (if any such amount is denominated in EUR or GBP, then as expressed in its USD Equivalent);

(i) an amount expressed in USD equal to the Payment Term Excess Amount as at such date (if any such amount is denominated in EUR or GBP, then as expressed in its USD Equivalent); and

(j) such other reserves or deductions which the Collateral Monitoring Agent, in its reasonable discretion, determines appropriate and notifies to the Servicers;

Obligor means a customer of a Seller or VEC, as the case may be, who is party to a Contract relating to the supply of automotive products giving rise to Receivables but shall not include any customer which is an Affiliate of the Seller, VEC or the Parent;

Outstanding Balance means, in relation to a particular Purchased Receivable on a particular date, the total balance of the amounts outstanding thereunder (including any applicable VAT thereon);

Parent means Visteon Corporation, a corporation incorporated under the laws of the State of Delaware with its principal place of business at One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A.;

Parent Undertakings means the letter of undertaking from the Parent dated 14 August 2006 and the further letter of undertaking from the Parent dated on or about the Second Closing Date, under which the Parent undertakes that each of the Sellers, VEC and the Servicers will duly and punctually perform their respective obligations and duties under each of the Transaction Documents;

Payment Date means:

(a) in respect of the Receivables which were existing as at the Funding Date and purchased from a Seller at such time, the Funding Date; and

(b) in respect of any Receivables purchased at any time thereafter during the Securitisation Availability Period, any date on which the Purchase Price in respect of such Receivables is paid;

Payment Term Excess Amount means, on any date, an amount expressed in USD that is equivalent to the amount by which the aggregate outstanding balance of Purchased Receivables that are required to be paid in full between 125 and 180 days from the invoice date exceeds 10 per cent. of the Receivables Pool (for the purposes of this calculation, all amounts denominated in EUR or GBP being expressed in their USD Equivalent);

Peak Receivables Balance means, in respect of a Monthly Determination Period and a particular Obligor, an amount equal to the highest aggregate amount of the USD Equivalent of the Outstanding Balances of all Receivables owed by that Obligor to the Sellers in that Monthly Determination Period;

Person means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof;

Pool Receivables means at any time all Purchased Receivable then outstanding;

Portuguese Account Control Agreements means each account control agreement entered into by Visteon Portuguesa Limited in accordance with the Master Receivables Purchase and Servicing Agreement between, amongst others, the Master Purchaser, the applicable Deposit Account Bank(s) and the Security Trustee in respect of the Non-French Receivables Deposit Accounts in the name of the Portuguese Seller;

Portuguese FCC Account Control Agreements means each account control agreement, entered into by Visteon Portuguesa Limited in accordance with the FCC Master French Receivables Transfer Agreement, between, amongst others, the FCC Management Company, the FCC Custodian and the applicable Deposit Account Bank(s) in respect of the French Receivables Deposit Accounts in the name of the Portuguese Seller;

Portuguese Seller means Visteon Portuguesa Limited;

Potential Master Purchaser Event of Default means any event which with the giving of notice or the lapse of time would constitute, or the existence of any circumstance permitting a determination that if made would give rise to, a Master Purchaser Event of Default or any combination thereof;

Potential Servicer Default means any event which with the giving of notice or the lapse of time would constitute, or the existence of any circumstance permitting a determination that if made would give rise to a Servicer Default or any combination thereof;

Potential Termination Event means any event which with the giving of notice or the lapse of time would constitute, or the existence of any circumstance permitting a determination that if made would give rise to a Termination Event or any combination thereof;

Principal Amount Outstanding means, on any given date in respect of a Note:

(a) the initial par value of the Note, *less*

(b) the aggregate amount of all Note Principal Payments in respect of such Note that have become due and payable and have been paid on or prior to such given date, *plus*

(c) the aggregate amount of each payment of Further Subscription Price in respect of such Note;

Programme Termination Date means the earliest to occur of: (a) the fifth anniversary of the Closing Date and (b) the date on which a Termination Event occurs and has been notified by the Collateral Monitoring Agent to the Parent;

Purchase Date means, (a) in respect of a Receivable which was existing as at the Funding Date, the Funding Date and (b) in respect of a Receivable not existing as at the Funding Date, the date on which such Receivable arises;

Purchase Price means, in respect of each Purchased Receivable:

A x (1-B)

where:

A is the Outstanding Balance of such Purchased Receivable on its Payment Date appearing on the relevant Invoice or otherwise recorded on the computer system or records of a Seller; and

B is the relevant Discount Percentage for such Purchased Receivable as at the most recent Determination Date;

Purchased French Receivable means a Purchased Receivable which is a French Receivable;

Purchased Receivable means:

(a) for the purposes of any Transaction Document other than the VC Receivables Purchase Agreement, (i) any Assignable Receivable which has been purchased by the Master Purchaser pursuant to the Master Receivables Purchase and Servicing Agreement, which remains outstanding and which has not been repurchased by a Seller, (ii) any English Restricted Receivable held on trust by the English Seller pursuant to the English Restricted Receivables Trust which remains outstanding and reference thereto shall include, unless the context otherwise requires, the beneficial interest of the Master Purchaser under the English Restricted Receivables Trust in respect thereof and (iii) any French Receivable which has been purchased by FCC Visteon pursuant to the FCC Master French Receivables Transfer and Servicing Agreement, which remains outstanding and which has not been repurchased by the Seller; and

(b) for the purposes of the VC Receivables Purchase Agreement, any Assignable Receivable which has been purchased by the Purchaser pursuant to the VC Receivables Purchase Agreement, which remains outstanding and which has not been repurchased by VEC;

Purchased EUR Receivable means a Purchased Receivable that is a EUR Receivable;

Purchased GBP Receivable means a Purchased Receivable that is a GBP Receivable;

Purchased USD Receivable means a Purchased Receivable that is a USD Receivable;

Purchaser means VC Receivables Financing Corporation Limited being a company incorporated in Ireland;

Purchaser Transaction Account means:

(a) the EUR denominated account;

(b) the USD denominated account; and

(c) the GBP denominated account,

each in the name of the Purchaser with the Purchaser Transaction Account Bank and with such account number as notified to the Parties from time to time or such other accounts in the name of the Purchaser with the Purchaser Transaction Account Bank as the Purchaser may be permitted to open by the Collateral Monitoring Agent and which are notified to the other parties in accordance with this Deed;

Purchaser Transaction Account Bank means Citibank, N.A., London Branch, or such other bank appointed from time to time in replacement thereof pursuant to and in accordance with the Transaction Documents;

Receivable means each amount payable by an Obligor resident in an Eligible Country or in Sweden or the United States of America, for automotive products supplied by a Seller (or VEC) to an Obligor under a Contract and all rights to, or to demand, sue for, recover, receive and give receipts for payment of any such amount or any invoice and the proceeds of payment and any Related Security with respect thereto;

Receivables Pool means the aggregate of the USD Equivalent of the Outstanding Balances of all Purchased Receivables at any time;

Receivables Warranties means the representations and warranties set out in Part B of Schedule 1 to the Master Receivables Purchase and Servicing Agreement;

Receiver means a receiver appointed by the Security Trustee pursuant to Clause 19 of the Master Purchaser Deed of Charge;

Reference Rate shall have the meaning given to it in Schedule 8 to the Variable Funding Agreement or such other higher rate as may be notified in writing by the Parent to the Funding Agent, the Collateral Monitoring Agent, the Master Purchaser and the Lenders in accordance with Clause 20.5;

Register has the meaning given to it in the Conditions;

Registrar has the meaning given to it in the Conditions;

Regulation S means Regulation S under the Securities Act;

Related Contract Rights means, in relation to a Receivable, any rights (including without limitation, rights of retention of title) under or relating to the Contract to which such Receivable relates;

Related Debt Termination Event means in respect of the Notes, the occurrence of any Subordinated VLN Termination Event or the acceleration of the Subordinated VLN or the VC Subordinated VLN pursuant to Clause 10.2 of the Subordinated VLN Facility Agreement or Clause 10.2 of the VC Subordinated VLN Facility Agreement, as the case may be;

Related Security means all security interests, liens, guaranties, insurance, letters of credit and other agreements securing or supporting payment of any Receivable, returned goods relating to any sale giving rise to a Receivable (to the extent achievable under applicable law), the contract, invoice(s) and books and records relating to any Receivable;

Relevant Jurisdiction means each of Ireland, the United Kingdom, France and the United States of America;

Reporting Date means a Monthly Reporting Date, or a Semi-Monthly Reporting Date, as the case may be;

Required Dilution Reserve Percentage means, on any date, a percentage equal to the amount (if any) by which the Three Month Average Dilution Ratio calculated (if such date is a Monthly Determination Date) as at such date or (if such date is not a Monthly Determination Date) as at the immediately preceding Monthly Determination Date exceeds 5 per cent.;

Review means third party (including without limitation by the Collateral Monitoring Agent, the Security Trustee or any of their respective Affiliates) reviews, inspections and verifications of the Receivables, the Related Security and the related books and records and collection systems of the Sellers (or VEC) and/or the Servicers in accordance with the customary procedures for securitisation transactions adopted by the Collateral Monitoring Agent;

S&P means Standard and Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. or the successor to its rating business;

Screen Rate means:

(a) in relation to USD LIBOR, the British Bankers' Association Interest Settlement Rate for USD deposits; and

(b) in relation to GBP LIBOR, the British Bankers' Association Interest Settlement Rate for GBP deposits; and

(c) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

in each case as displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Funding Agent may specify another page or service displaying the appropriate rate after consultation with the Lenders and in each case acting in good faith;

Second Closing Date means 29 October 2008;

Second Closing Date Conditions Precedent means the conditions precedent set out in Schedule 3 to the Framework Deed of Amendment;

Second Closing Date FCC Documents means:

(a) the Master French Receivables Transfer and Servicing Agreement Amendment Agreement No.1;

(b) the FCC Regulations Amendment Agreement No.1;

(c) the FCC Units Subscription Agreement;

(d) the Master French Definitions Agreement Amendment Agreement No.1; and

(e) the FCC Units Pledge Agreement Amendment Agreement;

Second Closing Date Transaction Documents means:

(a) the Framework Deed of Amendment;

(b) the MRPSA Deed of Amendment;

(c) the Master Purchaser Deed of Charge Deed of Amendment;

(d) the Parent Undertaking in respect of VEC and VC dated on or about the Second Closing Date;

(e) the VC Receivables Purchase Agreement;

(f) the VC Subordinated VLN Loan Facility Agreement;

(g) the declaration of trust entered into by the US Sub-Servicer for the benefit of the Master Purchaser dated on or about the Second Closing Date in respect of the US Sub-Servicer Master Purchaser Collection Accounts held with Bank of America, London Branch;

(h) the VSI MRPSA Deed of Novation;

(i) the VSI MFRTSA Deed of Novation;

(j) the CSA MRPSA Deed of Novation;

(k) the CSA MFRTSA Deed of Novation;

(l) the MRPSA Deed of Formalisation;

(m) VC Receivables Purchase Agreement Deed of Formalisation;

(n) the French Agreement Deed of Formalisation;

(o) the Second Closing Date FCC Documents;

Second Cut-Off Date means 31 October 2008;

Securities Act means the United States Securities Act of 1933, as amended;

Securitisation Availability Period means the period from and including the Funding Date to (but excluding) the Programme Termination Date;

Security Trustee means The Law Debenture Trust Corporation p.l.c. and/or any other person acting as security trustee from time to time pursuant to the Master Purchaser Deed of Charge;

Sellers means each of VC Receivables Financing Corporation Limited, Visteon Deutschland GmbH, Visteon Systemes Interieurs S.A.S., Visteon Ardennes Industries S.A.S., Visteon Sistemas Interiores España, S.L.U., Cádiz Electrónica, S.A.U., Visteon Portuguesa Limited and, subject to Clause 5 of the Framework Deed of Amendment, Visteon UK Limited, each in its capacity as seller of Receivables to the Master Purchaser under the Master Receivables Purchase and Servicing Agreement;

Seller Account means in respect of a Seller and an Agreed Currency, the bank account of that Seller (other than a Deposit Account) as notified in writing by that Seller to the Master Purchaser, the Collateral Monitoring Agent and the MP Cash Manager;

Seller Credit and Collection Procedures means the origination, credit and collection procedures employed by the Sellers and VEC in relation to the provision and sale of

automotive products and related services as set out on the read only computer disc attached to this Deed as Schedule 9;

Seller Permitted Encumbrance means:

(a) any Encumbrance created by a Seller by or pursuant to the Transaction Documents; and

(b) any netting or set-off arrangement pursuant to which a Deposit Account Bank is permitted to deduct the amount of any normal account fees owed to it in connection with a Deposit Account from amounts standing to the credit of such Deposit Account;

Seller Permitted Indebtedness means in respect of a Seller, any indebtedness that such Seller would not be prohibited from creating, issuing, incurring, assuming or becoming liable in respect of pursuant to Article VI, Section 6.01 of the US ABL Credit Agreement as at the Closing Date it being agreed (i) that any amendment made after the Closing Date to such provision of the US ABL Credit Agreement shall not have the effect of amending this definition unless such amendment is made in accordance with Clause 13 of this Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this definition;

Seller Proportion means as at any date and in respect of a Seller the proportion (expressed as a percentage) calculated by dividing (i) the aggregate USD Equivalent of the Outstanding Balances of all Purchased Receivables sold to the Master Purchaser and FCC Visteon by such Seller by (ii) the aggregate USD Equivalent of the Outstanding Balances of all Purchased Receivables sold to the Master Purchaser and FCC Visteon by all Sellers;

Seller Warranties means the representations and warranties set out in Part A of Schedule 1 to the Master Receivables Purchase and Servicing Agreement;

Semi-Monthly Determination Date means the 15th day of each calendar month with the first Semi-Monthly Determination Date being 15 September 2006;

Semi-Monthly Determination Period means any of the periods beginning on (but excluding) a Determination Date and ending on (and including) the following Determination Date provided that the first such period shall commence on the Cut-Off Date and end on the first Determination Date following the Funding Date;

Semi-Monthly Reporting Date means the fifth Business Day following each Semi-Monthly Determination Date, with the first Semi-Monthly Reporting Date being 22 September 2006;

Semi-Monthly Settlement Date means the third Business Day following a Semi-Monthly Reporting Date, with the first Semi-Monthly Settlement Date being 27 September 2006;

Senior Expenses Percentage means, on any Monthly Determination Date, the fraction (expressed as a percentage) obtained by dividing the Estimated Master Purchaser Senior Expenses as at such Monthly Determination Date by the aggregate of the USD Equivalent of the Outstanding Balances of all Purchased Receivables as at such Monthly Determination Date;

Servicer means any of the Master Servicer or any Sub-Servicer, as the context shall require, and ***Servicers*** means the Master Servicer and each Sub-Servicer;

Servicer Default means the occurrence of any of the events described in Schedule 2;

Servicer Fee Percentage means 0.50 per cent.;

Servicing Fees means the fees referred to in Clause 16 of the Master Receivables Purchase and Servicing Agreement;

Settlement Date means a Semi-Monthly Settlement Date or a Monthly Settlement Date, as the case may be;

Short Interest Period means, in relation to any amount of Principal Amount Outstanding which comprises Further Subscription Price received by the Master Purchaser in respect of a Note other than on an Interest Payment Date, the period from (and including) the date on which such Further Subscription Price was paid by the Noteholder to (but excluding) the immediately following Interest Payment Date;

Solvency Certificate means each solvency certificate to be executed by a Seller in the applicable form set out in Schedule 4 to the Master Receivables Purchase and Servicing Agreement;

Spanish Deeds of Pledge means each of the deeds of pledge of bank accounts entered into in accordance with Clause 18(o) of the Master Receivable Purchase and Servicing Agreement between a Spanish Seller, the Master Purchaser and the Security Trustee in respect of the Non-French Receivables Deposit Accounts in the name of such Spanish Seller;

Spanish FCC Deeds of Pledge means each of the deeds of pledge of bank accounts, entered into in accordance with the FCC Master French Receivables Transfer Agreement, between a Spanish Seller and FCC Visteon in respect of the French Receivables Deposit Accounts in the name of such Spanish Seller;

Spanish Initial Transfer Period means the period commencing on (and including) the Funding Date and ending on (and excluding) the immediately following Spanish Transfer Date;

Spanish Master Purchaser Acceptance means an acceptance of a Spanish Offer Deed made by the Master Purchaser in the terms, conditions and with the formalities specified in Schedule 11 to the Master Receivables Purchase and Servicing Agreement;

Spanish Offer Deed means a Spanish offer deed entered into by a Spanish Seller before a Spanish Notary in term terms, conditions and with the formalities specified in Schedule 11 to the Master Receivables Purchase and Servicing Agreement;

Spanish Purchase Date means, in respect of each Spanish Receivable, the date on which it is transferred or assigned to the Master Purchaser, in accordance with Schedule 11 to the Master Receivables Purchase and Servicing Agreement;

Spanish Purchased Receivables means Purchased Receivables that are Spanish Receivables;

Spanish Receivables means receivables arising from a Contract governed by Spanish law;

Spanish Sellers means Visteon Sistemas Interiores España, S.L.U. and Cádiz Electrónica, S.A.U.;

Spanish Subsequent Transfer Period means each period (not being the Spanish Initial Transfer Period) commencing on (and including) one Spanish Transfer Date and ending on (but excluding) the immediately following Spanish Transfer Date;

Spanish Servicer means each of Visteon Sistemas Interiores España, S.L.U. and Cádiz Electrónica, S.A.U.;

Spanish Transfer Date means the Funding Date and each Monthly Settlement Date;

Spanish Transfer Deed means a Spanish Offer Deed intervened to attach by means of a notarial form (*diligencia*) its correspondent Master Purchaser Acceptance;

Spanish Transfer Period means, as the case may be, the Spanish Initial Transfer Period or any Spanish Subsequent Transfer Period;

ST Fee Letter means the fee letter dated on or about the date hereof between Visteon Corporation, the Master Purchaser and The Law Debenture Trust Corporation p.l.c.;

Sub-Servicer means an Initial Sub-Servicer and any sub-servicer appointed after the Closing Date pursuant to Clause 8 of the Master Receivables Purchase and Servicing Agreement;

Subordinated VLN Condition and ***Subordinated VLN Conditions*** has the meaning given to it in the Subordinated VLNs;

Subordinated VLN Facility means the committed subordinated note issuance facility extended by the Subordinated VLN Facility Provider to the Master Purchaser pursuant to the Subordinated VLN Facility Agreement;

Subordinated VLN Facility Agreement means the facility agreement dated on or about the Closing Date between the Master Purchaser, the Security Trustee and the Subordinated VLN Facility Provider;

Subordinated VLN Facility Provider means Visteon Netherlands Finance B.V. and each other party that accedes to the Subordinated VLN Facility Agreement as a Subordinated VLN Facility Provider;

Subordinated VLN Final Maturity Date means, in relation to a Subordinated VLN, the date determined and specified by the Master Purchaser in accordance with the provisions of the Subordinated VLN Facility Agreement to be the final maturity date of such Subordinated VLN and, in relation to a VC Subordinated VLN, the date determined and specified by the Master Purchaser in accordance with the provisions of the VC Subordinated VLN Facility Agreement to be the final maturity date of such VC Subordinated VLN;;

Subordinated VLN Grid means, in relation to a Subordinated VLN, the Grid contained in the Schedule to such Subordinated VLN showing increases and decreases in the Subordinated VLN Principal Amount Outstanding of such Subordinated VLN and maintained by the Subordinated VLN Holder;

Subordinated VLN Holder means the registered holder of a Subordinated VLN issued pursuant to the Subordinated VLN Facility Agreement;

Subordinated VLN Holder Accession Letter means a letter substantially in the form set out in Schedule 3 to the Subordinated VLN Facility Agreement;

Subordinated VLN Holder Accounts means such accounts in the name of the Subordinated VLN Facility Provider denominated in each of EUR, USD or GBP as the Subordinated VLN Facility Provider and any other Subordinated VLN Holder may notify in writing from time to time to the Master Purchaser, the Security Trustee and the MP Cash Manager, it being agreed that the Subordinated VLN Facility Provider shall notify each of the Master Purchaser, the Security Trustee and the MP Cash Manager of one such account in each Agreed Currency by no later than two Business Days prior to the first Settlement Date following the Closing Date);

Subordinated VLN Initial Funding Request means an offer, substantially in the form set out in:

(a) Schedule 5 to the Subordinated VLN Facility Agreement, made by the Master Purchaser to the Subordinated VLN Facility Provider pursuant to Clause 5.1 of the Subordinated VLN Facility Agreement, in relation to the issue by the Master Purchaser of a Subordinated VLN and the subscription by the Subordinated VLN Facility Provider of such Subordinated VLN; or

(b) Schedule 5 to the VC Subordinated VLN Facility Agreement, made by the Master Purchaser to the VC Subordinated VLN Facility Provider pursuant to Clause 5.1 of the VC Subordinated VLN Facility Agreement, in relation to the issue by the Master Purchaser of a VC Subordinated VLN and the subscription by the VC Subordinated VLN Facility Provider of such VC Subordinated VLN.

Subordinated VLN Initial Subscription Price means, in relation to a Subordinated VLN, an amount equal to the initial par value of such Subordinated VLN, in the Agreed Currency in which that Subordinated VLN is denominated, such amount specified by the Master Purchaser in the Subordinated VLN Initial Funding Request;

Subordinated VLN Interest Rate has the meaning given to it in the Subordinated VLN Facility Agreement;

Subordinated VLN Principal Amount Outstanding means, on any given date in respect of a Subordinated VLN, in the Agreed Currency in which that Subordinated VLN is denominated:

(a) the initial par value of the Subordinated VLN, *less*

(b) the aggregate amount of all Subordinated VLN Principal Payments in respect of such Subordinated VLN that have become due and payable and have been paid on or prior to such given date, *plus*

(c) the aggregate amount of each payment of a Further Subordinated Advance;

Subordinated VLN Principal Payment has the meaning given to it in Subordinated VLN Condition 4.3 of the Subordinated VLN Facility Agreement;

Subordinated VLN Required Amount means in respect of:

(a) USD, the USD Subordinated VLN Required Amount;

(b) EUR, the EUR Subordinated VLN Required Amount; and

(c) GBP, the GBP Subordinated VLN Required Amount;

Subordinated VLN Termination Event means, in relation to the Subordinated VLNs, any of the events listed in Condition 6.1 of the Subordinated VLNs and, in relation to the VC Subordinated VLNs, any of the events listed in Condition 6.1 of the VC Subordinated VLNs;

Subordinated VLNs means the USD Subordinated VLN, the EUR Subordinated VLN and the GBP Subordinated VLN;

Subscriber means each Noteholder which subscribes for notes pursuant to and in accordance with the Variable Funding Agreement;

Subsidiary means any corporation or other entity of which securities having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Parent, VEC or a Seller or one or more Subsidiaries of the Parent, VEC or a Seller or the Parent, VEC or a Seller, as the case may be, and one or more Subsidiaries;

Supplemental Purchase Price has the meaning given to it in Clause 3.9 of the Master Receivables Purchase and Servicing Agreement;

TARGET 2 means Trans-European Automated Real-time Gross settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007;

TARGET Day means a day on which the TARGET 2 system is open for settlement of payments in EUR;

Taxes means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever imposed or levied by or on behalf of France, the United Kingdom, Spain, Germany, Portugal, any other Eligible Country, Ireland or the United States of America, together with any interest, charges or penalties thereon and ***Tax*** and ***Taxation*** and similar words shall be construed accordingly;

Termination Event means the occurrence of any of the events set out in Schedule 1;

Three Month Average Dilution Ratio means as at any Monthly Determination Date, the percentage equal to (i) the sum of the Dilution Ratio calculated in respect of each of the three consecutive Monthly Determination Periods ending on such Monthly Determination Date divided by (ii) 3;

Transaction Documents means the Master Receivables Purchase and Servicing Agreement, each Master Purchaser Receivables Power of Attorney, the VC Receivables Purchase Agreement, the VEC Receivables Power of Attorney, the Corporate Services Agreement, each Account Control Agreement, the Variable Funding Agreement, each Note, the Master Purchaser Deed of Charge, the Master Purchaser German Receivables Security Assignment Agreement, each other Master Purchaser Security Document, the Cash Management Agreement, the Subordinated VLN Facility Agreement, the Subordinated VLNs, the VC Subordinated VLN Facility Agreement, the VC Subordinated VLNs, the Parent Undertakings, the FCC Regulations, the FCC Master French Receivables Transfer and Servicing Agreement, each other FCC Document, this Deed, the First Deed of Amendment, the Framework Deed of Amendment and any other agreement or document executed pursuant to or in connection with any of the foregoing;

Treaty Lender means, a person who is treated as a resident of a Treaty State for the purposes of a Treaty and does not carry on a business in Ireland through a permanent establishment with which that person's participation in the Transaction Documents is effectively connected that subject to the completion of procedural formalities is entitled to relief from Irish tax on interest under that Treaty;

Treaty State means a jurisdiction having a double taxation agreement with Ireland that is in effect (a "Treaty") which makes provision for full exemption from tax imposed by Ireland on interest;

UK Account Control Deeds means:

(a) the declaration of trust (as amended on 26 October 2006) entered into by the English Sub-Servicer for the benefit of the Master Purchaser dated 14 August 2006 in respect of the English Sub-Servicer Collection Accounts held with HSBC Bank plc;

(b) the declaration of trust entered into by the English Sub-Servicer for the benefit of the Master Purchaser dated on or about the Second Closing Date 2008 in respect of the English Sub-Servicer Collection Accounts held with Citibank, N.A. London Branch; and

(c) the declaration of trust entered into by the US Sub-Servicer for the benefit of the Master Purchaser dated on or about the Second Closing Date in respect of the US Sub-Servicer Master Purchaser Collection Accounts held with Bank of America, N.A., London Branch,

together with such other account control agreements as may from time to time be entered into by the English Sub-Servicer or the US Sub-Servicer with the consent of the Collateral Monitoring Agent and the Funding Agent in respect of any further English Sub-Servicer Collection Accounts or US Sub-Servicer Master Purchaser Collection Accounts (as applicable) maintained in England;

UK FCC Account Control Deeds means the declaration of trust entered into with the consent of the Collateral Monitoring Agent and the Funding Agent by the English Sub-Servicer for the benefit of FCC Visteon in respect of the French Receivables Deposit Accounts in the name of the English Seller in accordance with the FCC Documents;

Unapplied Credit Note means the maximum face amount of any credit note, refund, discount, adjustment or allowance issued by a Seller (or where VC is the Seller, VEC)

which has not been applied to reduce or offset the Outstanding Balance of Receivables owed by any Obligor;

Unapplied EUR Cash means, on any date, the aggregate amount of cash collections and other cash proceeds received in EUR on or prior to such date for payment in respect of or on account of EUR Receivables, the Obligors in respect of which such EUR amounts have been received, or the EUR Receivable to which such amounts relate, have not been identified;

Unapplied GBP Cash means, on any date, the aggregate amount of cash collections and other cash proceeds received in GBP on or prior to such date for payment in respect of or on account of GBP Receivables, the Obligors in respect of which such GBP amounts have been received, or the GBP Receivable to which such amounts relate, have not been identified;

Unapplied USD Cash means, on any date, the aggregate amount of cash collections and other cash proceeds received in USD on or prior to such date for payment in respect of or on account of USD Receivables, the Obligors in respect of which such USD amounts have been received, or the USD Receivable to which such amounts relate, have not been identified;

US ABL Credit Agreement means the credit agreement dated on or about the date hereof between, *inter alios*, the Parent, Citicorp USA, Inc. and JPMorgan Chase Bank, N.A.;

US Person means a "U.S. person" as defined in Regulation S;

US Sub-Servicer means Visteon Electronics Corporation in its capacity as a Sub-Servicer appointed under the Master Receivables Purchase and Servicing Agreement;

US Sub-Servicer Master Purchaser Collection Accounts means the Non-French Receivables Deposit Accounts in the name of Visteon Electronics Corporation;

USD Equivalent or ***Dollar Equivalent*** means on the day on which a calculation falls to be made (i) in relation to an amount in USD, that amount, (ii) in relation to an amount in EUR, the amount obtained by applying the applicable USD Spot Rate as at such date to such amount of EUR, (iii) in relation to an amount in GBP, the amount obtained by applying the applicable USD Spot Rate as at such date to such amount of GBP and (i) in relation to an amount in any other currency, the amount obtained by applying the applicable spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of USD with that currency at or about 9.00 a.m. (London time) on such date;

USD Further Subordinated Advance has the meaning given to it in Clause 5.5 of the Subordinated VLN Facility Agreement;

USD Further VC Subordinated Advance has the meaning given to it in Clause 5.5 of the VC Subordinated VLN Facility Agreement;

USD LIBOR means:

(a) the applicable Screen Rate; or

(b) (if such Screen Rate is not available for the relevant period in relation to which such interest rate is being determined) the rate (rounded upwards to four decimal places) as offered by the Funding Agent to leading banks in the London interbank market,

at or about 11.00 a.m. on the date upon which the determination of the relevant rate is to be made for the offering of deposits in USD for a period comparable to the applicable period in relation to which such interest rate is being determined;

USD Notes means the USD denominated variable loan notes issued by the Issuer and subscribed for by the Lenders under the Variable Funding Agreement, issued in registered form substantially in the form set out in Schedule 1 to the Variable Funding Agreement with the Conditions set out in Schedule 2 of the Variable Funding Agreement, each such note being a ***USD Note***;

USD Post-Enforcement Priority of Payments means the order of priority of payments set out in Clause 8.3 of the Master Purchaser Deed of Charge and reference to a particular item of the USD Post-Enforcement Priority of Payments is to the corresponding paragraph of Clause8.3 of the Master Purchaser Deed of Charge;

USD Pre-Enforcement Priority of Payments means the order of priority of payments set out in Clause 7.4 of the Master Purchaser Deed of Charge and reference to a particular item of the USD Pre-Enforcement Priority of Payments is to the corresponding paragraph of Clause 7.4 of the Master Purchaser Deed of Charge;

USD Purchase Price means the Purchase Price payable in USD in respect of USD Receivables;

USD Receivable means a Receivable that is denominated and payable in USD;

USD Spot Rate means (i) in respect of an amount in EUR on any date, the spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of USD with EUR at or about 9.00 a.m. (London time) on such date and (ii) in respect of an amount in GBP on any date, the spot rate of exchange quoted by Citibank for the purchase in the London Foreign Exchange Market of USD with GBP at or about 9.00 a.m. (London time) on such date;

USD Subordinated VLN means the USD denominated subordinated variable loan note issued by the Master Purchaser and subscribed for by the Subordinated VLN Facility Provider under the Subordinated VLN Facility Agreement, issued in registered form substantially in the form set out in Schedule 1 to the Subordinated VLN Facility Agreement with the Subordinated VLN Conditions set out in Schedule 2 of the Subordinated VLN Facility Agreement;

USD Subordinated VLN Required Amount means as at the Funding Date and as at any Determination Date, an amount equal to the sum of:

(a) the aggregate Purchase Price of all Purchased USD Receivables (other than French Receivables) which are outstanding on such date (or in relation to the calculation made in respect of the Funding Date which are to be purchased by the Master Purchaser on the Funding Date); and

(b) the principal amount outstanding of any FCC Units denominated in USD then held by the Master Purchaser;

less the Principal Amount Outstanding of the USD Notes as at such date (or in relation to the calculation made in respect of the Funding Date which are to be issued by the Master Purchaser on the Funding Date);

USD VC Proportion means, on any day, the fraction expressed as a percentage calculated by dividing:

(a) the Outstanding Balance of all Purchased USD Receivables sold to the Master Purchaser by VC; by

(b) the Outstanding Balance of all Purchased USD Receivables;

USD VC Subordinated VLN means the USD denominated subordinated variable loan note issued by the Master Purchaser and subscribed for by the VC Subordinated VLN Facility Provider under the VC Subordinated VLN Facility Agreement, issued in registered form substantially in the form set out in Schedule 1 to the VC Subordinated VLN Facility Agreement with the VC Subordinated VLN Conditions set out in Schedule 2 of the VC Subordinated VLN Facility Agreement;

USD VC Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the multiple of:

(a) the USD VC Proportion; and

(b) the USD Subordinated VLN Required Amount,

provided that prior to the Variable Funding Facility Termination Date, the USD VC Subordinated VLN Required Amount shall not be less than EUR 1,000;

USD VNF Proportion means, on any day, the percentage which is the difference between:

(a) 100 per cent.; and

(b) the USD VC Proportion;

USD VNF Subordinated VLN Required Amount means as at the first Settlement Date following the Second Closing Date and as at any Determination Date thereafter, an amount equal to the multiple of:

(a) the USD VNF Proportion; and

(b) the USD Subordinated VLN Required Amount,

provided that prior to the Variable Funding Facility Termination Date, the USD VNF Subordinated VLN Required Amount shall not be less than USD 1,000;

Value Added Tax and ***VAT*** shall be construed as a reference to value added tax under laws of any jurisdiction;

Variable Funding Agreement means the agreement dated on or about the date hereof between the Issuer, the Lenders, the Security Trustee and the Funding Agent relating to the issues of the Notes;

Variable Funding Facility means the note issuance facility granted to the Issuer by the Lenders under the Variable Funding Agreement to enable the Issuer to raise funds by issuing Notes and subsequently through advances made by the Lenders (in the form of increases in the Principal Amount Outstanding of the Notes);

Variable Funding Facility Limit means, subject to any increase agreed in accordance with Clause 20, USD 325 million or such other amount as agreed between the Parent, the Funding Agent and the Lenders;

Variable Funding Facility Termination Date means the earliest to occur of:

(a) a date designated as such by 5 Business Days' notice by a Seller or the Parent;

(b) 5 years from the Closing Date; and

(c) the occurrence of a Termination Event.

VC means VC Receivables Financing Corporation Limited a company incorporated in Ireland;

VC Advance Purchase Price has the meaning given to it in Clause 3.6 (*VC Advance Purchase Price*) of the VC Receivables Purchase Agreement;

VC Proportion means in respect of:

(a) USD, the USD VC Proportion;

(b) EUR, the EUR VC Proportion; and

(c) GBP, the GBP VC Proportion;

VC Purchase Price means in respect of each Purchased Receivable:

A x (1-B)

where:

A is the Outstanding Balance of such Purchased Receivable on its Payment Date appearing on the relevant Invoice or otherwise recorded on the computer system or records of VEC; and

B is the relevant Discount Percentage for such Purchased Receivable as at the most recent Determination Date;

VC Receivables Purchase Agreement means the agreement dated on or about the Second Closing Date between, *inter alios*, VEC, the Purchaser, the Master Purchaser, the Security Trustee, the MP Cash Manager, the Funding Agent, the Collateral Monitoring Agent and the Parent;

VC Receivables Purchase Agreement Deed of Formalisation means the deed of formalisation to raise the VC Receivables Purchase Agreement into public status under Spanish law executed by VEC, VC, the Master Purchaser, the Funding Agent, the Collateral Monitoring Agent and the Security Trustee dated on or about 29 October 2008 and entered into before a Spanish Notary;

VC Subordinated VLN Condition and ***VC Subordinated VLN Conditions*** has the meaning given to it in the VC Subordinated VLNs;

VC Subordinated VLN Grid means, in relation to a VC Subordinated VLN, the Grid contained in the Schedule to such VC Subordinated VLN showing increases and decreases in the VC Subordinated VLN Principal Amount Outstanding of such VC Subordinated VLN and maintained by the VC Subordinated VLN Holder;

VC Subordinated VLN Facility means the committed subordinated note issuance facility extended by the VC Subordinated VLN Facility Provider to the Master Purchaser pursuant to the VC Subordinated VLN Facility Agreement;

VC Subordinated VLN Facility Agreement means the facility agreement dated on or about the Second Closing Date between the Master Purchaser, the Security Trustee and the VC Subordinated VLN Facility Provider;

VC Subordinated VLN Facility Provider means VC Receivables Financing Corporation Limited a company incorporated in Ireland;

VC Subordinated VLN Holder means the registered holder of a VC Subordinated VLN issued pursuant to the VC Subordinated VLN Facility Agreement;

VC Subordinated VLN Holder Accession Letter means a letter substantially in the form set out in Schedule 3 of the VC Subordinated VLN Facility Agreement;

VC Subordinated VLN Holder Accounts means such accounts in the name of the VC Subordinated VLN Facility Provider denominated in each of EUR, USD or GBP as the VC Subordinated VLN Facility Provider and any other VC Subordinated VLN Holder may notify in writing from time to time to the Master Purchaser, the Security Trustee and the MP Cash Manager, it being agreed that the VC Subordinated VLN Facility Provider shall notify each of the Master Purchaser, the Security Trustee and the MP Cash Manager of one such account in each Agreed Currency by no later than two Business Days prior to the first Settlement Date following the Second Closing Date;

VC Subordinated VLN Initial Subscription Price means, in relation to a VC Subordinated VLN, an amount equal to the initial par value of such VC Subordinated VLN, in the Agreed Currency in which that VC Subordinated VLN is denominated, such amount specified by the Master Purchaser in the Subordinated VLN Initial Funding Request;

VC Subordinated VLN Principal Amount Outstanding means, on any given date in respect of a VC Subordinated VLN, in the Agreed Currency in which that VC Subordinated VLN is denominated:

(a) the initial par value of the VC Subordinated VLN, *less*

(b) the aggregate amount of all VC Subordinated VLN Principal Payments in respect of such VC Subordinated VLN that have become due and payable and have been paid on or prior to such given date, *plus*

(c) the aggregate amount of each payment of a Further VC Subordinated Advance;

VC Subordinated VLN Principal Payment has the meaning given to it in VC Subordinated VLN Condition 4.3 of the VC Subordinated VLN Facility Agreement;

VC Subordinated VLN Required Amount means in respect of:

(a) USD, the USD VC Subordinated VLN Required Amount;

(b) EUR, the EUR VC Subordinated VLN Required Amount; and

(c) GBP, the GBP VC Subordinated VLN Required Amount;

VC Subordinated VLNs means the USD VC Subordinated VLN, the EUR VC Subordinated VLN and the GBP VC Subordinated VLN;

VC Supplemental Purchase Price has the meaning given to it in Clause 3.9 of the VC Receivables Purchase Agreement;

VEC means Visteon Electronics Corporation being a company incorporated in Delaware;

VEC Account means in respect of VEC and an Agreed Currency, the bank account of VEC (other than a Deposit Account) as notified in writing by VEC to the Purchaser, the Master Purchaser, the Collateral Monitoring Agent and the MP Cash Manager;

VEC Negative Balance has the meaning given to it in Clause 3.8 (*Reconciliation on Settlement Date*) of the VC Receivables Purchase Agreement;

VEC Permitted Encumbrance means:

(a) any Encumbrance created by VEC by or pursuant to the Transaction Documents; and

(b) any netting or set-off arrangement pursuant to which a Deposit Account Bank is permitted to deduct the amount of any normal account fees owed to it in connection with a Deposit Account from amounts standing to the credit of such Deposit Account;

VEC Permitted Indebtedness means in respect of VEC, any indebtedness VEC would not be prohibited from creating, issuing, incurring, assuming or becoming liable in respect of pursuant to Article VI, Section 6.01 of the US ABL Credit Agreement as at the Second Closing Date it being agreed (i) that any amendment made after the Second Closing Date to such provision of the US ABL Credit Agreement shall not have the effect of amending this definition unless such amendment is made in accordance with Clause 13 of this Deed and (ii) that any termination of or waiver under the US ABL Credit Agreement shall not affect this definition;

VEC Receivables Power of Attorney has the meaning given to it in Clause 2.4 of the VC Receivables Purchase Agreement;

Visteon Group means the Parent, any direct or indirect subsidiary of the Parent;

VNF Proportion means in respect of:

(a) USD, the USD VNF Proportion;

(b) EUR, the EUR VNF Proportion; and

(c) GBP, the GBP VNF Proportion;

VNF Subordinated VLN Required Amount means in respect of:

(d) USD, the USD VNF Subordinated Required Amount;

(e) EUR, the EUR VNF Subordinated Required Amount; and

(f) GBP, the GBP VNF Subordinated Required Amount;

VSI MRPSA Deed of Novation means the deed of novation of the pledge over bank accounts of Visteon Sistemas Interiores España, S.L.U. in relation to the Master Receivables Purchase and Servicing Agreement between Visteon Sistemas Interiores España, S.L.U., the Master Purchaser, the Security Trustee, the Funding Agent and the Collateral Monitoring Agent dated on or about 29 October 2008 and entered into before a Spanish Notary;

VSI MFRTSA Deed of Novation means the deed of novation of the pledge over bank accounts of Visteon Sistemas Interiores España, S.L.U. in relation to the FCC Master French Receivables Transfer and Servicing Agreement between Visteon Sistemas Interiores España, S.L.U., the FCC Management Company and the FCC Custodian dated on or about 29 October 2008 and entered into before a Spanish Notary;

Weighted Average Floating Rate means a percentage calculated as at each Monthly Determination Date equal to:

$$\frac{(A \times B) + (C \times D) + (E \times F)}{G}$$

where:

A = USD LIBOR as at such Monthly Determination Date;

B = the aggregate Outstanding Balance of Purchased US Receivables as at such date;

C = EURIBOR as at such Monthly Determination Date;

D = the USD Equivalent of the aggregate Outstanding Balance of Purchased EUR Receivables as at such date;

E = GBP LIBOR as at such Monthly Determination Date;

F = the USD Equivalent of the aggregate Outstanding Balance of Purchased GBP Receivables as at such date;

G = the sum of (i) B, (ii) D, and (iii) F.

2.2 Any reference in any Transaction Document to:

administration, ***examination, bankruptcy***, ***liquidation***, ***dissolution***, ***receivership*** or ***winding-up*** of a person shall be construed so as to include any equivalent or analogous proceedings (including any suspension of payments) under the laws of the jurisdiction in which such person is incorporated (or, if not a company or corporation, domiciled) or any jurisdiction in which such person has its principal place of business;

agreed form means, in relation to any documents, the draft of the document which has been agreed between the relevant parties thereto and initialled on their behalf for the purpose of identification;

Clause, ***Recital, Appendix*** or ***Schedule*** in any Transaction Document is, subject to any contrary indication, a reference to a Clause of, or a recital or appendix or schedule to, the relevant Transaction Document;

EUR or ***€*** or ***euro*** means the currency introduced at the commencement of the third stage of European Economic and Monetary Union as of 1 January 1999 pursuant to the Treaty establishing the European Communities as amended by the Treaty on European Union;

holding company means, in relation to a company or corporation, any other company or corporation in respect of which it is a subsidiary;

including shall be construed as meaning including without limitation;

indebtedness shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a person shall be construed as being ***insolvent*** if such person goes into administration, bankruptcy, liquidation, examination, dissolution, receivership or winding-up or such person is unable to pay its debts as they fall due or such person's liabilities exceed its assets;

month is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day; Provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to ***months*** shall be construed accordingly);

person or ***Person*** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

Pounds Sterling, ***pounds***, ***sterling***, ***GBP*** or **£** means the lawful currency as at the date of this Deed of the United Kingdom;

stamp duty shall be construed as a reference to any stamp, registration or other documentary Tax or other similar Taxes or duties (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying out any of the same);

subsidiary of a company or corporation shall be construed as a reference to any company or corporation (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or (c) which is a subsidiary of another subsidiary of the first-mentioned company or corporation and for these purposes a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; and

US dollars, ***USD*** or ***US$*** means the lawful currency of the United States of America.

2.3 When used in any of the Transaction Documents, the terms ***relevant Settlement Date***, ***relevant Determination Date*** or ***relevant Determination Period*** will mean the Settlement Date, relative to a particular Determination Date and/or Determination Period, or the Determination Date relative to a particular Determination Period and/or Settlement Date or the Determination Period relative to a particular Determination Date and/or Settlement Date as the case may be.

2.4 Where a denominator in any fraction to be used in connection with any calculation in a definition is zero, the relevant fraction will be zero.

2.5 The headings in any Transaction Document shall not affect its interpretation. References to Clauses, Schedules and Articles in any Transaction Document shall, unless its context otherwise requires, be construed as references to the Clauses of, Schedules to, and Articles of such document.

2.6 Unless the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa, words denoting one gender only shall include the other genders and words denoting persons only shall include firms, corporations and other organised entities, whether separate legal entities or otherwise, and *vice versa*.

2.7 Unless the context otherwise requires, any reference in any Transaction Document to:

(a) any agreement or other document shall be construed as a reference to the relevant agreement or document as the same may have been, or may from time to time be, replaced, extended, amended, varied, novated, supplemented or superseded;

(b) any statutory provision or legislative enactment shall be deemed also to refer to any re-enactment, modification or replacement thereof and any statutory instrument, order or regulation made thereunder or under any such re-enactment;

(c) any party to a Transaction Document shall include references to its successors, permitted assigns and any person deriving title under or through it; references to the address of any person shall, where relevant, be deemed to be a reference to its address as current from time to time;

(d) a person shall include a reference to an individual, a partnership, a corporation, a business trust, a joint stock company, a trust, an unincorporated association, a joint venture, a governmental authority and any other entity of whatever nature, as the context may require;

(e) unless stated otherwise, any provision setting forth an obligation to pay an amount in respect of remuneration or costs or charges or expenses shall be inclusive of any applicable amount in respect of VAT or similar Tax charged or chargeable in respect thereof at any rate; and

(f) the provisions contained in any schedule or appendix to any Transaction Document have effect as if they had been incorporated in such Transaction Document.

2.8 Unless expressly agreed otherwise, interest rates and discount factors refer to a calculation in arrear on the basis of actual days elapsed and 360 days per annum.

2.9 A reference to a Monthly Determination Period or Monthly Determination Date in any definition or other provision of any other Transaction Document shall, to the extent such Monthly Determination Period or Monthly Determination Date would fall prior to the Funding Date, such reference shall be construed as a reference to a complete calendar month and the last day of a complete calendar month respectively.

3. AGREEMENT

The parties hereto acknowledge that the provisions contained in Clauses 3 to 6 and Clauses 12 to 28 (inclusive) shall, except where the context otherwise requires and save where there is an express provision to the contrary, have effect with regard to and apply in respect of, each Transaction Document (as the same shall be amended, varied or supplemented from time to time in accordance with the terms thereof) as though the same were set out therein in full *mutatis mutandis*.

4. JURISDICTION

Submission to Jurisdiction

4.1 All the parties agree that the courts of England are (subject to 4.2 and 4.3 below) to have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaims) which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, this Deed or otherwise arising in connection with this Deed and for such purposes irrevocably submit to the jurisdiction of the English courts.

4.2 The agreement contained in Clause 4.1 above is included for the benefit of the Master Purchaser, the Noteholders, the Lenders, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank, the Funding Agent and the Security Trustee. Accordingly, notwithstanding the exclusive agreement in Clause

4.1 above, each of the Master Purchaser, the Noteholders, the Lenders, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank, the Funding Agent and the Security Trustee shall retain the right to bring proceedings against any other party in any other court which has jurisdiction by virtue of Council Regulation EC No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, the Convention on Jurisdiction and the Enforcement of Judgments signed on 27 September 1968 (as from time to time amended and extended) or the Convention on Jurisdiction and Enforcement of Judgments signed on 16 September 1988 (as in each case from time to time amended and extended).

4.3 Each of the Master Purchaser, the Noteholders, the Lenders, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank, the Funding Agent and the Security Trustee may in its absolute discretion, take proceedings against any other party in the Courts of any other country which may have jurisdiction including the Courts of the State of New York to whose jurisdiction each of the Parent, VEC, the Sellers, the Servicers, the VC Subordinated VLN Facility Provider, the Subordinated VLN Facility Provider and the Master Purchaser irrevocably submits.

4.4 Each of the Parent, VEC, the VC Subordinated Facility Provider, the Subordinated VLN Facility Provider, the Sellers, the Servicers and the Master Purchaser irrevocably waives any objections to the jurisdiction of any Court referred to in this Clause 4.

4.5 Each of the Parent, VEC the Subordinated VLN Facility Provider, the Sellers, the Servicers and the Master Purchaser irrevocably agrees that a judgment or order of any Court referred to in this Clause in connection with this Deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

Agents for Service of Process:

4.6 Without prejudice to any other mode of service:

(a) unless expressly otherwise agreed in any of the Transaction Documents each of the Parent, VEC, each Seller (other than Visteon UK Limited), each Servicer (other than Visteon UK Limited), the VC Subordinated VLN Facility Provider and the Subordinated VLN Facility Provider appoints the following as their respective agent for service of process relating to any proceedings before the courts of England pursuant to Clause 4 and agrees to maintain the process agent in England notified to the Funding Agent:

Kirkland & Ellis International LLP
30 St Mary Axe
London EC3A 8AF

Attention: Neel Sachdev
Fax: +44 20 7469 2001

(b) unless expressly otherwise agreed in any of the Transaction Documents each of the Master Purchaser and the Corporate Administrator appoints the following as their respective agent for service of process relating to any proceedings before the

courts of England pursuant to Clause 4 and agrees to maintain the process agent in England notified to the Funding Agent:

Wilmington Trust SP Services (London) Limited
Tower 42 (Level 11)
International Financial Centre
25 Old Broad Street
London EC2N 1HQ

Attention: Ruth Samson

(c) each party agrees that any failure by a process agent to notify any party of the process shall not invalidate the proceedings concerned; and

(d) each party consents to the service of process relating to any such proceedings by prepaid posting of a copy of the process to its address for service of process for the time being applying under this Deed.

5. Further Assurances

Each of the parties (other than the Security Trustee) agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, deeds, agreements, consents, notices or authorisations as may be required by law or as may be necessary in the reasonable opinion of the Master Purchaser or the Funding Agent or the Security Trustee to implement and/or give effect to each Transaction Document and the transactions contemplated thereby.

6. Notices

6.1 Any notice to be given by one party to any other party under, or in connection with, any Transaction Document shall be in writing and signed by or on behalf of the party giving it. Any such notice shall be served by sending it by fax to the number set out in Clause 6.2, or delivering it by hand, or sending it by pre-paid recorded delivery or registered post, to the address set out in Clause 6.2 and in each case marked for the attention of the relevant party (or as otherwise notified from time to time in accordance with the provisions of this Clause 6.1). Any notice so served by hand, fax or post shall be deemed to have been duly given:

(a) in the case of delivery by hand, when delivered;

(b) in the case of fax, at the time of transmission;

(c) in the case of pre-paid recorded delivery or registered post, at 10.00 a.m. (London time) on the second Business Day following the date of posting,

provided that in each case where delivery by hand or fax occurs after 5.00 p.m. (London time) on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9.00 a.m. on the next following Business Day.

References to time in this Clause are to local time in the country of the addressee.

All notices shall be copied to the Master Purchaser, the Servicer, the Seller, the Funding Agent.

6.2 The addresses and fax numbers of the parties for the purpose of Clause 6.1 are as follows:

THE PARENT

VISTEON CORPORATION	Address:	One Village Center Drive Van Buren Township, MI 48111 USA
	Fax:	+1 734-736-5563
	For the attention of:	Treasurer
	With a copy to:	Kirkland & Ellis LLP 200 East Randolph Drive Chicago, IL 60601
	Fax:	+1 312-861-2200
	For the attention of:	Linda K. Myers PC

THE SUBORDINATED VLN FACILITY PROVIDER

VISTEON NETHERLANDS FINANCE B.V.	Address:	Visteon Strasse 4-10 50170 Kerpen Germany
	Fax:	+49 2273 5952 533
	For the attention of:	Salvador Medina

THE SELLERS AND
THE SERVICERS

VISTEON UK LIMITED	Address:	Endeavour Drive Basildon Essex SS14 3WF United Kingdom
	Fax:	+ 44 1268 700001
	For the attention of:	Steven Gawne/ John Donofrio/ Andrew Steven Gill/ Glenda Minor
VISTEON DEUTSCHLAND GMBH	Address:	Visteon Strasse 4-10 50170 Kerpen Germany
	Fax:	+ 49 2273 5951 269
	For the attention of:	Roland Greff/ Dr Mathias Hüttenrauch/ Tom Schultz
VISTEON SYSTEMES INTERIEURS S.A.S.	Address:	Tour Pentagone Plaza, 381, avenue du Général de Gaulle, 92140 Clamart France
	Fax:	+ 33 1 5813 6550
	For the attention of:	Terrence Gohl
VISTEON ARDENNES INDUSTRIES S.A.S.	Address:	Z.I. De Montjoly BP 228 08102 Charleville – Mézières Cedex France
	Fax:	+ 33 3 2457 2252
	For the attention of:	Stephen Gawne
VISTEON SISTEMAS INTERIORES ESPAÑA, S.L.U.	Address:	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain

	Fax:	+ 34 93478 3534
	For the attention of:	Terrence Gerard Gohl/ Glenda J. Minor/ Pierre Eugène Boulet
CÁDIZ ELECTRÓNICA, S.A.U.	Address:	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain
	Fax:	+ 34 956 483 351
	For the attention of:	João Paulo de Sousa Ribeiro/ Daniel Linàn Macias/ Sunil Kumar Bilolikar/
VISTEON PORTUGUESA LIMITED	Address:	Estrada Nacional No. 252-Km12 Parque Industrial das Carrascas 2951-503 Palmela Portugal
	Fax:	+ 315 212 339 269
	For the attention of:	Sunil Kumar Bilolikar/ Glenda Minor/ John Donofrio
MASTER SERVICER, VEC AND US SUB-SERVICER		
VISTEON ELECTRONICS CORPORATION	Address:	One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A.
	Fax:	+1 734-736-5563
	For the attention of:	Treasurer

A SELLER AND VC SUBORDINATED VLN FACILITY PROVIDER

VC RECEIVABLES FINANCING CORPORATION LIMITED	Address:	5 Harbourmaster Place I.F.S.C. Dublin 1
	Fax:	+ 353 1 680 6050
	For the attention of:	Rhys Owens / Louise Delaney

THE MASTER PURCHASER

VISTEON FINANCIAL CENTRE P.L.C.	Address:	c/o Wilmington Trust SP Services (Dublin) Limited, First Floor, 7 Exchange Place, International Financial Services Centre, Dublin 1, Ireland
	Fax:	+ 353 1 612 5550
	For the attention of:	Alan Geraghty
	with a copy to:	
	CITIBANK, N.A. (as MP Cash Manager)	
	Address:	14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
	Fax:	+44 (0)20 7192 3116
	For the attention of:	Tony Warner, SF Team

THE CORPORATE ADMINISTRATOR

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED	Address:	First Floor, 7 Exchange Place, International Financial Services Centre, Dublin 1, Ireland
	Fax:	+ 353 1 612 5550

	For the attention of:	Alan Geraghty
THE LENDERS AND NOTEHOLDERS		
CITIBANK, N.A.	Address:	Citibank, N.A., London UK Loans Processing Unit 2nd Floor 4 Harbour Exchange Isle of Dogs London E14 9GE United Kingdom
	Fax:	+44 (0)20 7500 5806
	For the attention of:	UK Loans Processing Unit
UBS AG	Address:	1 Finsbury Avenue London EC2M 2PP England
	Fax:	+44 20 7568 3978/5607
	For the attention of:	Banking Products Services
BNP PARIBAS	Address:	La Défense Esplanade 1 Place de l'Iris – La Défense 2, F-92400 COURBEVOIE
	Fax:	+33 1 40 14 08 69
	For the attention of:	BNP Paribas APAC Commercial International
BNP PARIBAS, DUBLIN BRANCH	Address:	5 Georges Dock I.F.C.S., Dublin 1 Ireland
	Fax:	+353 1 612 5022
	For the attention of:	Brenda Tyrrell

JP MORGAN CHASE BANK, N.A.	Address:	4th Floor Prestige Knowledge Park Near Maráthalli Junction Outer Ring Road Kadabeesanahalli Vathur Hobli Bangalore 560087
	Fax:	+44 (0) 207 492 3297 or +44 (0) 207 492 3298
	For the attention of:	Veena B Gowda J.P. Morgan Chase European Loan Operations
BANK OF AMERICA, N.A.	Address:	20975 Swenson Drive, Suite 200 Waukesha, WI 53186 USA
	Fax:	+1 262-798-4882
	For the attention of:	Robert J. Lund Sr. Vice President
CREDIT SUISSE	Address:	One Madison Avenue New York NY 100100 USA
	Fax:	+1 212-538-3380
	For the attention of:	Ed Markowski/Hazel Leslie
DEUTSCHE BANK AG LONDON	Address:	Winchester House 1 Great Winchester Street London EC2N 2DB
	Fax:	+44 20 7545 8510
	For the attention of:	Stephan Specht/Toby Boon
THE BANK OF NEW YORK MELLON	Address:	500 Grant Street One Mellon Center, Room 3600 Pittsburgh, PA 15258-0001
	Fax:	+1 412-236-1914
	For the attention of:	Mark Johnston

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL)	Address:	150 South Wacker Drive Suite 2200 Chicago IL 60606 USA
	Fax:	+1 312 332 6768
	For the attention of:	Mark Dunne
THE CIT GROUP / BUSINESS CREDIT, INC.	Address:	11 West 42nd Street, 13th Floor New York, NY 10036 USA
	Fax:	+1 212 461-7762
	For the attention of:	Steven M. Schuit
KINGS CROSS ASSET FUNDING NO. 6 SARL	Address:	6, Rue Phillipe II L-2340 Luxembourg
	Fax:	+44 207 691 9761
	For the attention of:	Jenny Karlsson
THE FUNDING AGENT		
CITIBANK INTERNATIONAL PLC	Address:	5TH Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
	Fax:	+44 20 8636 3824
	For the attention of:	Loans Agency
THE MP CASH MANAGER		
CITIBANK, N.A.	Address:	14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
	Fax:	+44 20 7192 3116
	For the attention of:	Tony Warner, SF Team
THE COLLATERAL MONITORING AGENT		
CITICORP USA, INC.	Address:	2 Penn’s Way, New Castle, DE 19720, U.S.A.

	Fax:	+1 212 894 0849
	For the attention of:	Janet Marvel

THE SECURITY TRUSTEE

THE LAW DEBENTURE TRUST CORPORATION P.L.C.	Address:	Fifth Floor, 100 Wood Street, London EC2V 7EX
	Fax:	+44 20 7606 0643
	For the attention of:	The Manager, Commercial Trusts (ref: 66933)

THE MASTER PURCHASER
TRANSACTION ACCOUNT BANK

CITIBANK, N.A.	Address:	14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
	Fax:	+44 20 7192 3116
	For the attention of:	Tony Warner, SF Team

A party may notify any of the other parties to any of the Transaction Documents of a change to its name, relevant addressee, address or fax number for the purposes of this Clause 6.2, provided that such notice shall only be effective on:

(a) the date specified in the notice as the date on which the change is to take place; or

(b) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date following five Business Days after notice of any change has been given.

7. YIELD PROTECTION INDEMNITIES

Increased Costs

7.1 (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or Noteholder; or

(ii) impose on any Lender or Noteholder or the London interbank market any other condition affecting the Variable Funding Agreement or any Notes or any commitment or participation by that Lender or Noteholder thereunder;

and the result of any of the foregoing shall be to increase the cost to such Lender or Noteholder of making of any funding available pursuant to the Variable

Funding Agreement or any Note or in holding any Note (or of maintaining its obligation to provide any funding pursuant to the Variable Funding Agreement or any Note or to reduce the amount of any sum received or receivable by such Lender or Noteholder under any Transaction Document (whether of principal, interest or otherwise), then the Parent, VEC and the Sellers will pay to such Lender or Noteholder, as the case may be, such additional amount or amounts as will compensate such Lender or Noteholder as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Noteholder determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Noteholder's capital or on the capital of such Lender's or Noteholder's holding company, if any, as a consequence of the Variable Funding Agreement or the Notes held by it, to a level below that which such Lender or Noteholder or such Lender's or Noteholder's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Noteholder's policies and the policies of such Lender's or Noteholder's holding company with respect to capital adequacy), then from time to time the Parent, VEC and the Sellers will pay to such Lender or Noteholder, as the case may be, such additional amount or amounts as will compensate such Lender or Noteholder or such Lender's or Noteholder's holding company for any such reduction suffered.

Breakage Costs

7.2 In the event of the payment of any principal of any Note other than on a Settlement Date (including as a result of a Master Purchaser Event of Default) or in the event of a failure to borrow after a Funding Request has been delivered, then in any such event, the Parent, VEC and the Sellers shall compensate each Lender and Noteholder for the loss, cost and expense attributable to such event. Such loss cost or expense to any Lender or Noteholder shall be deemed to include an amount determined by such Lender or Noteholder to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Note had such event not occurred, at the Reference Rate that would have been applicable to such Note, for the period from the date of such event to the next following Settlement Date, above (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender or Noteholder would bid were it to bid, at the commencement of such period, for deposits in the same Agreed Currency as the relevant Note of a comparable amount and period from other banks in the London interbank market (or in the case of EUR the European interbank market).

Demand and payment

7.3 Any demand made by a Noteholder or Lender under Clause 7.1 or, as the case may be, Clause 7.2 shall be accompanied by a statement signed by a duly authorised signatory of such Noteholder or Lender, as the case may be giving (to the extent that such information is within its possession and knowledge and that disclosure of such information would not involve the breach of any duty of confidentiality owed by the Noteholder or the Lender, as the case may be, to any other person) reasonable particulars of:

(a) in the case of a demand under Clause 7.2, the calculation of the claim for reimbursement; and

(b) in the case of a demand made under Clause 7.1, the Relevant Change and how the relevant amount has been calculated,

together with any supporting documentation. The Parent, VEC and the Sellers shall promptly upon written demand pay such Lender or Noteholder, as the case may be, the amount shown as due on any such demand within 10 days after receipt thereof.

Each amount certified by the Noteholder or, Lender, as the case may be, as being due under this Clause 7 shall, in the absence of manifest error, be conclusive evidence of the amount so claimed.

7.4 Failure or delay on the part of any Lender or Noteholder to demand any compensation pursuant to this Clause 7 shall not constitute a waiver of such Lender's or Noteholder's right to demand such compensation; *provided* that the Parent and the Sellers shall not be required to compensate a Lender or a Noteholder pursuant to Clause 7.1 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Noteholder, as the case may be, notifies the Parent of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Noteholder's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof.

8. Default Interest

8.1 If any sum due and payable by any Seller, VEC, any Servicer, the Parent, the VC Subordinated VLN Facility Provider or any Subordinated VLN Facility Provider is not paid on the due date therefor in accordance with the provisions of the relevant Transaction Documents or if any sum due and payable by any Seller, VEC, any Servicer, the Parent, the VC Subordinated VLN Facility Provider or any Subordinated VLN Facility Provider under any judgment or decree of any court in connection herewith is not paid on the date of such judgment or decree, the period beginning on such due date or, as the case may be, the date of such judgment or decree and ending on the date upon which the obligation of such Seller, VEC, such Servicer, the Parent, the VC Subordinated VLN Facility Provider or such Subordinated VLN Facility Provider to pay such sum (the balance thereof for the time being unpaid being herein referred to as an unpaid sum) is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period and the duration of each of which shall be selected by the person to whom such sum is payable.

8.2 During each such period relating thereto as is mentioned in Clause 8.1 an unpaid sum shall bear interest at the rate per annum which is the sum of two per cent. and (i) with respect to amounts payable in EUR, EURIBOR, (ii) with respect to amounts payable in USD, USD LIBOR, and (iii) with respect to amounts payable in GBP, GBP LIBOR.

8.3 Any interest which shall have accrued under Clause 8.2 in respect of an unpaid sum shall be due and payable and shall be paid by such Seller, VEC, such Servicer, the Parent, the VC Subordinated VLN Facility Provider or such Subordinated VLN Facility Provider (as the case may be) at the end of the period by reference to which it is

calculated or on such other dates as the Person to whom such sum is owed may specify by written notice to such Seller, VEC, such Servicer, the Parent, such VC Subordinated VLN Facility Provider or such Subordinated VLN Facility Provider (as the case may be).

9. Seller, VEC and Servicer Indemnities and undertakings by the Master Purchaser and VC

Indemnities by the Sellers and VEC

9.1 Without limiting any other rights that the Master Purchaser, the Noteholders, the Lenders, the Security Trustee, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank or the Funding Agent or any of their respective Affiliates or members or any of their respective officers, directors, employees or advisors (each, an ***Indemnified Party***) may have hereunder or under the other Transaction Documents, or under applicable law, each Seller and VEC (each, an ***Indemnifying Party***) hereby severally agrees to indemnify each Indemnified Party from and against any and all costs, expenses, claims, losses, damages and liabilities (including reasonable lawyers' fees and disbursements provided such reimbursement obligations shall be limited to the fees and disbursements of one counsel for the Security Trustee (and, to the extent necessary as determined by the Security Trustee, one or more local counsel), one counsel to act for both the Master Purchaser Transaction Account Bank and the MP Cash Manager, one counsel for the Collateral Monitoring Agent and of one counsel for the Funding Agent, the Lenders and the Noteholders and, to the extent necessary as determined by the Collateral Monitoring Agent, one or more local counsel) (all of the foregoing being collectively referred to as ***Indemnified Amounts***) arising out of or resulting from the Master Receivables Purchase and Servicing Agreement or any other Transaction Document or the use of proceeds of purchases or reinvestments or the ownership of Receivables originated by that Indemnifying Party or of the Notes or in respect of any Receivable originated by that Indemnifying Party or any Contract to which such Indemnifying Party is a party, excluding, however, (a) Indemnified Amounts to the extent that such Indemnified Amounts have resulted from gross negligence, bad faith or wilful default on the part of such Indemnified Party, (b) recourse for Receivables which are not collected, not paid or uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the applicable Obligor or (c) Indemnified Amounts in respect of any income taxes or any other tax or fee measured by income incurred by such Indemnified Party arising out of or as a result of the Master Receivables Purchase and Servicing Agreement or any other Transaction Document or the ownership of Receivables or Notes or in respect of any Receivable or any Contract, (d) Indemnified Amounts resulting from a breach by the Indemnified Party in respect of its obligations under any of the Transaction Documents, or (e) Indemnified Amounts arising from a dispute between Lenders and not involving the Funding Agent (in its capacity as such) or the Parent **provided that** to the extent that any Indemnified Amounts are not attributable to a particular Indemnifying Party, each Indemnifying Party shall only be liable to the extent of that Seller's Seller Proportion of the relevant Indemnified Amount. Indemnified Amounts shall be payable on demand to each Indemnified Party without any set-off, deduction, counterclaim or withholding from any and all amounts necessary to indemnify such Indemnified Party. Without limiting or being limited by the foregoing and without extending the scope of the foregoing in particular in relation to the several liability only of each Seller and VEC, each Seller and VEC shall pay on demand to each Indemnified Party without any set off, deduction, counterclaim or withholding any and all amounts

necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

(a) the characterisation in any Master Servicer Report or other written statement made by or on behalf of that Indemnifying Party of any Receivable as an Eligible Receivable or as included in the Net Receivables Pool Balance which, as of the date of such Master Servicer Report or other statement, is not an Eligible Receivable or should not be included in the Net Receivables Pool Balance;

(b) any representation or warranty or statement made or deemed made by that Indemnifying Party (or any of its officers) under or in connection with any Transaction Document which shall have been incorrect in any material respect when made;

(c) the failure by that Indemnifying Party to comply with any applicable law, rule or regulation with respect to any Purchased Receivable or the related Contracts, or the failure of any Purchased Receivable or the related Contract to conform to any such applicable law, rule or regulation; or the failure by that Indemnifying Party to pay, remit or account for any taxes related to or included in a Receivable, when due;

(d) the failure by that Indemnifying Party (other than VEC) to vest (i) in the Master Purchaser effective title in the Purchased Receivables or, with respect to English Restricted Receivables, a valid and enforceable beneficial interest in a trust over such Receivables, and the Related Security and the Collections free and clear of any Encumbrances or (ii) in the Security Trustee a first priority perfected security interest as provided in the Master Purchase Deed of Charge;

(e) the failure by VEC as Indemnifying Party to vest in the Purchaser (which resulted in a failure of the Purchaser to vest in the Master Purchaser) effective title in the Purchased Receivables and the Related Security and the Collections free and clear of any Encumbrances;

(f) the failure by that Indemnifying Party, when so required in accordance with the Transaction Documents, to have properly notified any Obligor of the transfer, sale or assignment of, or creation of a trust over, any Receivable pursuant to the Transaction Documents to the extent such notice is required to perfect the same under any applicable law and for the purposes of this Clause (f), ***perfect*** means to render opposable, publish and allow the setting up of the purchaser's interest in, and right to collect payment under, the assets which are the subject of such transfer, sale and assignment, and to make opposable, publish and allow the setting up of such transfer, sale and assignment as against Obligors and other third parties, including any liquidator, administrator, trustee in bankruptcy or other insolvency official under any applicable law;

(g) any dispute, claim, counterclaim, set off or defence (other than discharge in insolvency of the Obligor) of the Obligor to the payment of any Receivable in, or purporting to be a Purchased Receivable sold by that Indemnifying Party (including, without limitation, a defence based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim whether of the Obligor or any third party resulting from the sale of automotive products

related to such Receivable or the furnishing or failure to furnish such merchandise or services or relating to collection activities with respect to such Receivable (if such collection activities were performed by a Seller or VEC, as the case may be, or any of its Affiliates acting as Servicer);

(h) any failure of that Indemnifying Party to perform its duties or obligations under the Contracts;

(i) any product liability, property damage, personal injury, consequential loss or other claim arising out of or in connection with the automotive products which are the subject of any Contract to which that Indemnifying Party is a party;

(j) the commingling of Collections of Purchased Receivables sold by that Indemnifying Party at any time with other funds;

(k) any investigation, litigation or proceeding related to the VC Receivables Purchase Agreement, the Master Receivables Purchase and Servicing Agreement or any other Transaction Document or the use of proceeds of purchases or reinvestments or the ownership of Receivables or Notes or in respect of any Receivable or Related Security or Contract (including, without limitation, in connection with the preparation of a defence or appearing as a third party witness in connection therewith and regardless of whether such investigation, litigation or proceeding is brought by a Seller or VEC, an Indemnified Party or any other Person or an Indemnified Party is otherwise a party thereto);

(l) any failure of that Indemnifying Party to comply with its covenants contained in this Deed or any other Transaction Document; and

(m) any claim arising out of any failure by that Indemnifying Party to obtain a consent from the relevant Obligor to the transfer, sale or assignment of any Receivable pursuant to the Transaction Documents;

Indemnities by the Servicers

9.2 Without limiting any other rights that the Master Purchaser, the Noteholders, the Lenders, the Security Trustee, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank or the Funding Agent or any of their respective Affiliates or members or any of their respective officers, directors, employees or advisors (each, a ***Special Indemnified Party***) may have hereunder or under applicable law, and in consideration of its appointment as Servicer under the Master Receivables Purchase and Servicing Agreement, each Servicer hereby severally agrees to indemnify each Special Indemnified Party from and against any and all claims, losses and liabilities (including reasonable lawyers' fees provided such reimbursement obligations shall be limited to the fees and disbursements of one counsel for the Security Trustee (and, to the extent necessary as determined by the Security Trustee, one or more local counsel), one counsel to act for both the Master Purchaser Transaction Account Bank and the MP Cash Manager, one counsel for the Collateral Monitoring Agent and one counsel for the Funding Agent, the Lenders and the Noteholders and, to the extent necessary as determined by the Collateral Monitoring Agent, of one or more local counsel)) (all of the foregoing being collectively referred to as ***Special Indemnified Amounts***) arising out of or resulting from any of the following (excluding, however, (a) Special Indemnified Amounts to the extent have resulted from gross negligence, bad faith or wilful default on

the part of such Special Indemnified Party, (b) recourse for Receivables which are not collected, not paid or uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the applicable Obligor, (c) any income taxes or any other tax or fee measured by income incurred by such Special Indemnified Party arising out of or as a result of this Deed or any other Transaction Document or the ownership of Receivables or Notes or in respect of any Receivable or any Contract, (d) resulting from a breach by the Indemnified Party in respect of its obligations under, or (e) arising from a dispute between Lenders and not involving the Funding Agent (in its capacity as such) or the Parent):

(a) any representation made or deemed made by that Servicer pursuant to the Master Receivables Purchase and Servicing Agreement or any other Transaction Document which shall have been incorrect in any respect when made or any other representation or warranty or statement made or deemed made by that Servicer under or in connection with the Master Receivables Purchase and Servicing Agreement or any other Transaction Document which shall have been incorrect in any material respect when made;

(b) the failure by that Servicer to comply with any applicable law, rule or regulation with respect to any Purchased Receivable or Contract;

(c) any failure of that Servicer to perform its duties or obligations in accordance with the provisions of the Master Receivables Purchase and Servicing Agreement or any other Transaction Document;

(d) the commingling of Collections of Purchased Receivables at any time by that Servicer with other funds;

(e) any breach of an obligation of that Servicer reducing or impairing the rights of the Master Purchaser, the Noteholders, Lenders, the Security Trustee, Collateral Monitoring Agent, the MP Cash Manager or the Funding Agent with respect to any Pool Receivable or the value of any Receivable;

(f) any Servicer Fees or other costs and expenses payable to any replacement servicer, to the extent in excess of the Servicer Fees payable to that Servicer under the Master Receivables Purchase and Servicing Agreement; or

(g) payment of any claim brought by any Person other than a Special Indemnified Party arising from any activity by that Servicer or its Affiliates in servicing, administering or collecting any Receivable.

Special Indemnified Amounts shall be payable on demand to each Special Indemnified Party without any set off, deduction, counterclaim or withholding from any and all amounts necessary to indemnify such Special Indemnified Party.

Payment of amounts by Master Purchaser

9.3 If and to the extent that any Seller, VEC, any Servicer or the Parent do not pay when due any amount payable by them to any Affected Person under any Transaction Document (each such unpaid amount being an ***Unpaid Amount***), the Master Purchaser hereby undertakes as a separate and primary obligation that it will pay to the relevant Affected Person an amount equal to the relevant Unpaid Amount on the immediately

succeeding Settlement Date, subject to and in accordance with the applicable Master Purchaser Priority of Payments. Each Seller, VEC, each Servicer and the Parent hereby severally agrees to reimburse the Master Purchaser for any Unpaid Amounts paid by the Master Purchaser to an Affected Person pursuant to this Clause 9.3 in respect of a failure to pay by that Seller, VEC, Servicer or Parent and to indemnify the Master Purchaser against any cost, loss, liability, damage or expense suffered or incurred by the Master Purchaser in consequence of such failure by such Seller, VEC, Servicer or Parent to pay such Unpaid Amount when due.

9.4 The Master Purchaser shall be entitled to set-off any amount payable by it to the Seller, VEC, the Servicer or the Parent against any amount payable to the Master Purchaser by the Seller, VEC, the Servicer or the Parent under Clause 9.3.

9.5 The indemnities and agreements set out in this Clause 9 shall survive the termination or expiry of this Deed or the resignation or replacement of any Indemnified Party or Special Indemnified Party.

Undertakings of VC

9.6 VC undertakes with the Master Purchaser, VEC, the Security Trustee and the Funding Agent, for as long as any of the Transaction Documents are in force, as follows:

(a) maintain its own separate books and records and bank accounts;

(b) at all times hold itself out to the public and all other Persons as a legal entity separate from any other Person;

(c) have its own board of directors;

(d) file its own tax returns as may be required under applicable tax Law and make any elections required or allowed under such applicable tax Law, and to pay any taxes so required to be paid under applicable Law;

(e) not commingle its assets with assets of any other Person, except as permitted in the Transaction Documents;

(f) conduct its business in its own name and strictly comply with all organizational formalities to maintain its separate existence;

(g) maintain separate financial statements;

(h) pay its own liabilities only out of its own funds;

(i) maintain an arm’s length relationship with its affiliates and members;

(j) pay the salaries of its own employees, if any;

(k) not hold out its credit or assets as being available to satisfy the obligations of others;

(l) allocate fairly and reasonably any overhead for shared operating expenses;

(m) use separate stationery, invoices and cheques;

(n) except as otherwise contemplated by the Transaction Documents, not pledge its assets for the benefit of any other Person;

(o) correct any known misunderstanding regarding its separate identity;

(p) maintain adequate capital in light of its contemplated business purposes, transactions and liabilities;

(q) cause its board of directors to meet at least annually and keep minutes of such meetings and actions and observe all other corporate formalities;

(r) not acquire any securities of any of its shareholders; and

(s) cause its shareholders, directors, officers, agents and other representatives to act at all times with respect to it consistently and in furtherance of the foregoing and in its best interests.

10. Collateral Monitoring Agent

Appointment of the Collateral Monitoring Agent

10.1 (a) Each of the Lenders and the Noteholders and the Master Purchaser appoints the Collateral Monitoring Agent to act as its agent under and in connection with the Transaction Documents.

(b) Each of the Lenders and the Noteholders and the Mater Purchaser authorise the Collateral Monitoring Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Monitoring Agent under or in connection with the Transaction Documents together with any other incidental rights, powers, authorities and discretions.

Duties of the Collateral Monitoring Agent

10.2 (a) The Collateral Monitoring Agent shall promptly forward to a Lender or a Noteholder or the Master Purchaser the original or a copy of any document which is delivered to the Collateral Monitoring Agent by any other party pursuant to the Transaction Documents.

(b) Except where a Transaction Document specifically provides otherwise, the Collateral Monitoring Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to any Lender or Noteholder or to the Master Purchaser.

No fiduciary duties

10.3 (a)Nothing in this Agreement constitutes the Collateral Monitoring Agent as a trustee or fiduciary of any other person.

(b) The Collateral Monitoring Agent shall not be bound to account to any Lender or Noteholder or to the Master Purchaser for any sum or the profit element of any sum received by it for its own account.

Business with the Group

10.4 The Collateral Monitoring Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Visteon Group.

Rights and discretions

10.5 (a) The Collateral Monitoring Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Collateral Monitoring Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Master Purchaser, the Lenders and the Noteholders) that:

(i) no Master Purchaser Event of Default, Cash Control Event, Termination Event or Servicer Default has occurred;

(ii) any right, power, authority or discretion vested in any Party has not been exercised;

(c) The Collateral Monitoring Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Collateral Monitoring Agent may act in relation to the Transaction Documents through its personnel and agents.

(e) The Collateral Monitoring Agent may disclose to any other Party any information it reasonably believes it has received as Collateral Monitoring Agent under this Agreement.

(f) Notwithstanding any other provision of any Transaction Document to the contrary, the Collateral Monitoring Agent shall not be obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

Majority Lenders' instructions

10.6 (a) Unless a contrary indication appears in a Transaction Document, the Collateral Monitoring Agent shall (i) exercise any right, power, authority or discretion vested in it as Collateral Monitoring Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders,

refrain from exercising any right, power, authority or discretion vested in it as Collateral Monitoring Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Transaction Document, any instructions given by the Majority Lenders will be binding on all the other Lenders and Noteholders.

(c) The Collateral Monitoring Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders or Noteholders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders or Noteholders) the Collateral Monitoring Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders and the Noteholders.

(e) The Collateral Monitoring Agent is not authorised to act on behalf of a Lender or a Noteholder (without first obtaining that Lender's or Noteholder's consent) in any legal or arbitration proceedings relating to any Transaction Document. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Security Documents or the Encumbrances created thereby.

Responsibility for documentation

10.7 The Collateral Monitoring Agent is not, nor shall be, responsible:

(a) for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Collateral Monitoring Agent, the Purchaser, the Master Purchaser, any Seller, VEC, any Servicer, the VC Subordinated VLN Facility Provider, any Subordinated VLN Facility Provider or any other person given in or in connection with any Transaction Document or the transactions contemplated in the Transaction Documents; or

(b) for the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or any Encumbrances created thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Transaction Document.

Exclusion of liability

10.8 (a) Without limiting paragraph (b) below, the Collateral Monitoring Agent will not be liable for any action taken by it under or in connection with any Transaction Document unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Collateral Monitoring Agent) may take any proceedings against any officer, employee or agent of the Collateral Monitoring Agent in respect of any claim it might have against the Collateral Monitoring Agent or in

respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document and any officer, employee or agent of the Collateral Monitoring Agent may rely on and have the right to enforce this Clause pursuant to the Contracts (Rights of Third Parties) Act 1999.

(c) Nothing in this Agreement shall oblige the Collateral Monitoring Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender or Noteholder and each Lender and Noteholder confirms to the Collateral Monitoring Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Collateral Monitoring Agent.

Indemnity to the Collateral Monitoring Agent

10.9 Each Lender and Noteholder shall indemnify the Collateral Monitoring Agent, within three Business Days of demand, against that Lender and Noteholder's Commitment Proportion of any cost, loss or liability incurred by the Collateral Monitoring Agent (otherwise than by reason of the Collateral Monitoring Agent's gross negligence or wilful misconduct) in acting as Collateral Monitoring Agent under the Transaction Documents (unless the Collateral Monitoring Agent has been reimbursed by the Master Purchaser, the Purchaser, a Seller, VEC, a Servicer or the Parent pursuant to a Transaction Document).

Resignation of the Collateral Monitoring Agent

10.10 (a) The Collateral Monitoring Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders, the Noteholders, the Security Trustee and the Master Purchaser.

(b) Alternatively the Collateral Monitoring Agent may resign by giving notice to the Lenders, the Noteholders, the Security Trustee and the Master Purchaser, in which case the Majority Lenders (after consultation with the Master Purchaser) may appoint a successor Collateral Monitoring Agent.

(c) If the Majority Lenders have not appointed a successor Collateral Monitoring Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Collateral Monitoring Agent (after consultation with the Issuer) may appoint a successor Collateral Monitoring Agent.

(d) The retiring Collateral Monitoring Agent shall, at its own cost, make available to the successor Collateral Monitoring Agent such documents and records and provide such assistance as the successor Collateral Monitoring Agent may reasonably request for the purposes of performing its functions as Collateral Monitoring Agent under the Transaction Documents.

(e) The Collateral Monitoring Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Collateral Monitoring Agent shall be discharged from any further obligation in respect of the Transaction Documents but shall remain entitled to the benefit of this Clause 10. Its successor

and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) After consultation with the Issuer, the Majority Lenders may, by notice to the Collateral Monitoring Agent, require it to resign in accordance with paragraph (b) above. In this event, the Collateral Monitoring Agent shall resign in accordance with paragraph (b) above.

Confidentiality

10.11 (a) In acting as Collateral Monitoring Agent for the Lenders and the Noteholders, the Collateral Monitoring Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Collateral Monitoring Agent, it may be treated as confidential to that division or department and the Collateral Monitoring Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Transaction Document to the contrary, the Collateral Monitoring Agent shall not be obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

Credit appraisal by the Lenders and Noteholders

10.12 Each Lender and Noteholder confirms to the Collateral Monitoring Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Transaction Document including but not limited to:

(a) the financial condition, status and nature of each member of the Visteon Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document and any Encumbrances created thereby and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;

(c) whether that Lender or Noteholder has recourse, and the nature and extent of that recourse, against any party or any of its respective assets under or in connection with any Transaction Document or the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;

(d) the adequacy, accuracy and/or completeness of any information provided by any person under or in connection with any Transaction Document, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Master Purchaser Secured Property, the priority of any of the security interest granted pursuant to the Master Purchaser Security Documents or any Account Control Agreement or the existence of any Encumbrances affecting the Master Purchaser Secured Property or any of the Deposit Accounts.

11. Fees, costs, expenses and taxation

Fees

11.1 The Sellers shall on the Funding Date pay to the Joint Lead Arrangers, in USD an arrangement, structuring and commitment fee in the amount specified in the Citigroup Fee Letter together with all other costs and expenses (including legal costs and expenses) referred to in the Commitment Letter (the ***Funding Date Fees and Expenses***). The Sellers, the Lenders, and the Master Purchaser each agree that:

(a) the Lenders shall deduct from any Initial Subscription Price payable by it on the Funding Date in accordance with the Variable Funding Agreement, and retain, an amount equal to the Funding Date Fees and Expenses; and

(b) the Master Purchaser shall deduct from the Purchase Price payable by it on the Funding Date in accordance with the Master Receivables Purchase and Servicing Agreement an amount equal to the Funding Date Fees and Expenses,

and the net payments made in accordance with paragraphs (a) and (b) above shall constitute satisfaction in full on the Funding Date of (i) the Lenders obligation to pay Initial Subscription Price on the Funding Date, (ii) the Master Purchaser's obligation to pay Initial Purchase Price on the Funding Date and (iii) the Sellers' obligation to pay to the Joint Lead Arrangers the amount of the Funding Date Fees and Expenses so deducted.

11.2 All invoices submitted to the Sellers and VEC under Clauses 11.1 or 11.5 shall be in reasonable detail, provided that invoices with respect to any audits performed pursuant to any of the Transaction Documents shall be in a form that is consistent with market practice (and the Funding Agent will give the Sellers prior notice of any quotes it receives as to the costs and expenses of such audits).

11.3 If the Sellers do not pay any of the fees referred to in Clauses 11.1 or 11.5, the Master Purchaser hereby undertakes that it shall pay any such fees to the Funding Agent, Noteholder or the applicable Lender (as the case may be) to the extent that they have not been paid by the Sellers.

11.4 The Parent will pay to the Collateral Monitoring Agent for its own account the Annual Collateral Monitoring Fee (as set out in the Citigroup Fee Letter). Such fee shall be payable annually in advance on the Closing Date and thereafter annually in advance on each anniversary of the Closing Date for so long as any obligation of the Master Purchaser to any Finance Party shall remain outstanding or any Lender or any Noteholder shall have any commitment under the Variable Funding Agreement or any Note. In the event that the Parent fails to pay to the Collateral Monitoring Agent any such fee when due, the Master Purchaser shall upon demand from the Collateral Monitoring Agent pay the Annual Collateral Monitoring Fee (as set out in the Citigroup Fee Letter) to the Collateral Monitoring Agent to the extent not paid by the Parent.

Costs and Expenses

11.5 Without prejudice to the provisions of the other Transaction Documents, the Sellers and VEC shall on demand pay by way of indemnity on a full after Tax basis all, claims, liabilities, losses, damages suffered by and all costs, fees and expenses (including legal expenses) incurred by (provided in the case of paragraphs (a), (c) and (d) below such costs, fees and expenses are reasonably incurred) the Master Purchaser, each Lender, each Noteholder, the Security Trustee, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank and the Funding Agent in connection with:

(a) any variation, consent or approval, or any steps taken with a view to any variation, consent or approval, in each case relating to or in connection with any of the Transaction Documents or any related document which was requested by or required by any Seller, VEC, any Servicer, the Parent, the VC Subordinated VLN Facility Provider or any Subordinated VLN Facility Provider;

(b) the preservation or enforcement of, or any action taken to preserve or enforce, any of their rights under any of the Transaction Documents or any related documents;

(c) the exercise by the Master Purchaser, each Lender, the Security Trustee, each Noteholder, the Collateral Monitoring Agent, or the Funding Agent of its rights to monitor compliance by the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or any Subordinated VLN Facility Provider with its obligations under the Transaction Documents; and

(d) any audit by any such party and/or any relevant auditors in relation to transaction cash flows, the performance of the Purchased Receivables, Collections and procedures relating to Collections,

and (for the avoidance of doubt) the Sellers and VEC shall pay to the Master Purchaser, each Lender, the Security Trustee, each Noteholder, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank and the Funding Agent, as appropriate, such amount as shall represent any value added tax, sales tax, purchase tax or other similar taxes or duties associated with such costs, fees and expenses (if any) howsoever charged to, or suffered by, the Master Purchaser, each Lender, the Security Trustee, each Noteholder, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank and the Funding Agent (other than any Tax on the net income of the Master Purchaser, each Lender, the Security Trustee, each Noteholder, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank or the Funding Agent).

Duties and Taxes

11.6 Without prejudice to the provisions of the other Transaction Documents, the Sellers and VEC shall pay any stamp, documentary, transfer, excise, registration, filing and other similar duties, levies, fees or Taxes to which:

(a) any of the Transaction Documents or any related documents; or

(b) any purchase of Receivables under the Master Receivables Purchase and Servicing Agreement; or

(c) any transaction contemplated under the Transaction Documents and the related documents including the assignment, release, resale or re-assignment of any Receivable; or

(d) the enforcement of the rights of the Master Purchaser, each Lender, the Security Trustee, each Noteholder, the Collateral Monitoring Agent, and the Funding Agent,

may be subject or give rise and the Sellers and VEC shall fully indemnify the Master Purchaser, each Lender, the Security Trustee, each Noteholder and the Funding Agent, on an after Tax basis, from and against any losses or liabilities which any of them may properly incur or otherwise suffer as a result of any delay in paying or omission to pay such duties, levies, fees or taxes (other than any Tax on the net income of the Master Purchaser, each Lender, the Security Trustee, each Noteholder and the Funding Agent).

Value Added and Sales Tax

11.7 (a) Any amounts stated in any Transaction Document to be payable, or payable in connection with any Transaction Document, by the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider are exclusive of value added tax, sales tax, purchase tax or other similar taxes or duties and accordingly, to the extent that any such taxes arise in respect of such payments, the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider (as the case may be) shall, in addition, pay any amount properly charged in respect of any such taxes or duties.

(b) Any amounts stated in any Transaction Document to be payable by the Master Purchaser, any Lender, the Security Trustee, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank, the Funding Agent and any Noteholder are unless otherwise expressly provided in any Transaction Document inclusive of value added tax, sales tax, purchase tax or other similar taxes or duties.

Grossing-Up

11.8 (a) All payments made by each Seller, VEC, each Servicer, the Parent, each VC Subordinated VLN Facility Provider or each Subordinated VLN Facility Provider to the Master Purchaser, each Lender, the Security Trustee, each Noteholder and the Funding Agent under or in connection with any Transaction Document shall be made in full without any deduction or withholding in respect of Taxes (or otherwise) unless the deduction or withholding is required by law in which event the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider shall:

(i) ensure that the deduction or withholding does not exceed the minimum amount legally required; and

(ii) forthwith pay to the Master Purchaser, the relevant Lender, the Security Trustee, the relevant Noteholder and/or, as the case may be, the Funding Agent such additional amount (other than any Tax on the net profit of the Master Purchaser, the relevant Lender, the Security Trustee, the relevant

Noteholder or the Funding Agent) so that the net amount received by the Master Purchaser, the relevant Lender, the Security Trustee, the relevant Noteholder or the Funding Agent as the case may be, will equal the full amount which would have been received by it had no such deduction or withholding been made.

(b) The Seller and VEC hereby undertakes to indemnify the Master Purchaser, each Lender, the Security Trustee and each Noteholder, in respect of any withholding or deduction on account of Tax on the payment of any amount due in respect of any Purchased Receivable or otherwise due under any Transaction Document such that the Master Purchaser, each Lender, the Security Trustee and each Noteholder, as the case may be, receives the same amount that it would have received had there been no such withholding or deduction.

(c) All payments made to the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider by the Master Purchaser, any Lender, any Noteholder or, as the case may be, the Security Trustee or the Funding Agent under or in connection with any Transaction Document shall be made in full without any deduction or withholding in respect of Taxes (or otherwise) unless the deduction or withholding is required by law in which event the Master Purchaser, the relevant Lender, Noteholder or the Security Trustee or the Funding Agent, as the case may be, shall ensure that the deduction or withholding does not exceed the minimum amount legally required. For the avoidance of doubt, save as otherwise expressly provided in any Transaction Document none of the Master Purchaser, any Lender, any Noteholder or the Security Trustee or the Funding Agent shall be obliged to gross up any such payment following any such deduction or withholding.

Tax Credits

11.9 If any of the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider pays any additional amount (an ***Additional Payment***) under Clause 11.8 and the Master Purchaser, a Lender, the Security Trustee, a Noteholder or the Funding Agent, as the case may be, effectively obtains a refund of Tax or credit against Tax on its overall net income by reason of that Additional Payment (a ***Tax Credit***) and the Master Purchaser, the relevant Lender, the relevant Noteholder, the Security Trustee or the Funding Agent, as the case may be, is able to identify such Tax Credit as being attributable to such Additional Payment, then the Master Purchaser, the relevant Lender, the relevant Noteholder, the Security Trustee or the Funding Agent, as the case may be, shall reimburse the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider (as the case may be) such amount as the Master Purchaser, the relevant Lender, the relevant Noteholder, the Security Trustee or the Funding Agent, as the case may be, shall determine to be the proportion of such Tax Credit as will leave it, after that reimbursement, in no better or worse position than it would have been in if that Additional Payment had not been required. The Master Purchaser, the relevant Lender, the relevant Noteholder or the Funding Agent, as the case may be, shall use reasonable efforts to claim any Tax Credit and, if it does so claim, shall have absolute discretion as to the extent, order and manner in which it does so but shall in no circumstances be liable to the Seller, VEC, the Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider for not doing so.

After Tax Amount

11.10 In the event that any taxing authority seeks to charge to Tax any sum paid to the Master Purchaser, a Lender, a Noteholder, the Security Trustee or the Funding Agent as a result of the indemnities contained herein then the amount so payable shall be grossed up by such amount as will ensure that after payment of the Tax so charged (and taking account of the Tax effect of any loss giving rise to the right to such an indemnity) there shall be left a sum equal to the amount that would otherwise be payable under such indemnity or obligation.

12. Waivers; Remedies Cumulative

12.1 No failure or delay by any party hereto in exercising any right, power or privilege under any Transaction Document to which it is a party or available at law shall impair such right, power or remedy or operate as a waiver thereof. The single or partial exercise of any right, power or remedy under this Deed or any Transaction Document to which it is a party or at law shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy under this Deed or any Transaction Document to which it is a party or at law.

12.2 The rights of any party to any Transaction Document shall not be capable of being waived otherwise than by an express waiver in writing or by a waiver in such other form as may be agreed by the parties to the relevant Transaction Document for the purposes of minimising or avoiding liability to stamp tax.

12.3 The rights, powers and remedies provided in this Deed and any Transaction Document to which it is a party are cumulative and may be exercised as often as they are considered appropriate and are in addition to any rights and remedies provided by law.

13. Modification and Waiver

13.1 Subject to Clauses 13.2, 13.3 and 13.5 no amendment, modification or variation of any or all of the Transaction Documents shall be effective unless it is in writing and signed by or on behalf of each of the parties to the relevant Transaction Document to be so modified or varied or initialled for identification on behalf of such parties or in such other form as may be agreed by the parties to the relevant Transaction Document for the purposes of minimising or avoiding any liability to stamp tax.

13.2 The Funding Agent, the Collateral Monitoring Agent and the Security Trustee are each hereby authorised and instructed by each of the Lenders and the Noteholders to consent and agree to any amendment, modification or variation of any or all of the Transaction Documents or to any waiver of any provision of a Transaction Document:

(a) if such amendment, modification, variation or waiver is of a minor or technical nature where the Funding Agent, the Collateral Monitoring Agent or the Security Trustee (as applicable) is satisfied that such amendment, modification, variation or waiver would not be materially prejudicial to the interests of the Lenders and the Noteholders;

(b) if such amendment, modification, variation or waiver relates to a Lender Reserved Matter, where such amendment, modification, variation or waiver has been consented to in writing by each Lender affected by such Lender Reserved

Matter (with each of the Lender Reserved Matters listed at items (d), (e), (f), (g) and (h) of the definition thereof being deemed to affect all Lenders);

(c) if such amendment, modification, variation or waiver does not relate to a Lender Reserved Matter but relates to any matters involving a variation or amendment to the calculation or definition of the Net Receivables Pool Balance or the Adjusted Advance Rate Percentage, where such amendment, modification, variation or waiver has been consented to in writing by Lenders, the sum of whose Commitment Proportions is equal to or greater than $66^{2}/_{3}$ per cent.; and

(d) if such amendment, modification, variation or waiver is not of the type referred to in paragraphs (a), (b) or (c) above, where such amendment, modification, variation or waiver has been consent to in writing by the Majority Lenders.

13.3 Each of the Lenders and the Noteholders hereby agree that they shall upon request by any Seller, by the Parent, by the Master Purchaser or by the Funding Agent execute and deliver such documents as are necessary or desirable to give effect to any amendment, modification, variation or waiver which has been consented and agreed to by the Collateral Monitoring Agent in accordance with the provisions of Clause13.2.

13.4 If, in connection with any proposed modification, amendment, variation, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Majority Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a ***Non-Consenting Lender***), then the Parent may elect to replace any such Non-Consenting Lender as a Lender and a Noteholder pursuant to the Transaction Documents, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Parent and the Funding Agent shall agree, as of such date, to purchase in full for cash at their Principal Amount Outstanding together with any accrued by unpaid interest thereon or fees or amounts payable to the Non-Consenting Lender in respect thereof, the Notes held by the Non-Consenting Lender and to become a Lender and Noteholder for all purposes under the Transaction Documents and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements for transfer of the relevant Notes contained in the Variable Funding Agreement and the Conditions, and (ii) the Parent, VEC and each Seller shall pay to such Non-Consenting Lender in same day funds on the day of such replacement an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Clause 7 had the Notes of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

13.5 The Collateral Monitoring Agent and the Security Trustee may upon request by the Parent agree, without either recourse to, or the consent of, the Lenders or the Noteholders (or in the case of the Security Trustee any other Master Purchaser Secured Creditor), to such amendments, modifications and/or variations to the Transaction Documents as are necessary or desirable to include (subject always to their compliance with the Eligibility Criteria) as Eligible Receivables, Receivables owed by Obligors resident in Sweden or in a state of the United States of America or which are governed by the laws of Sweden or the laws of a state of the United States of America, as the case may be, provided that:

(a) in respect of a Receivable owed by an Obligor resident in Sweden or which is governed by Swedish law:

(i) notice of the assignment to the Master Purchaser or FCC Visteon (as applicable) in a form satisfactory to the Collateral Monitoring Agent has been given to the relevant Obligor;

(ii) a legal opinion in form and substance and from counsel satisfactory to the Collateral Monitoring Agent (and, in respect of matters directly affecting the Security Trustee, the Security Trustee) has been received, addressed to each of the Security Trustee, the Funding Agent and the Lenders, confirming that as a matter of Swedish law, and subject only to customary assumptions and qualifications, the assignment of such Receivable pursuant to the VC Receivables Purchase Agreement, the Master Receivables Purchase and Servicing Agreement or (if applicable) the FCC Master French Receivables Transfer and Servicing Agreement is valid and enforceable and would be recognised and enforced by the courts of Sweden and confirming such other matters as the Collateral Monitoring Agent may reasonably require; and

(iii) such amendments to the Transaction Documents are made as the Collateral Monitoring Agent determines are necessary or desirable to ensure that the Purchaser, the Master Purchaser or FCC Visteon (as applicable) has good title to or legal ownership of such Receivable as a matter of the laws of all applicable jurisdictions; and

(b) in respect of a Receivable owed by an Obligor resident in a state of the United States of America or which is governed by the law of a state of the United States of America:

(i) a legal opinion in form and substance and from counsel satisfactory to the Collateral Monitoring Agent (and, in respect of matters directly affecting the Security Trustee, the Security Trustee) has been received, addressed to each of the Security Trustee, the Funding Agent and the Lenders confirming that as a matter of the law of the applicable state of the United States of America, and subject only to customary assumptions and qualifications, the assignment of such Receivable pursuant to the VC Receivables Purchase Agreement, the Master Receivables Purchase and Servicing Agreement or (if applicable) the FCC Master French Receivables Transfer and Servicing Agreement is valid and enforceable and would be recognised and enforced by the courts of the relevant state of the United States of America and confirming such other matters as the Collateral Monitoring Agent may reasonably require;

(ii) such amendment to the Transaction Documents are made as the Collateral Monitoring Agent determines are necessary or desirable to ensure that the Purchaser, the Master Purchaser or FCC Visteon (as applicable) has good title to or legal ownership of such Receivable as a matter of the laws of all applicable jurisdictions; and

(iii) applicable UCC Financing Statements have been filed with the Recorder of Deeds of the District of Columbia in respect of the Purchaser and the

Master Purchaser and the Secretary of State of the State of Delaware in respect of VEC.

13.6 Neither the Collateral Monitoring Agent nor the Security Trustee shall be liable to any Lender or Noteholder or the Master Purchaser or FCC Visteon (as applicable) or any Master Purchaser Secured Creditor or to any other person for any consent given, or any act (or omission) in accordance with the provisions of Clause 13.5.

13.7 The Master Purchaser undertakes to the Parent that it shall not agree to any amendment, variation or modification to the terms of the Corporate Administration Agreement or the Cash Management Agreement without the prior written consent of the Parent.

14. Entire Agreement

Each and every Transaction Document sets out the entire agreement and understanding between the parties in respect of the subject matter of the agreements contained therein and supersedes any previous agreement between the parties relating to the subject matter therein. It is agreed that:

(a) no party has entered into any Transaction Document in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in any such Transaction Document;

(b) except for breach of an express representation or warranty under any Transaction Document no party shall have any claim or remedy under any of the Transaction Documents in respect of misrepresentation (whether negligent or otherwise, and whether made prior to or at the time of execution of the Transaction Documents) or untrue statement made by any other party;

(c) this Clause shall not exclude any liability for fraudulent misrepresentation.

15. No Liability

15.1 No recourse under any obligation, covenant, or agreement of any party (acting in any capacity whatsoever) contained in any Transaction Document shall be had against any shareholder, officer or director of the Master Purchaser, any Lender, any Noteholder, the Security Trustee, the Collateral Monitoring Agent, the MP Cash Manager, the Master Purchaser Transaction Account Bank or the Funding Agent as such, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that each Transaction Document is a corporate obligation of the relevant party and no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of any party as such, or any of them, under or by reason of any of the obligations, covenants or agreements contained in any Transaction Document, or implied therefore, and that any and all personal liability for breaches by such party of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby expressly waived by the other parties as a condition of and consideration for the execution of this Deed.

15.2 Each Party hereto agrees and acknowledges that they shall not assert, and each Party hereby waives, any claim against any Finance Party for special, indirect,

consequential or punitive damages arising out of, in connection with, or as a result of any Transaction Document or the transaction contemplated thereby.

16. No Petition

16.1 Each party hereto, other than the Issuer and the Security Trustee, hereby undertakes to the Issuer and the Security Trustee that it shall not, nor shall any party on its behalf, at any time institute against, or join any person in instituting against the Master Purchaser or any or all of the revenues and assets of such party any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law nor petition for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of it nor participate in any *ex parte* proceedings.

16.2 Each Party hereto, other than VC, the Master Purchaser and the Security Trustee, hereby undertakes to VC and the Security Trustee that it shall not, nor shall any party on its behalf, at any time institute against, or join any person in instituting against VC or any or all of the Revenues and assets of such party any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law nor petition for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of it nor participate in any ex parte proceedings.

17. Limited Recourse

17.1 Notwithstanding any other provision of this Deed and the other Transaction Documents, each Party agrees and acknowledges with the Issuer that, save as otherwise provided for in any Transaction Document:

(a) it will only have recourse in respect of any amount, claim or obligation due or owing to it by the Issuer (the ***Claims***) only to the extent of available funds pursuant to the Master Purchaser Priority of Payments as applicable and subject to the provisos in such Clauses, which shall be applied by the Security Trustee, subject to and in accordance with the terms thereof and after all other prior ranking claims in respect thereof have been satisfied and discharged in full;

(b) following the application of funds following enforcement of the security interests created under the Master Purchaser Deed of Charge, subject to and in accordance with the Master Purchaser Post-Enforcement Priority of Payments, the Issuer will have no assets available for payment of its obligations under the Master Purchaser Deed of Charge and the other Transaction Documents other than as provided for pursuant to the Master Purchaser Deed of Charge, and that any Claims will accordingly be extinguished to the extent of any shortfall; and

(c) the obligations of the Master Purchaser under the Master Purchaser Deed of Charge and the other Transaction Documents will not be obligations or responsibilities of, or guaranteed by, any other person or entity.

18. Conditions Precedent

18.1 The Transaction Documents shall not come into effect until the Collateral Monitoring Agent is satisfied that the conditions precedent specified in Part A of

Schedule 3 has been satisfied and/or delivered (as applicable) to the Collateral Monitoring Agent each in a manner or in a form and substance as is satisfactory to the Collateral Monitoring Agent.

18.2 Each of the Master Purchaser Secured Creditors hereby consents to the entry into after the Closing Date of the FCC Units Subscription Agreement together with each of the other FCC Documents to which it is expressed to be a party provided that (i) the terms of such documents provide that the obligations of the Master Purchaser under such FCC Documents shall not come into effect until the Collateral Monitoring Agent is satisfied that each of the conditions precedent specified in Part C of Schedule 3 have been satisfied or delivered (as applicable) and (ii) the Lenders have been provided with copies of the FCC Documents that are to entered into on or prior to the French Programme Commencement Date substantially in final form by no later than the date falling 5 Business Days prior to the date upon which such FCC Documents are to be signed or executed.

19. Miscellaneous Provisions

Evidence of indebtedness

19.1 In any proceeding, action or claim relating to any Transaction Document a statement as to any amount due which is certified as being correct by an officer of a Lender shall, unless otherwise provided in the Transaction Document or this Deed, or in the case of manifest error, be *prima facie* evidence that such amount is in fact due and payable.

Severability

19.2 Any provision of any Transaction Document or this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each of the parties hereto hereby waives any provision of law but only to the extent permitted by law which renders any provision of any Transaction Document prohibited or unenforceable in any respect.

Assignability

19.3 Save as specifically provided in any Transaction Document, none of the Sellers, VEC, the Servicers, the Parent. the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider shall be entitled to assign any of its rights or transfer any of its obligations under any of the Transaction Documents without the prior written consent of the Collateral Monitoring Agent, the Parent and of each Lender (and any attempted assignment or transfer by any such party shall be null and void).

19.4 Prior to the occurrence of a Termination Event, any Lender may (without the prior written consent of any party) assign its rights and/or transfer its obligations under the Transaction Documents if such assignment is made in accordance with any express provisions of such Transaction Document and is to:

(a) any Affiliate of that Lender; or

(b) any other Lender or any Affiliate of another Lender; or

(c) any other bank or financial institution approved in writing by the Parent (such approval not to be unreasonably withheld or delayed).

19.5 Following the occurrence of a Termination Event which has not been waived, any Lender may (without the prior written consent of any party) assign its rights and/or transfer its obligations under the Transaction Documents to any person provided that any such arrangement or transfer shall not increase the Master Purchaser's cost of funding and provided that such assignment and/or transfer is made in accordance with any express provisions of such Transaction Document.

19.6 Each assignor or transferor shall notify the Funding Agent and the Parent of any assignment or transfer under Clause 19.4 and/or Clause 19.5. Each assignor or transferor may, in connection with any such assignment or transfer, disclose to the assignee or transferee or potential assignee or transferee any information relating to the Sellers, VEC, the Servicers, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider, including the Receivables, furnished to such assignor or transferor by or on behalf of the Sellers, VEC, the Servicers, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider, provided that, prior to any such disclosure, the assignee or transferee or potential assignee or transferee agrees to observe the confidentiality of such information which is confidential in accordance with Clause 23.

No Set-Off

19.7 Except as otherwise provided in the Transaction Documents and subject to Clause 19.8, all payments required to be made under the Transaction Documents shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim, save as provided by mandatory provisions of law.

19.8 The Master Purchaser, each Lender, the Funding Agent and the Security Trustee may (in addition to any other rights it may have) at any time after a Termination Event or Potential Termination Event has occurred and is subsisting, set-off, appropriate and apply any deposits and any other indebtedness held or owing by such Person (acting in its capacity as such) to, or for the account of, a Seller, VEC, a Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider against any amount owing by any Seller, VEC, any Servicer, the Parent, VC Subordinated VLN Facility Provider or any Subordinated VLN Facility Provider, as the case may be, to such Person.

Release from German Law Restrictions

19.9 Any party to this Agreement organised under German law hereby releases any other party to any Transaction Document to which it grants any power of attorney or other authorisation under any Transaction Document from any restriction of double representation or self-dealing under any applicable law (in particular under section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*)).

20. Increase of Variable Funding Facility Limit

20.1 At any time during the Securitisation Availability Period, the Parent may, by written notice (a ***Facility Increase Notice***) to the Funding Agent (who shall promptly deliver a copy to each of the Lenders) and the Collateral Monitoring Agent request an increase to the Variable Funding Facility Limit (the amount of any such increase being an ***Incremental Facility Amount***) provided that both (A) at the time of such request and (B) upon the date upon which such increase is to come into effect:

(a) no Master Purchaser Event of Default, Termination Event or Potential Termination Event shall have occurred and not been waived;

(b) the increase would not result in the Variable Funding Facility Limit being in excess of USD350,000,000.

Such Facility Increase Notice shall set out the requested Incremental Facility Amount and shall offer each Lender the opportunity to increase their respective Maximum Commitment Amount so as to provide a commitment in respect of a portion of the Incremental Facility Amount by giving written notice of their acceptance of such offered increased Maximum Commitment Amount to the Collateral Monitoring Agent, the Funding Agent and the Parent within a time period (the ***Offer Period***) to be specified in the Facility Increase Notice provided that no Lender will have any obligation to so agree to an increase in their Maximum Commitment Amount. In the event that at the end of the Offer Period, Lenders shall have agreed to increase their respective Maximum Commitment Amounts by an aggregate amount less than the Incremental Facility Amount requested by the Parent, the Parent may request that the Variable Funding Facility Limit be increased by such lesser amount and/or shall have the right to arrange for one or more banks or financial institutions approved by the Collateral Monitoring Agent and the Funding Agent (such consent not to be unreasonably withheld or delayed) who are persons to whom Notes may be transferred in accordance with Condition 2) (any such bank or other financial institution being an ***Additional Lender***) to agree to extend a commitment to provide funding pursuant to the Variable Funding Agreement with a Maximum Commitment Amount applicable to such Additional Lender being a portion of the amount by which the Incremented Facility Amount exceeds the aggregate amount by which Lenders have agreed to increase their respective Maximum Commitment Amounts in accordance with this Clause 20.1.

20.2 The increase in any Lender's Maximum Commitment Amount agreed to pursuant to Clause 20.1 and the corresponding increase in the Variable Funding Facility Limit shall be conditional, and take effect, upon the execution by each of the Lenders who have agreed to increase their Maximum Commitment Amounts, the Collateral Monitoring Agent, the Security Trustee, the Funding Agent, the Parent and the Master Purchaser of an additional commitment agreement in a form satisfactory to the Collateral Monitoring Agent and the Security Trustee and the agreed commitment of any Additional Lender and the corresponding increase in the Variable Funding Facility Limit shall be conditional, and take effect, upon the execution by that Additional Lender of deeds of adherence to each of this Deed (in or substantially in the form set out in Schedule 6) and the Master Purchaser Deed of Charge (in or substantially in the form set out in Schedule 2 to the Master Purchaser Deed of Charge) and the execution by such Lender of a Noteholder Accession Letter in or substantially in the form set out in Schedule 5 to the Variable Funding Agreement.

20.3 Immediately following any increase in the Variable Funding Facility Limit, each Lender and Noteholder's respective Commitment Proportion shall be recalculated as the fraction (expressed as a percentage) calculated by dividing (A) that Lender or Noteholder's Maximum Commitment Amount (taking into account any increase in such amount agreed to in accordance with this Clause 20) by (B) the Variable Funding Facility Limit (taking into account any increase in such amount agreed to in accordance with this Clause 20).

20.4 Upon any Additional Lender becoming party to the Variable Funding Agreement in accordance with this Clause 20, the Master Purchaser agrees that it shall on the Settlement Date following the date upon which the Additional Lender becomes party to each of the Variable Funding Agreement, the Master Purchaser Deed of Charge and the Framework Deed it shall issue to such Additional Lender a Note in each Agreed Currency each with a par value equal to the Further Subscription Price stated to be payable by that Additional Lender in the Further Funding Request relating to such Settlement Date calculated by reference to that Additional Lender's Commitment Proportion of the total funding to be made available in that Agreed Currency and the Commitment Proportion of all other Lenders (as recalculated pursuant to Clause 20.3) provided that the Further Subscription Price so payable by any Additional Lender shall not be less than USD1,000 in respect of the USD Note issued to that Additional Lender, EUR1,000 in respect of the EUR Note issued to that Additional Lender and GBP1,000 in respect of the GBP Note issued to that Additional Lender. The Notes issued pursuant to this Clause 20.4 shall rank pari passu with and have the same terms as all other Notes issued by the Issuer pursuant to the Variable Funding Agreement.

20.5 In order to induce any Additional Lenders to provide a commitment to fund or to induce any Lenders to increase their respective Maximum Commitment Amount in accordance with this Clause 20, the Parent may give notice to the Funding Agent, the Collateral Monitoring Agent, the Master Purchaser (copied to the Lenders) of its intention to increase the interest rate applicable to the Notes which notice shall specify the rate of interest that shall accrue in respect of Notes in each Agreed Currency and with effect from the relevant effective date set out in any such notice, the Reference Rate for all Notes shall be such increased for Notes of the relevant agreed Currency rate as set out in such notice.

20.6 All costs, fees (including legal fees) and expenses of any party in connection with any increase in the Variable Funding Facility Limit made in accordance with this Clause 20 (including without limitation in connection with the preparation of any additional commitment agreement) shall be for the account of the Parent.

20.7 For the avoidance of doubt, nothing in this Clause 20 shall result in any Lender having an obligation to make a payment in respect of Initial Subscription Price or Further Subscription Price in circumstances where the conditions set out in Clause 4.2 of the Variable Funding Agreement are not satisfied on the date on which the payment of the Initial Subscription Price or the Further Subscription Price is to be made.

20.8 Each of the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent, the Parent and the Security Trustee agree that they shall execute and deliver such documents as are necessary to give effect to any increase in the Variable Funding Facility Limit, any increase in any Lender's Maximum Commitment Amount and/or the adherence of any Additional Lender to the Variable Funding Agreement, the Master

Purchaser Deed of Charge and/or the Framework Deed in each case in accordance with this Clause 20. Each of the Lenders (in respect of the Collateral Monitoring Agent and the Funding Agent) and each of the Master Purchaser Secured Creditors (in respect of the Security Trustee and the Master Purchaser) consent to and authorise the Collateral Monitoring Agent, the Funding Agent, the Security Trustee and the Master Purchaser to enter into such documentation without recourse to such Lender or Master Purchaser Secured Creditor (as the case may be) and none of the Master Purchaser, the Collateral Monitoring Agent, the Funding Agent nor the Security Trustee shall be liable to any Lender, Noteholder or Master Purchaser Secured Creditor or to any other person for any consent given or any act (or omission) in accordance with this Clause 20.

21. CASH FLOW MANAGEMENT

21.1 Each of the Sellers, the Subordinated VLN Facility Provider, the Master Purchaser and the Security Trustee hereby agree that on any day during the Securitisation Availability Period:

(a) a Seller may apply sums then due to it in a particular Agreed Currency (the ***Applicable Currency***) from the Master Purchaser in respect of Purchase Price against amounts to be paid by it in the Applicable Currency on such day (whether by advance of a loan, repayment of amounts owed by the Seller to the Subordinated VLN Facility Provider or otherwise);

(b) if a Seller, on any day, elects to exercise its right under Clause 1(a) by giving (or by the Master Servicer giving on its behalf) notice thereof in advance to the Master Purchaser, the Security Trustee, the MP Cash Manager and the Subordinated VLN Facility Provider, the Subordinated VLN Facility Provider shall apply the amounts referred to in (a) above to be paid to it by that Seller on such day against any Further Subordinated Advance to be made by it in the Applicable Currency on such day to the Master Purchaser pursuant to Clause 5 of the Subordinated VLN Facility Agreement; and

(c) upon exercise of the right of a Seller under paragraph (a) above, the obligation of the Master Purchaser to pay any amount of Purchase Price due to that Seller on such day in the Applicable Currency pursuant to the Master Receivables Purchase and Servicing Agreement shall be deemed to be satisfied to the extent of an amount equal to the amount payable on that day by the Seller to the Subordinated VLN Facility Provider without any requirement for cash movements from the Subordinated VLN Facility Provider to the Master Purchaser, from the Master Purchaser to the relevant Seller and from the relevant Seller to the Subordinated VLN Facility Provider.

21.2 Each of VEC, VC and the Master Purchaser agrees, and the Security Trustee hereby acknowledges, that on any day during the Securitisation Availability Period:

(a) the Master Purchaser shall apply the sums due to it in a particular Agreed Currency (the ***Applicable Currency***) from VEC in respect of Collections against amounts to be paid by it in the Applicable Currency on such day to VC in respect of the Purchase Price (subject to Clause 21.4 below) or the Advance Purchase Price pursuant to Clause 3.6 of the Master Receivables Purchase and Servicing Agreement;

(b) VC shall apply the amounts referred to in paragraph (a) above to be paid to it by the Master Purchaser on such date against any VC Purchase Price (subject to Clause 21.5 below) or the VC Advance Purchase Price to be paid by it in the Applicable Currency on such day to VEC pursuant to Clause 3.6 of the VC Receivables Purchase Agreement;

(c) upon the application of amounts in accordance with paragraph (a) above, the obligation of VEC to pay any amount of Collections due to the Master Purchaser on such date in the Applicable Currency pursuant to the Master Receivables Purchase and Servicing Agreement shall be deemed to be satisfied to the extent of an amount equal to the amount payable on that date by the Master Purchaser to VC without any requirement for cash movement from VC to VEC, from VEC to the Master Purchaser and from the Master Purchaser to VC;

21.3

(a) To the extent the Collections received by VEC into the relevant Deposit Account of VEC are not sufficient for the purposes set out in Clause 21.2 above:

(i) the Master Purchaser shall, subject to Clause 21.4, pay VC the Purchase Price (or, if applicable, the Advance Purchase Price) in the relevant Applicable Currency; and

(ii) VC shall, subject to Clause 21.5 pay VEC the VC Purchase Price (or, if applicable, the VC Advance Purchase Price) in the Applicable Currency,

on the Settlement Date immediately following the end of the Determination Period in which the Purchase Date for such Purchased Receivables falls.

(b) In order to better ensure a swift and efficient settlement of the Purchase Price in accordance with paragraph (a)(i) and the VC Purchase Price in accordance with (a)(ii), the Master Purchaser shall transfer to the VEC Account (or such other account as is nominated by VEC) on the Settlement Date immediately following the end of the Determination Period in which the Purchase Date for such Purchased Receivables falls, an amount equal to that amount required to be transferred in accordance with paragraph (a)(ii) above. Each of VEC, VC and the Master Purchaser agrees, and the Security Trustee acknowledges, that the transfer of such amount to VEC shall discharge *pro tanto* the obligations set out under paragraphs (a)(i) and (a)(ii) above.

21.4 The Master Purchaser and VC hereby agree that on each day an account shall be taken of the amount due by the Master Purchaser to VC under Clause 3.1 of the Master Receivables Purchase and Servicing Agreement in respect of the Purchase Price in the relevant Agreed Currency and the amount due by VC to the Master Purchaser under the VC Subordinated VLN Facility Agreement in such Agreed Currency, and the amount due from one party shall be set-off against the amount due from the other and only the balance of the account shall be payable (by the party

having the claim for the lower amount pursuant to the foregoing) and such balance shall be due and payable by such party on such day.

21.5 VEC and VC hereby agree that on each day an account shall be taken of the amount due by VC to VEC under Clause 3.1 of the VC Receivables Purchase Agreement in respect of the VC Purchase Price in the relevant Agreed Currency and the amount due by VEC to VC in respect of any capital contribution in such Agreed Currency, and the amount due from one party shall be set-off against the amount due from the other and only the balance of the account shall be payable (by the party having the claim for the lower amount pursuant to the foregoing) and such balance shall be due and payable by such party on such day.

22. Counterparts

Each of the Transaction Documents, including this Deed, can, to the extent permitted by the governing law of such Transaction Document, be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

23. Confidentiality

None of the parties shall, and they shall procure that none of their agents or representatives shall, during the continuance of any of the Transaction Documents or after the termination of any of them, disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party to this Deed of which it may in the course of its duties under this Deed or any Transaction Document or otherwise have become possessed and all the parties shall use all reasonable endeavours to prevent any such disclosure, provided however that the provisions of this Clause 23 shall not apply:

(a) to the disclosure of any information which is expressly permitted or required by the Transaction Documents to any person who is a party to any of the Transaction Documents or is required in relation to the transactions envisaged by the Transaction Documents;

(b) to the disclosure of any information already known to the recipient otherwise than as a result of entering into or negotiating any of the Transaction Documents provided that the recipient has not, to the knowledge of the party disclosing information, acquired such information in breach of any contractual obligation of confidentiality;

(c) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;

(d) to the extent that the recipient is required to disclose the same pursuant to any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory authority (including any official bank examiners or regulators) or stock exchanges;

(e) to the extent that the recipient needs to disclose the same for the protection or enforcement of any of its rights under any of the Transaction Documents;

(f) to the disclosure of any information to any provider of liquidity, credit enhancement, hedging or other facilities (subject to them being informed of the confidential nature of such information and being subject to confidentiality restrictions consistent with this Clause 23);

(g) to the disclosure of any information to professional advisers or auditors who receive the same under a duty of confidentiality;

(h) to the disclosure of any information with the written consent of the parties hereto in form and substance satisfactory to the Funding Agent;

(i) to the disclosure of any information reasonably disclosed to a prospective Lender, or any prospective permitted assignee or transferee of a party's rights or obligations under any Transaction Document (provided it is disclosed on the basis that the recipient will hold it confidential and will not use it in the course of its business); and

(j) to the disclosure of information to any and all Persons by the Seller, the Parent and the Servicer relating to the U.S. tax treatment and U.S. tax structure of the transactions contemplated by the Transaction Documents.

24. Contracts (Rights of Third Parties) Act 1999

In relation to each Transaction Document governed by English law, a person who is not a party to such Transaction Document shall, unless otherwise expressly provided in a Transaction Document, have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms thereof.

25. Security Trustee Party to Transaction Documents

Better preservation and enforcement of rights

25.1 Except where any Transaction Document provides otherwise, the Security Trustee has agreed to become a party to each Transaction Document to which it is a party for the better preservation and enforcement of its rights under such Transaction Document and shall not assume any liabilities or obligations under any Transaction Document unless such obligation or liability is expressly assumed by the Security Trustee in such Transaction Document.

Security Trustee has no responsibility

25.2 The Security Trustee shall not have any responsibility for any of the obligations of the other Transaction Parties and the other Transaction Parties acknowledge that the Security Trustee has no such responsibility and that the Security Trustee is entitled to the protections contained in and on the terms set out in the Master Purchaser Deed of Charge.

Reasonableness

25.3 Any reference in any Transaction Document involving compliance by the Security Trustee in the discharge of its powers, duties and discretions contained in such Transaction Document with a test of reasonableness (including without limitation any reference in any Transaction Document to costs, expenses or fees being "reasonably incurred") shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of such of the Master Purchaser Secured Creditors as are determined by the Trustee in its discretion having regard to any relevant conflict and priorities provisions in the Master Purchaser Deed of Charge;

Master Purchaser Deed of Charge governs Security Trustee

25.4 Each of the parties hereto agree that the exercise or performance or non-exercise or non-performance of any of the trusts, powers, authorities, duties, discretions or obligations of, or the giving of any consents by the Security Trustee and the Security Trustee's liability in relation to the same shall in the case of each Transaction Document to which it is a party be subject to the detailed provisions of the Master Purchaser Deed of Charge and in the event of any conflict, the provisions of the Master Purchaser Deed of Charge shall prevail.

26. Change of Security Trustee

If there is an appointment of a successor Security Trustee in accordance with the terms of the Master Purchaser Deed of Charge each of the Transaction Parties shall execute such documents and take such action as the successor Security Trustee and the outgoing Security Trustee may reasonably require for the purposes of vesting in the successor Security Trustee, the benefit of the Transaction Documents and the rights, powers and obligations of the Security Trustee under the Transaction Documents, and releasing the outgoing Security Trustee from its future obligations under the Transaction Documents.

27. Trustee Act

In relation to each Transaction Document governed by English law and creating or purporting to create a trust or fiduciary relationship, the parties hereto agree that to the fullest extent permitted by law, none of the provisions of the Trustee Act 2000 shall apply to the trust or fiduciary relationship created by such Transaction Document or to the role of the trustee or fiduciary in relation to such trust or fiduciary relationship. The disapplication of the Trustee Act 2000 as provided by this Clause 27 shall constitute an exclusion of the provisions of the Trustee Act 2000 for the purposes of that act.

28. Governing Law

This Deed is governed by, and shall be construed in accordance with, the laws of England.

[page intentionally left blank]

In Witness of which this Deed has been executed and delivered as a deed by the parties to it on the date above mentioned.

The Parent

EXECUTED and **DELIVERED** as a	)
DEED by **VISTEON CORPORATION**	)
a company incorporated under the laws of	)
the State of Delaware by	)
being a person who in accordance with	)
the laws of that territory, is acting under	)
the authority of the company	)

Witness:

Name:

Address:

The Subordinated VLN Facility Provider

EXECUTED and **DELIVERED** as a	)
DEED by **VISTEON NETHERLANDS**	)
FINANCE B.V. a company incorporated	)
in The Netherlands by	)
being a person who in accordance with	)
the laws of that territory, is acting under	)
the authority of the company	)

Witness:

Name:

Address:

The Sellers and the Servicers

EXECUTED and **DELIVERED** as a)
DEED by **VISTEON DEUTSCHLAND GMBH**)
a company incorporated in Germany)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

EXECUTED and **DELIVERED** as a)
DEED by **VISTEON SYSTEMES**)
INTERIEURS S.A.S.)
a company incorporated in France)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by)
as duly authorised attorney)
for and on behalf of)
VISTEON UK LIMITED)
in the presence of:)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by **VISTEON ARDENNES**)
INDUSTRIES S.A.S.)
a company incorporated in France)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by **VISTEON SISTEMAS**)
INTERIORES ESPAÑA, S.L.U.)
a company incorporated in Spain)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by **CÁDIZ ELECTRÓNICA, S.A.U.**)
a company incorporated in Spain)
by)
being a person who in accordance with)
the laws of that territory, is acting under)
the authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a)
DEED by)
as duly authorised attorney)
for and on behalf of)
VISTEON PORTUGUESA LIMITED)
in the presence of:)

Witness:

Name:

Address:

A Seller and VC Subordinated VLN Facility Provider

SIGNED, SEALED and **DELIVERED** as a	)
DEED by **VC RECEIVABLES FINANCING**	)
CORPORATION LIMITED	)
a company incorporated in Ireland acting by,	)
	)
	)
being a person who in accordance with	)
the laws of that territory, is acting under	)
the authority of the company	)

Witness:

Name:

Address:

The Master Servicer, VEC and US Sub-Servicer

EXECUTED and **DELIVERED** as a	)
DEED by **VISTEON ELECTRONICS**	)
CORPORATION a company incorporated	)
under the laws of the State of Delaware	)
by	)
being a person who in accordance with	)
the laws of that territory, is acting under	)
the authority of the company	)

Witness:

Name:

Address:

The Lenders and Noteholders

EXECUTED and **DELIVERED** as a)
DEED by **CITIBANK, N.A.**, a national banking)
association organised under the banking laws)
of the United States of America, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a **DEED**)
by **UBS AG, LONDON BRANCH,** a)
company incorporated under the laws of)
Switzerland, acting by)
and)
being persons who, in accordance with the)
laws of that territory, are acting under the)
authority of the company

EXECUTED and **DELIVERED** as a **DEED**)
by **BNP PARIBAS,** a company incorporated)
under the laws of France, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **BNP PARIBAS, DUBLIN BRANCH** a)
company incorporated under the laws of)
France, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **JPMORGAN CHASE BANK, N.A.,**)
acting by)
)
being a person who, in accordance with the)
laws of the territory of its incorporation, is)
acting under the authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **BANK OF AMERICA, N.A.,** a company)
incorporated under the laws of the United)
States of America, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **CREDIT SUISSE,** acting by)
)
being a person who, in accordance with the
laws of the territory of its incorporation, is)
acting under the authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **DEUTSCHE BANK AG LONDON** a)
company incorporated under the laws of)
Germany, acting by)
and)
being persons who, in accordance with the)
laws of that territory, are acting under the)
authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **THE BANK OF NEW YORK**)
MELLON, a company incorporated under)
)
the laws of New York, acting by)
being a person who, in accordance with the
laws of that territory, is acting under the)
authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **WACHOVIA CAPITAL FINANCE**)
CORPORATION (CENTRAL), acting by)
)
being a person who, in accordance with the)
laws of the territory of its incorporation, is)
acting under the authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **THE CIT GROUP/BUSINESS**)
CREDIT, INC., acting by)
)
being a person who, in accordance with the)
laws of the territory of its incorporation, is)
acting under the authority of the company)

EXECUTED and **DELIVERED** as a **DEED**)
by **KINGS CROSS ASSET FUNDING**)
NO. 6 SARL, acting by)
)
being a person who, in accordance with the)
laws of the territory of its incorporation, is)
acting under the authority of the company)

The Master Purchaser and the Issuer

SIGNED, SEALED and **DELIVERED** as a)
DEED by **VISTEON FINANCIAL**)
CENTRE P.L.C. a company incorporated in)
Ireland, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

Witness:

Name:

Address:

The Funding Agent

EXECUTED and **DELIVERED** as a **DEED**)
by)
)
as duly authorised attorney for and on behalf)
of **CITIBANK INTERNATIONAL PLC**)
in the presence of)

Witness:

Name:

Address:

The Collateral Monitoring Agent

EXECUTED and **DELIVERED** as a **DEED**)
by **CITICORP USA, INC.,** a company)
incorporated under the laws of the State of)
Delaware, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

Witness:

Name:

Address:

The Security Trustee

EXECUTED and **DELIVERED** as a **DEED**)
under the **COMMON SEAL** of **THE LAW**)
DEBENTURE TRUST CORPORATION)
P.L.C. in the presence of:)

Director:

Authorised Signatory:

The Master Purchaser Transaction Account Bank and the MP Cash Manager

EXECUTED and **DELIVERED** as a **DEED**)
by **CITIBANK, N.A.** a national banking)
association organised under the banking laws)
of the United States of America, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

Witness:

Name:

Address:

The Corporate Administrator

SIGNED, SEALED and **DELIVERED** as a)
DEED by **WILMINGTON TRUST SP**)
SERVICES (DUBLIN) LIMITED, a)
company incorporated in Ireland, acting by)
)
being a person who, in accordance with the)
laws of that territory, is acting under the)
authority of the company)

Witness:

Name:

Address:

SCHEDULE 1

TERMINATION EVENTS

The occurrence of any of the following events shall constitute a Termination Event:

(a) **Non Payment**: any Seller, VEC or the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider fails to make any payment due by it under the Transaction Documents when due and such failure remains unremedied for 2 Business Days;

(b) **Misrepresentation:** any representation or warranty other than a Receivables Warranty made or deemed to be made by a Seller, VEC, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider under or in connection with this Deed or any other Transaction Document to which it is a party or any certification made by any officer, director or other authorised signatory of a Seller, VEC, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider under or in connection with any Transaction Document or any information or report delivered by a Seller, VEC, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider pursuant to this Deed or any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered and such breach (if capable of remedy) has not been remedied within 5 Business Days of the breach;

(c) **Breach of Obligations:** any Seller, VEC, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider shall fail to perform or observe any other term, covenant or agreement contained in this Deed or any other Transaction Document on its part to be performed or observed and any such failure (if capable of remedy) remains unremedied for 30 days;

(d) **Cross-default**: any default or other event shall occur or condition shall exist under any agreement or instrument relating to any Debt of a Seller, VEC, the VC Subordinated VLN Facility Provider , the Subordinated VLN Facility Provider or the Parent, and, as a result of such event or condition, results in a default of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof in each case, subject in the case of a Seller, VEC, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider to a threshold amount of USD 10,000,000 and in the case of the Parent subject to a threshold amount of USD 50,000,000 (or in each case its equivalent in any other currency);

(e) **Valid Security**: either:

(i) the Master Purchaser Secured Creditors shall, for any reason cease to have a valid and perfected first priority Encumbrance in all of the property, assets and rights of any kind of the Master Purchaser; or

(ii) any Account Control Agreement does not, or ceases to create, a valid and perfected first priority Encumbrance in favour of the Master Purchaser or the Security Trustee (as applicable) in respect of the Deposit Accounts or such other assets to which such Account Control Agreement relates subject in each case to the grace periods of 60 days permitted by Clauses 18(o) and 18(p) of the Master Receivables Purchase and Servicing Agreement in relation to the implementation of the Account Control Agreements; or

(iii) for any reason the Security Trustee certifies that in its opinion (having taken appropriate legal advice) the Master Purchaser Secured Property or the Master Purchaser Security Documents are in danger of being taken under any process of law or the Master Purchaser Secured Property is or may be in jeopardy in any respect considered by the Security Trustee to be material;

(f) **Invalidity**: any provision of any of the Transaction Documents is, or becomes, for any reason, invalid or unenforceable and the Master Purchaser, the Funding Agent, the Lenders, the Noteholders and/or the Security Trustee would be materially prejudiced by such provision becoming invalid or unenforceable;

(g) **Change of control**: a Change of Control occurs;

(h) **Judgment**: one or more judgments for the payment of money (except to the extent covered by insurance as to which the insurer has acknowledged such coverage in writing) exceeding the aggregate amount of (in the case of the Parent) USD 50,000,000 or (in the case of a Seller, VEC, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider) USD 10,000,000 (or in each case its equivalent in any other currency) shall be rendered against the Parent, a Seller, VEC, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be taken by a judgment creditor to attach or levy upon any assets of any Seller, VEC, the Parent, the VC Subordinated VLN Facility Provider or any Subordinated VLN Facility Provider to enforce any such judgment;

(i) **Material Adverse Change:** the occurrence of any event or series of events (whether related or not), or any action by the Parent, a Seller, VEC, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider which in the reasonable opinion of the Collateral Monitoring Agent will have a Material Adverse Effect;

(j) **Servicer Default:** any Servicer Default occurs;

(k) **Master Purchaser Event of Default:** any Master Purchaser Event of Default occurs and has not been waived;

(l) **Change in Law:** any enactment or supplement or amendment to, or change in, the laws of any Eligible Country, or any official communication of previously not existing or not publicly available official interpretation, or any change in the official interpretation, implementation or application of such laws, in each case that becomes effective on or after the Closing Date, as a result of which any event occurs which will have a Material Adverse Effect on the enforceability, collectability or origination of the Receivables in aggregate or on the ability of any party to perform its obligations under the Transaction Documents;

(m) **Legal Process, Attachment**: all or any part of the property, business, undertakings, assets or revenues of either of any Seller, VEC, any Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider having an aggregate value in excess of (in the case of the Parent) USD50,000,000 (in the case of a Seller, VEC, a Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider) USD 10,000,000 (or in each case its equivalent in any other currency) has been attached as a result of any distress or execution being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within sixty (60) days, unless in any such case the Collateral Monitoring Agent certifies that in its reasonable opinion such event will not materially prejudice the ability of the Parent, such Seller, VEC, such Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider to observe or perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Receivables;

(n) **Insolvency**: the Parent, any Seller, VEC, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider is or becomes or is declared to be Insolvent or subject to any Insolvency Proceedings;

(o) **Encumbrance:** any Seller, VEC, the Parent, any Servicer. the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider creates or grants any Encumbrance or permits any Encumbrance to arise over or in relation to:

(i) any Receivable;

(ii) any right, title or interest of the Master Purchaser in relation to a Receivable;

(iii) any proceeds of or sums received or payable in respect of a Receivable; or

(iv) the interest of the Master Purchaser in any amount from time to time standing to the credit of the Deposit Accounts,

other than the Seller Permitted Encumbrances (or in the case of VEC, VEC Permitted Encumbrances);

(p) **Dispute:** (i) any Seller disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Master Receivables Purchase and Servicing Agreement and as a result, in the reasonable opinion of the Collateral Monitoring Agent, there is, or could be, a Material Adverse Effect on the ability of that Seller and/or any Servicer to perform their respective obligations under the Transaction Documents or the enforceability, collectability or origination of the Receivables is or could be materially prejudiced or (ii) VEC disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivables under the VC Receivables Purchase Agreement and as a result, in the reasonable opinion of the Collateral Monitoring Agent, there is, or could be, a Material Adverse Effect on the ability of VEC and/or any Servicer to perform their respective obligations under the Transaction Document or the enforceability, collectability or origination of the Receivables is or could be materially prejudiced;

(q) **Illegality:** it becomes impossible or unlawful for any Seller, VEC, any Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Collateral Monitoring Agent, there is, or is likely to be, a Material Adverse Effect on the ability of such Seller, VEC, such Servicer, the Parent, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider to perform their respective obligations under the Transaction Documents or the enforceability, collectability or origination of the Receivables is or is likely to be materially prejudiced;

(r) **Litigation:** proceedings have been commenced against the Parent, any Seller, VEC, any Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider or any member of the Visteon Group in any court, arbitral tribunal or public or administrative body or otherwise in each case which, if adversely determined, could reasonably be expected to result in the Parent, any Seller, VEC, any Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider or other member of the Visteon Group being required to pay at least (in the case of the Parent) USD50,000,000 or (in the case of any Seller, VEC, any Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider) USD10,000,000 (or in each case its equivalent in any other currency), but excluding, in each case, (i) any proceeding which is of a vexatious or frivolous nature and is being disputed in good faith by the Parent, any Seller, VEC, any Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider or the relevant member of the Visteon Group as the case may be and (ii) proceedings (x) which have been dismissed or (y) in respect of which final judgment not subject to appeal has been rendered or final settlement made and in respect of which the Parent, any Seller, VEC, any Servicer, the VC Subordinated VLN Facility Provider or the Subordinated VLN Facility Provider or the relevant member of the Visteon

Group, as the case may be, has paid the amount required to be paid by it pursuant to such judgment or settlement in full; and

(s) **FCC Termination Event:** the occurrence of a termination event (*cas de resiliation*) under the FCC Regulations, the FCC Master French Receivables Transfer and Servicing Agreement or other FCC Document.

SCHEDULE 2

SERVICER DEFAULTS

The occurrence of any of the following events shall constitute a Servicer Default:

(a) Any Servicer:

(i) shall fail to make when due any payment or deposit to be made by it under the Master Receivables Purchase and Servicing Agreement and such failure remains unremedied for 2 Business Days; or

(ii) shall fail to observe any term, covenant or agreement contained in the first sentence of Clause 17.1 of the Master Receivables Purchase and Servicing Agreement and such failure remains unremedied for 2 Business Days; or

(iii) shall fail to deliver any Master Servicer Report when required and such failure shall remain unremedied for two (2) Business Days (or in the event that the failure to deliver any Master Servicer Report is due solely to computer or other technical failure in generating such report, 3 Business Days or such longer period as the Collateral Monitoring Agent may agree in writing, such agreement not to be unreasonably withheld or delayed); or

(iv) shall otherwise fail to perform or observe any other term, covenant or agreement under the Master Receivables Purchase and Servicing Agreement and such failure, if capable of remedy in the opinion of the Collateral Monitoring Agent, shall remain unremedied for 5 Business Days.

(b) Any representation or warranty made or deemed made by any Servicer under or in connection with the Master Receivables Purchase and Servicing Agreement or any other Transaction Document or any information or report delivered by the Servicer pursuant to the Master Receivables Purchase and Servicing Agreement or any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered and such breach (if capable of remedy) has not been remedied within 5 Business Days.

(c) Any Servicer becomes Insolvent or becomes subject to any Insolvency Proceedings.

(d) An event shall occur or condition shall exist under any agreement or instrument relating to any Debt of any Servicer which is outstanding in a principal amount of at least USD 10,000,000 (or equivalent value in any other currency) in the aggregate and, as a result of such event or condition, the maturity of such Debt is accelerated; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled

required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof.

(e) There shall have occurred any event which causes an Account Control Agreement to cease to be in full force and effect or any Account Control Agreement ceases to be a valid, first priority, perfected Encumbrance save if resulting from any release made in accordance with the provisions of any Transaction Document.

(f) There shall have occurred any event which may materially adversely affect the ability of the Servicer to collect Purchased Receivables or otherwise perform its obligations under the Master Receivables Purchase and Servicing Agreement and the other Transaction Documents or any provision of any Transaction Document applicable to the Servicer shall cease to be effective and valid and binding on the Servicer.

(g) One or more judgments for the payment of money in an aggregate amount in excess of USD 10,000,000 (or equivalent value in any other currency) (except to the extent covered by insurance as to which the insurer has acknowledged such coverage in writing) shall be rendered against any Servicer or any of its Subsidiaries or any combination thereof, and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be taken legally and validly by a judgment creditor to attach or levy upon any assets of that Servicer or any of its Subsidiaries to enforce any such judgment.

A Servicer Default shall not occur until any applicable grace period or cure period has expired. If a replacement servicer is in place within the applicable cure period, then the related potential Servicer Default shall be deemed to have been cured.

SCHEDULE 3

CONDITIONS PRECEDENT

Part A
Initial Conditions Precedent

(a) Completion and execution of documentation mutually satisfactory to the Parent and the Collateral Monitoring Agent including the Parent Undertaking.

(b) Completion of due diligence and audit in respect of the Parent and the Sellers satisfactory to the Collateral Monitoring Agent.

(c) All fees and expenses (including reasonable fees and expenses of counsel) required to be paid to the Joint Lead Arrangers, the Security Trustee, the Collateral Monitoring Agent, the Funding Agent and the Lenders on or before the Closing Date shall have been paid.

(d) The absence of a material adverse change, or any event or occurrence which could reasonably be expected to result in a material adverse change, in (i) the business, financial condition, property, or operations, of the Parent and its subsidiaries, taken as a whole, since 31 December 2005, (ii) the ability of the Parent or any of its Subsidiaries to perform their respective obligations under the Transaction Documents or (iii) the ability of the Funding Agent, the Collateral Monitoring Agent, the Security Trustee or the Lenders to enforce any of the Transaction Documents (subject to any limitations on enforcement described in the legal opinions described in paragraphs (j) to (v) (inclusive) below).

(e) No circumstance, change or condition (including the continuation of any existing condition) shall exist in the loan syndication, financial or capital market conditions generally that, in the Joint Lead Arrangers' judgment, would materially impair syndication of the Variable Funding Facility.

(f) The accuracy and completeness of all representations set forth in the Transaction Documents.

(g) Compliance with the terms of the Commitment Letters and the Fee Letters, including, without limitation, the payment in full of all fees, expenses and other amounts payable under the Commitment Letters and the Fee Letters on or prior to the Funding Date.

The Parent, the Subordinated VLN Facility Provider and the Sellers

(h) With respect to the Parent, the Subordinated VLN Facility Provider and each Seller the provision of:

(i) Copies of the latest versions of its constitutional documents certified by a director to be a true and up to date copy of the original.

(ii) As applicable, up to date Commercial Register excerpts dated no earlier than 6 calendar months prior to the date hereof.

(iii) Certified copies of the resolutions of its board of directors, in form and substance satisfactory to the Collateral Monitoring Agent, authorising the execution, delivery and performance of the Transaction Documents to be entered into by the Parent, the Subordinated VLN Facility Provider or such Seller, certified as of the Funding Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(iv) A certified copy of any power of attorney of the Parent, the Subordinated VLN Facility Provider and each Seller granted by it to the attorneys, officers or other employees of the Seller authorised to sign the Transaction Documents on its behalf.

(v) A Solvency Certificate in respect of the Parent and each Seller (other than the French Sellers) in the applicable form set out in Schedule 4 to the Master Receivables Purchase and Servicing Agreement.

(vi) A copy of the annual report for the Parent for the year 2005 (including audited accounts).

The Master Purchaser

(i) With respect of the Master Purchaser the provision of:

(i) Copies of the latest version of the memorandum and articles of association of the Master Purchaser together with its certificate of incorporation, its certificate of entitlement to commence trading and any certificate of change of name certified by the company secretary or a director of the Master Purchaser to be a true and up to date copy of the original.

(ii) Copies of the resolutions of the board of directors of the Master Purchaser authorising the execution, delivery and performance of the Transaction Documents to be entered into by the Master Purchaser, certified by the company secretary or a director of the Master Purchaser as of the Funding Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(iii) A certificate as to the incumbency and signature of the officers or other employees authorised to sign the Transaction Documents on behalf of the Master Purchaser and any certificate or other document to be delivered pursuant thereto, certified by the company secretary or a director of the Master Purchaser together with evidence of the incumbency of such company secretary or director.

Legal Opinions

(j) A legal opinion of Freshfields Bruckhaus Deringer LLP addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of English law as to the enforceability of the Transaction Documents governed by English law and other relevant matters.

(k) A legal opinion of Freshfields Bruckhaus Deringer LLP addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of German law as to the enforceability of the Transaction Documents governed by German law and other relevant matters.

(l) A legal opinion of Freshfields Bruckhaus Deringer LLP addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated prior to the Funding Date as to matters of Spanish law as to the enforceability of the Transaction Documents governed by Spanish law and other relevant matters.

(m) A legal opinion of António Frutuoso de Melo e Associados, Sociedade de Advogados RL addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of Portuguese law as to the enforceability of the Transaction Documents governed by Portuguese law and other relevant matters.

(n) A legal opinion of Freshfields Bruckhaus Deringer LLP addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of Belgian law as to the effectiveness of the assignments in respect of Belgian debtor receivables and other relevant matters.

(o) A legal opinion of Freshfields Bruckhaus Deringer LLP addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of Dutch law as to the effectiveness of the assignments in respect of Dutch debtor receivables and other relevant matters.

(p) A legal opinion of McCann Fitzgerald addressed to the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of Irish law in respect of the due incorporation and corporate capacity of the Master Purchaser, due execution and authorisation of the Transaction Documents to which it is a party and other relevant matters.

(q) A legal opinion of Kirkland & Ellis International LLP addressed to the Parent, the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of English law in respect of the corporate existence and authority of the English Seller, due execution of the Transaction Documents to which it is a party, and other relevant matters.

(r) A legal opinion of Kirkland & Ellis International LLP addressed to the Parent, the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of German law in respect of the corporate existence

and authority of the German Seller, due execution of the Transaction Documents to which it is a party, and other relevant matters.

(s) A legal opinion of Uría Menéndez Abogados, S.L.P. addressed to the Parent, the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of Spanish law in respect of the corporate existence and authority of the Spanish Sellers, due execution of the Transaction Documents to which it is a party, and other relevant matters.

(t) A legal opinion of Kirkland & Ellis addressed to the Parent, the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of the law of the State of Delaware and applicable Federal law of the United States of America in respect of the corporate existence and corporate power of the Parent, due execution of the Transaction Documents to which it is a party, and other relevant matters.

(u) A legal opinion of Nauta Dutilh N.V. addressed to the Parent, the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of Dutch law in respect of the corporate existence and authority of the Subordinated VLN Facility Provider, due execution of the Framework Deed, the Subordinated VLN Facility Agreement and the Master Purchaser Deed of Charge and other relevant matters.

(v) A legal opinion of White & Case, Paris addressed to the Parent, the Issuer, the Security Trustee, the Lenders and the Funding Agent dated the Closing Date as to matters of French law in respect of the corporate existence and authority of the French Sellers, due execution of the Framework Deed, the Subordinated VLN Facility Agreement and the Master Purchaser Deed of Charge and other relevant matters.

General

(w) Due execution and delivery of each of the Transaction Documents (other than the FCC Documents) by the respective parties thereto, and all documentation to be delivered therewith or pursuant thereto on or prior to the Funding Date.

Part B
Conditions Precedent to All Purchases

Each purchase (including the initial purchase) shall be subject to the further Conditions Precedent that on the date of such purchase the following statements shall be true:

(a) in respect of Receivables purchased under the Master Receivables Purchase and Servicing Agreement, the representations and warranties contained in Schedule 1 to the Master Receivables Purchase and Servicing Agreement are correct on and as of the date of such purchase as though made on and as of such date except for a representation or warranty that relates only to an earlier date in which case such representation or warranty shall be correct as at such earlier date and in respect of Receivables purchased under the VC Receivables

Purchase Agreement, the representations and warranties contained in Schedule 1 to the VC Receivables Purchase Agreement are correct on and as of the date of such purchase as though made on and as of such date except for a representation or warranty that relates only to an earlier date in which case such representation or warranty shall be correct as at such earlier date;

(b) no event has occurred and is continuing, or would result from such purchase or reinvestment, that constitutes a Termination Event or a Potential Termination Event,

and that the Collateral Monitoring Agent, the Funding Agent and the Master Purchaser shall have received such other approvals, opinions or documents as any of them may reasonably request;

Part C
Conditions Precedent to Purchases of French Receivables

(a) FCC Visteon has been established, all FCC Documents required to be entered into on or prior to the French Programme Commencement Date have been executed and delivered (in a form approved by the Collateral Monitoring Agent) and all conditions precedent to purchase of Receivables by the FCC Visteon (as set out in the FCC Documents) have been satisfied.

(b) A legal opinion of Freshfields Bruckhaus Deringer LLP addressed to the Issuer, the Security Trustee and the Funding Agent dated the French Receivables Commencement Date as to matters of French law as to the enforceability of the Transaction Documents governed by French law and other relevant matters.

(c) A legal opinion of White & Case, Paris addressed to the Parent, the Issuer, the Security Trustee and the Funding Agent dated the French Receivables Commencement Date as to matters of French law in respect of the corporate existence and authority of the French Sellers, due execution of the Transaction Documents to which it is a party, and other relevant matters.

SCHEDULE 4

FORM OF FRAMEWORK DEED ACCESSION DEED

THIS DEED OF ACCESSION is made on [•] [•]

BETWEEN:

(1) **VISTEON FINANCIAL CENTRE P.L.C.**, incorporated in Ireland and its permitted successors and assigns (the ***Master Purchaser***);

(2) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX (the ***Security Trustee***); and

(3) [**NAME OF ACCEDING PARTY**] a company incorporated in [•] (registered number [•]) whose [registered office][principal place of business] is at [•] (the Acceding Noteholder).

IT IS HEREBY AGREED as follows:

1. We refer to the Master Definitions and Framework Deed (the ***Master Definitions and Framework Deed***) dated 14 August 2006 as amended from time to time between, *inter alios*, the Master Purchaser, Visteon Corporation, The Law Debenture Trust Corporation p.l.c. and Citibank, N.A., London Branch.

Terms defined in, or incorporated by reference into, the Master Definitions and Framework Deed shall have the same meanings herein as therein.

2. The Acceding Noteholder hereby confirms that it is in receipt of the following documents:

(a) a copy of the Master Definitions and Framework Deed;

(b) a copy of the Master Purchaser Deed of Charge; and

(c) a copy of current versions of all other Transaction Documents as we have requested.

3. The Acceding Noteholder hereby confirms for the purposes of Clause 6 of the Master Definitions and Framework Deed then its notice details are as follows:

[insert name, address, telephone, facsimile and attention].

4. In consideration of its accession to the Master Definitions and Framework Deed pursuant to this deed, the Acceding Noteholder hereby undertakes, for the benefit of the Master Purchaser, the Security Trustee and each of the other parties to the Master Definitions and Framework Deed, that it will perform and comply with all the duties and obligations expressed to be assumed by a Noteholders under the Master

Definitions and Framework Deed and will have the benefit of all the provisions of the Master Definitions and Framework Deed as if it were named in it as a Noteholder.

In Witness Whereof the parties to this Deed have executed this Deed on the date specified above with affect from that date.

SIGNED, **SEALED** and **DELIVERED** as a)
DEED by)
as duly authorised attorney)
for and on behalf of)
VISTEON FINANCIAL CENTRE P.L.C.)
in the presence of:)

Witness:

Name:

Address:

EXECUTED and **DELIVERED** as a **DEED**)
under the **COMMON SEAL** of **THE LAW**)
DEBENTURE TRUST CORPORATION)
P.L.C. in the presence of:)

Director:

Authorised Signatory:

EXECUTED and **DELIVERED** as a)
DEED by)
as duly authorised attorney)
for and on behalf of)
[ ] in the presence of:)

Witness:

Name:

Address:

SCHEDULE 5

CONCENTRATION LIMITS

For any Obligor, at any time, the Concentration Limit applicable to that Obligor shall be the limit set out in the grid below (being a percentage of Net Receivables Pool Balance) based on the Debt Rating of that Obligor, provided that affiliated Obligors shall be treated as if they were one Obligor. If the relevant Obligor is Ford Motor Company or a subsidiary thereof, the column titled "Ford Limit" shall be applied; for all other Obligors, the column titled "Non-Ford Limit" shall be applied.

Level	Unsecured rating	Ford limit	Non-Ford limit
Level 1	BBB- and Baa3 (not on negative watch) or better	40%	40%
Level 2	BBB- and Baa3 and on negative watch by either Moody's or Standard and Poor's)	30%	30%
Level 3	BB+ to BB- and Ba1 to Ba3	25%	25%
Level 4	B+ and B1	25%	20%
Level 5	B and B2	20%	15%
Level 6	B- and B3 or lower, or is unrated by Moody's and Standard and Poor's	10%	10%

If Debt Ratings from S&P and Moody's differ by one notch then the lower of the two ratings shall determine the grid level. If the Debt Ratings differ by two or more notches, then the rating level that is one notch above the lower of the two ratings shall apply.

SCHEDULE 6

THE LENDERS AND NOTEHOLDERS

NAME	ADDRESS
Citibank, N.A.	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England
UBS AG, London Branch	1 Finsbury Avenue, London EC2M 2PP, England
JPMorgan Chase Bank, N.A.	125 London Wall, London EC2Y 5AJ, England
Bank of America, N.A.	One South Wacker Drive, Suite 3400, Chicago, IL 60606, USA
BNP Paribas	3, Place de La Défense, F-92974 Paris, La Defénse Cedex, France
BNP Paribas, Dublin Branch	5 Georges Dock, I.F.C.S., Dublin 1, Ireland
Credit Suisse	Eleven Madison Avenue, New York, NY10010, USA
Deutsche Bank AG London	Winchester House, 1 Great Winchester Street, London EC2N 2DB, England

Name	Address
The Bank of New York Mellon	500 Grant Street One Mellon Center, Room 3600 Pittsburgh, PA 15258-0001
Wachovia Capital Finance Corporation (Central)	One South Wacker Drive, Suite 2200, Chicago, IL 60606, USA
The CIT Group/Business Credit, Inc.	11 West 42nd Street New York, NY 10036 USA
Kings Cross Asset Funding No. 6 SARL	6, Rue Phillipe II L-2340 Luxembourg

SCHEDULE 7

Part A
THE SELLERS

Seller	Jurisdiction of incorporation	Registered Office
Visteon UK Limited	England	Endeavour Drive, Basildon, Essex SS14 3WF, England
Visteon Deutschland GmbH	Germany	Visteon Strasse 4-10, 50170 Kerpen, Germany
Visteon Systemes Interieurs S.A.S.	France	Tour Pentagone Plaza 381, avenue du Général de Gaulle, 92140 Clamart France
Visteon Ardennes Industries S.A.S.	France	Z.I. De Montjoly BP 228 08102 Charleville – Mézières Cedex France
Visteon Sistemas Interiores España, S.L.U.	Spain	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain
Cádiz Electrónica, S.A.U.	Spain	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain
Visteon Portuguesa Limited	Bermuda	Clarendon House 2 Church Street Hamilton HM 11 Bermuda and with a branch office at Estrada Nacional No. 252, Km. 12 Parque Industrial das Carrascas 2951-503 Palmela Portugal
VC Receivables Financing Corporation Limited	Ireland	5 Harbourmaster Place I.F.S.C. Dublin 1

Part B

THE SERVICERS

Servicer	Jurisdiction of incorporation	Registered Office
Visteon UK Limited	England	Endeavour Drive, Basildon, Essex SS14 3WF, England
Visteon Deutschland GmbH	Germany	Visteon Strasse 4-10, 50170 Kerpen, Germany
Visteon Systemes Interieurs S.A.S.	France	Tour Pentagone Plaza 381, avenue du Général de Gaulle, 92140 Clamart France
Visteon Ardennes Industries S.A.S.	France	Z.I. De Montjoly BP 228 08102 Charleville – Mézières Cedex France
Visteon Sistemas Interiores España, S.L.U.	Spain	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain
Cádiz Electrónica, S.A.U.	Spain	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain
Visteon Portuguesa Limited	Bermuda	Clarendon House 2 Church Street Hamilton HM 11 Bermuda and with a branch office at Estrada Nacional No. 252, Km. 12 Parque Industrial das Carrascas 2951-503 Palmela Portugal
Visteon Electronics Corporation	Delaware	One Village Center Drive Van Buren Township Michigan 48111 United States

SCHEDULE 8

NON-FRENCH RECEIVABLES DEPOSIT ACCOUNTS

SCHEDULE 9

SELLER CREDIT AND COLLECTION PROCEDURES

As set out in the attached read only computer disk signed for identification purposes on the Closing Date by Freshfields Bruckhaus Deringer LLP and Kirkland & Ellis International LLP.

CONTENTS

LIMITED WAIVER

LIMITED WAIVER, dated as of March 31, 2009 (the "Waiver"), to the Amended and Restated Credit Agreement, dated as of April 10, 2007 (as amended, supplemented or otherwise modified, the "Credit Agreement"), among Visteon Corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Credit Agreement (the "Lenders"), Credit Suisse Securities (USA) LLC and Sumitomo Mitsui Banking Corporation, as co-documentation agents, Citicorp USA, Inc., as syndication agent, JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. as joint lead arrangers and joint bookrunners. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

Pursuant to Section 5.1(a) of the Credit Agreement, within 90 days after the end of each fiscal year, the Borrower shall furnish to the Administrative Agent its audited consolidated balance sheet as of the end of such year, and its audited consolidated statements of income and cash flows for such year, which shall be reported on without a "going concern" or like qualification or exception, or a qualification arising out of the scope of the audit, by PricewaterhouseCoopers LLP or other independent certified public accountants of nationally recognized standing (an "Unqualified Opinion");

The Borrower has notified the Lenders and the Administrative Agent that the report of its independent registered public accounting firm on the Borrower's financial statements for the fiscal year ended December 31, 2008 may contain a going concern exception, thus failing to be an Unqualified Opinion and resulting in a Default under Section 7(d) of the Credit Agreement. Accordingly, the Borrower has requested that the Lenders waive any Default or Event of Default arising from such failure to deliver an Unqualified Opinion for the fiscal year ended December 31, 2008 (the "Specified Default");

Subject to the terms and conditions herein, the Required Lenders have agreed to provide a limited waiver as to the Specified Default as described herein.

SECTION 1. **Limited Waiver**.

The undersigned Required Lenders hereby waive solely during the Waiver Period (as defined below) the Specified Default (which shall be deemed not to be continuing for all purposes of the Credit Agreement during the Waiver Period). The Waiver Period shall extend from the date hereof until May 30, 2009, unless terminated earlier as a result of the Borrower's failure to comply with its agreements herein or referred to herein, or extended at the sole option of the Required Lenders (the "Waiver Period"). Upon the termination or expiration of the Waiver Period, an immediate Event of Default shall exist under the Credit Agreement, unless cured or waived by the Required Lenders. This waiver shall not extend beyond the terms expressly set forth herein, nor impair any right or power accruing to any Lender or the Administrative Agent with respect to any other

Default or Event of Default. Nothing contained herein shall be deemed to imply any willingness of the Lenders or the Administrative Agent to agree to any similar or other waiver that may be requested by the Borrowers, or except to the extent expressly set forth herein, otherwise prejudice, impair or affect any rights or remedies of the Administrative Agent or Lenders with respect to the Credit Agreement or other Loan Documents.

SECTION 2. **Mortgages**.

Each of the Mortgages executed on or prior to the date hereof is hereby amended to delete clause (iii) from the definition of "Secured Parties", to re-number clause (iv) thereof as clause (iii) and to re-number clause (v) thereof as clause (iv).

SECTION 3. **Conditions Precedent.** This Waiver shall become effective on the date (the "Waiver Effective Date") on which:

(a) each of the Borrower and the Required Lenders shall have duly executed and delivered a counterpart hereof to the Administrative Agent;

(b) each of the Borrower and the members of the ad hoc steering committee of Lenders (the "Committee") shall have executed and delivered a letter agreement relating to certain information, access and communications with the Lenders and their advisors during the Waiver Period (the "Letter Agreement");

(c) the Administrative Agent and the Committee shall have received evidence reasonably satisfactory to them of waivers granted by the lenders under the ABL Financing and European Financing with respect to Unqualified Opinion covenants;

(d) the Administrative Agent shall have received by wire transfer of immediately available funds, for the account of the applicable Lenders, a fee equal to 50 basis points on the outstanding principal amount of the Term Loan of each Lender executing this Waiver by 5:00 p.m. New York time on March 31, 2009;

(e) the Borrower shall have paid all invoiced and unpaid fees and expenses of Bingham McCutchen LLP, as counsel to certain Lenders, and Simpson Thacher & Bartlett LLP, as counsel to the Administrative Agent; and

(f) the Borrower shall have delivered each item referenced in Schedule 1 as a condition to effectiveness (it being understood that with respect to the items identified on Schedule 1 to be delivered within 30 days following effectiveness, such delivery shall be deemed a condition subsequent to the continued effectiveness of this Waiver).

SECTION 4. **Representations and Warranties**.

(a) Representations and Warranties. After giving effect to the waiver contained herein, on the Waiver Effective Date, the Borrower hereby confirms that the representations and the warranties set forth in the Credit Agreement are true and

correct in all material respects on and as of the Waiver Effective Date (provided, however, the Borrower makes no representation and warranty as to Section 3.2 of the Credit Agreement), except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties were true and correct in all material respects as of such earlier date).

(b) No Default. No Default or Event of Default (provided, for purposes of this Section 3(b), the Borrower makes no representations and warranties with respect to Section 3.2 of the Credit Agreement) shall have occurred and be continuing on the Waiver Effective Date or immediately after giving effect to the waiver contained herein.

(c) Unqualified Opinion. As of the Waiver Effective Date, the Borrower and its Subsidiaries are not in breach of any covenants requiring similar Unqualified Opinions under the ABL Financing or the European Financing which Unqualified Opinion covenants have not been waived by the lenders thereunder.

SECTION 5. **Continuing Effect, No Other Waivers or Amendments**. This Waiver shall not constitute an amendment or waiver of or consent to any provision of the Credit Agreement and the other Loan Documents except as expressly stated herein and shall not be construed as an amendment, waiver or consent to any action on the part of the Borrower that would require an amendment, waiver or consent of the Administrative Agent and/or the Lenders except as expressly stated herein. Except as expressly waived hereby, the provisions of the Credit Agreement and the other Loan Documents are and shall remain in full force and effect in accordance with their terms.

SECTION 6. **Release**. In order to induce the Administrative Agent and the Lenders to enter into this Waiver, the Borrower (on its own behalf and on behalf of each Loan Party) acknowledges and agrees that: (a) each Loan Party waives to the fullest extent permitted by applicable law any claim or cause of action against the Administrative Agent or any Lender (or any of its respective directors, officers, employees or agents) and (b) each Loan Party waives to the fullest extent permitted by applicable law any offset right, counterclaim or defense of any kind against any of its respective obligations, indebtedness or liabilities to the Administrative Agent or any Lender. Each Loan Party wishes to eliminate any possibility that any past conditions, acts, omissions, events, circumstances or matters would impair or otherwise adversely affect the Administrative Agent's or any Lender's rights, interests, contracts, collateral security or remedies. Therefore, each Loan Party unconditionally releases, waives and forever discharges any and all claims, offsets, causes of action, suits or defenses of any kind whatsoever (if any), whether arising at law or in equity, whether known or unknown, which each Loan Party might otherwise have against the Administrative Agent or any Lender (or any of its respective directors, officers, employees or agents), on account of any past or presently existing condition, act, omission, event, contract, liability, obligation, indebtedness, claim, cause of action, defense, circumstance or matter of any kind.

SECTION 7. **Ratification of Existing Agreements**. The Borrower agrees that the Obligations are, except as otherwise expressly modified in this Waiver upon the terms set forth herein, ratified and confirmed in all respects.

SECTION 8. **Counterparts**. This Waiver may be executed by the parties hereto on any number of separate counterparts (including by facsimile or PDF delivered by electronic mail), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

SECTION 9. **Severability**. Any provision of this Waiver which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10. **Governing Law**. THIS WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS WAIVER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[THE REMAINDER OF THIS PAGE IS INTENIONALLY LEFT BLANK]

IN WINTESS WHEREOF, the parties hereto have executed this Waiver as of the date first written above.

VISTEON CORPORATION

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

JPMORGAN CHASE BANK, N.A. as Administrative Agent

By /s/ Richard W. Duker
Name: Richard W. Duker
Title: Managing Director

March 31, 2009

Visteon Corporation
One Village Center Drive
Van Buren Township, Michigan
Attn: William Quigley

Re: Letter Agreement

Ladies and Gentlemen:

Reference is hereby made to (a) that certain Amended and Restated Credit Agreement, dated as of April 10, 2007 (as amended, supplemented or otherwise modified, the "Credit Agreement"), among Visteon Corporation (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Credit Agreement (the "Lenders"), Citicorp USA, Inc., as syndication agent, JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. as joint lead arrangers and joint bookrunners and (b) that certain Limited Waiver to the Credit Agreement of even date herewith (the "Waiver"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement or as otherwise indicated.

It is a condition precedent to the Waiver Effective Date (as defined in the Waiver) that the Borrower and the members of the ad hoc steering committee of the Lenders (the "Committee"), on behalf of the Lenders, execute and deliver a Letter Agreement (as defined in the Waiver), relating to certain information, access and communications with the Lenders during the Waiver Period (as defined in the Waiver). This Letter Agreement satisfies such condition.

In furtherance of the foregoing, the Committee and the Borrower agree as follows:

1. Members of the Borrower's senior management with appropriate seniority and expertise (in each case, as reasonably determined by the Borrower) shall, on behalf of the Borrower, conduct conference calls with the Committee, Houlihan Lokey (as financial advisor to certain Lenders listed on Schedule A hereto (the "Ad Hoc Lender Group") "Houlihan") and assuming counsel to the Company participates, Bingham McCutchen LLP (as counsel to the Ad Hoc Lender Group "Bingham"), once every two weeks and at such other times as may be mutually agreed by the Borrower and the Committee, in each case upon reasonable prior notice, in each case to provide an update as to the business, operations and financial condition of the Borrower and its subsidiaries, and the Borrower's strategic and contingency planning, including discussions with its customers and suppliers.

2. (a) The Borrower and its Subsidiaries in North America and Europe shall maintain on a consolidated basis for the Borrower and such North American and European Subsidiaries at all times a balance of cash and cash equivalents of at least $335,100,000.

(b) The Borrower and its Subsidiaries in North America shall maintain on a consolidated basis for the Borrower and such North American Subsidiaries at all times a balance of cash and cash equivalents of at least $193,500,000.

For purposes of both (a) and (b) immediately above, when determining the balance of cash and cash equivalents, such amounts shall not include any dividends or other cash or cash equivalent distributions from any Asia Subsidiary (with the limited exception of an April, 2009 dividend of no more than $15,000,000 from Halla Climate Control Corporation).

3. The Borrower shall deliver, or cause to be delivered, to Houlihan, on or before the applicable dates set forth below, the following in scope and detail reasonably acceptable to Houlihan (provided, that the results projected in such analysis shall not be subject to such approval or acceptance):

a. on or before April 21, 2008, a wind-down analysis equating to a scenario where no incremental funding is provided by the Lenders; and

b. on or before April 28, 2008, as it relates to the Borrower and its subsidiaries, an expedited sale/break-up analysis.

4. The Borrower shall deliver, or cause to be delivered, to Houlihan, beginning on April 1, 2009:

a. an updated rolling 13-week cash flow forecast (including North America, Europe and South America cash balances by region and by legal entity, and intercompany debt balances by legal entity) reflecting actual balances through the last Friday of each month, delivered on the fifth business day following the last Friday of each month (for example, provide a forecast on April 3rd, reflecting actual balances through March 27th);

b. actual cash positions (for each of, on an individual basis, North America, Europe, South America and Asia) reported on a weekly basis (delivered on each Friday for the prior week); and

c. a variance analysis of actual results versus forecast delivered on a monthly basis (delivered (for the prior month) as soon as practicable, but no later than two business days following the delivery of the rolling 13-week cash flow forecast).

5. The Borrower shall utilize all good faith efforts to negotiate arrangements with its material customers and suppliers to provide a combination of pricing, volume, payment, credit and such other forms of support as the Borrower may reasonably determine to be necessary or advisable to its business and operations ("Customer Efforts"). The Borrower shall provide reasonable, periodic updates to the Committee and/or its advisors, as reasonably requested by the Committee (but in any event, not to exceed once per week), as to its progress in its Customer Efforts. Notwithstanding the foregoing, the Borrower shall not be required to disclose any information (A) that relates to settlement negotiations, if such disclosure would prevent the Borrower from availing itself of the otherwise applicable protection of Federal Rule of Evidence 408 or similar protective rules under other applicable law or (B) would result in the loss of attorney client privilege with respect to such information.

6. The Borrower shall cooperate with each of the Committee, Houlihan and Bingham, in providing all information reasonably requested and in performing its obligations under the Loan Documents, including, but not limited to, Section 5.6 of the Credit Agreement and Section 5.4 of the Guarantee and Collateral Agreement.

The Borrower acknowledges and agrees that the Borrower's failure to comply with the agreements in this Letter Agreement within the applicable time limits set forth herein shall (i) terminate the Waiver and (ii) constitute an immediate Default with respect to the Specified Default (as defined in the Waiver) or, in the event that at such time the 30 day cure period contained in Section 7(d) of the Credit Agreement has elapsed, Event of Default under the Loan Documents, giving rise to all rights and remedies permitted to the Administrative Agent and the Lenders under the Loan Documents.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

This Letter Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts (including by facsimile or PDF delivered by electronic mail), each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

This Letter Agreement may not be modified, amended, or waived unless such modification, amendment, or waiver is in writing signed by the Borrower and the Committee.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

Please confirm your acceptance of and agreement to the terms and conditions of this Letter Agreement by signing one or more counterparts of this Letter Agreement in the appropriate space indicated below and returning this Letter Agreement to Bingham to the attention of Peter Bruhn (Bingham McCutchen LLP, One State Street, Hartford, Connecticut 06103-3178; email (peter.bruhn@bingham.com) or fax (860-240-2800)).

BlueMountain Capital Management, LLC, as member of the Committee

By: /s/ David Rubenstein
Name: David Rubenstein
Title: CFO & GC

Fidelity Management and Research Company, as member of the Committee

By: /s/ Nate Vautuzer
Name: Nate Vautuzer
Title: Vice President

Marathon Asset Management, LLC, as member of the Committee, on behalf of Marathon CLU I LTD., Marathon CLO II Ltd., Marathon Financing I B.V. and Marathon Special Opportunity Master Fund Ltd.

By: /s/ Andrew Rabinowitz
Name: Andrew Rabinowitz
Title: Partner

Prudential Investment Management, Inc., as member of the Committee

By: /s/ George Edwards
Name: George Edwards
Title: Vice President

Sankaty Advisors LLC, as member of the Committee

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer Assistant Secretary

TENNENBAUM OPPORTUNITIES PARTNERS V, LP, as member of the Committee

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Mark Holdsworth
Name: Mark Holdsworth
Title: Managing Partner

ACCEPTED AND AGREED TO:

VISTEON CORPORATION,

By: /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

FOURTH AMENDMENT AND LIMITED WAIVER
TO CREDIT AGREEMENT AND AMENDMENT TO SECURITY AGREEMENT

FOURTH AMENDMENT AND LIMITED WAIVER TO CREDIT AGREEMENT AND AMENDMENT TO SECURITY AGREEMENT, dated as of March 31, 2009 (this "Amendment"), among VISTEON CORPORATION, a Delaware corporation (the "Company"), each subsidiary of the Company party hereto as a borrower (together with the Company, each a "Borrower" and, collectively, the "Borrowers"), each other subsidiary of the Company party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A. ("JPMorgan"), as Administrative Agent, Issuing Bank and Swingline Lender.

W I T N E S S E T H:

WHEREAS the Borrowers, the Lenders party thereto, and JPMorgan, as Administrative Agent, Issuing Bank and Swingline Lender, have entered into that certain Credit Agreement, dated as of August 14, 2006, as amended, supplemented or modified by that certain First Amendment to Credit Agreement and Consent, dated as of November 27, 2006, that certain Second Amendment to Credit Agreement and Consent, dated as of April 10, 2007, and that certain Third Amendment to Credit Agreement, dated as of March 12, 2008 (as so amended, supplemented or modified, the "Credit Agreement");

WHEREAS, the Company has notified the Administrative Agent that certain Events of Default may occur under the Credit Agreement and the Borrowers have requested that the Lenders and the Administrative Agent grant a prospective limited waiver with respect thereto;

WHEREAS, the Lenders party hereto and the Administrative Agent are willing to grant such limited waiver on the terms and subject to the conditions set forth herein and the Borrowers, the Lenders party hereto, the Administrative Agent, the Issuing Bank and the Swingline Lender agree to amend certain provisions of the Credit Agreement and the Security Agreement as provided for herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

Section 1.1 Amendment to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended as follows:

(a) The following new defined terms are hereby inserted in proper alphabetical order:

"Designated Collateral Account" has the meaning set forth in Section 6.19(c).

"Fourth Amendment and Limited Waiver" means that certain Fourth Amendment and Limited Waiver to Credit Agreement and Amendment to Security Agreement, dated as of March 31, 2009, among the Borrowers, the Lenders party thereto, and the Administrative Agent.

"Fourth Amendment Effective Date" means the date on which the conditions precedent to effectiveness of the Fourth Amendment and Limited Waiver are satisfied or duly waived and such amendment becomes effective.

(b) The defined term "Alternate Base Rate" is hereby amended and restated as follows:

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

(c) The defined term "Applicable Rate" is hereby amended and restated as follows:

"Applicable Rate" means, for any day, with respect to any ABR Loan or Eurodollar Revolving Loan, or with respect to the Commitment Fees payable hereunder, as the case may be, a rate per annum of 3.00% in the case of any ABR Loan, 4.00% in the case of any Eurodollar Loan, and 0.75% in the case of Commitment Fees.

(d) The defined term "Borrowing Base" is hereby amended by deleting the phrase "5.01(f) of the Agreement" where such phrase occurs in the last sentence thereof and inserting the phrase "5.01(g) of the Agreement" in lieu thereof.

Section 1.2 Amendment to Article II. Section 2.05 of the Credit Agreement is hereby amended by (i) inserting the following sentence at the end of Section 2.05(a): "Notwithstanding the foregoing, no Swingline Loans shall be available from and after the Fourth Amendment Effective Date.", (ii) inserting the phrase "(except for the last sentence of this Section 2.05(b))" after the phrase "Any provision of this Agreement to the contrary notwithstanding" where it appears in the first sentence of Section 2.05(b), and (iii) inserting the following sentence at the end of Section 2.05(b): "Notwithstanding the foregoing, no Overadvances shall be available from and after the Fourth Amendment Effective Date."

Section 1.3 Amendment to Article III. Article III of the Credit Agreement is hereby amended by inserting the following section to the end of such Article.

SECTION 3.23 Deposit Accounts, Lock Boxes and Securities Accounts. Each Deposit Account, Lock Box (each as defined in the Security Agreement) and securities account of each Borrower is listed on Schedule I to the Fourth Amendment and Limited Waiver. Each Collateral Deposit Account (as defined in the Security Agreement) is identified on such Schedule I, and each Deposit Account, Lock Box and securities account that is subject to a Deposit Account Control Agreement or Securities Account Control Agreement is identified on such Schedule I.

Section 1.4 Amendment to Article IV. Section 4.02 of the Credit Agreement is hereby amended by (i) deleting the phrase "paragraphs (a), (b) and (c)" where such phrase occurs in the last paragraph thereof and inserting the phrase "paragraphs (a), (b), (c) and (d)" in lieu thereof and (ii) inserting the following clause (d) after clause (c) thereof:

(d) From and after the Fourth Amendment Effective Date (i) immediately after giving effect to any Borrowing (other than the issuance, amendment, renewal or extension of any Letter of Credit), total aggregate cash and Cash Equivalents of the Borrowers and their Domestic Subsidiaries, excluding cash and Cash Equivalents in the Designated Collateral Account up to the amount of Revolving Exposure at such time, is not greater than $100,000,000; and (ii) immediately after giving effect to the issuance of any new Letter of Credit, or the amendment of any existing Letter of Credit resulting in an increase in the undrawn face amount thereof (but not the renewal or extension of any existing Letter of Credit, or the amendment of any existing Letter of Credit not resulting in an increase in the undrawn face amount thereof), total aggregate cash and Cash Equivalents of the Borrowers and their Domestic Subsidiaries, excluding cash and Cash Equivalents in the Designated Collateral Account up to the amount of Revolving Exposure at such time, is not greater than $100,000,000, unless (in the case of this clause (ii)) the Borrowers contemporaneously make a prepayment (not otherwise required pursuant to any term of the Loan Documents) of the Revolving Loans (or, to the extent that no Loans are outstanding, cash collateralize LC Exposure) in the amount of such new Letter of Credit or such increase in face amount.

Section 1.5 Amendment to Article V. Section 5.01(g) of the Credit Agreement is hereby amended and restated as follows:

(g) (i) as soon as available but in any event on or before the third Business Day occurring after the fifteenth and last calendar day of each calendar month, as of the semimonthly period then ended, and (ii) so long as Minimum Excess Liquidity is less than $125,000,000 (a "Reporting Trigger Event"), (A) at such other times as may be necessary to re-determine availability of Advances hereunder, or (B) as may be requested by the Administrative Agent, in each case as of the period then ended, a Borrowing Base Certificate and supporting information in connection therewith, together with any additional reports with respect to the Borrowing Base as the Administrative Agent may reasonably request; and the Eligible Accounts component of the Borrowing Base shall be updated on a semimonthly (or more frequent, to the extent required by clause (ii) above) basis; the Eligible Inventory component of the Borrowing Base shall be updated on a monthly (or more frequent, to the extent required by clause (ii) above) basis; and the PP&E Component of the Borrowing Base shall be updated on a quarterly (or more frequent, to the extent required by clause (ii) above) basis or otherwise more frequently (I) from time to time upon receipt of periodic valuation updates received from the Administrative Agent's asset valuation experts, (II) concurrent with the sale or commitment to sell any assets constituting part of the PP&E Component, (III) in the event such assets are idled for any reason other than routine maintenance or repairs, or for routine

planned shutdowns substantially in accordance with past practice, for a period in excess of ten (10) consecutive days, or (IV) in the event that the value of such assets is otherwise impaired, as determined in the Administrative Agent's Permitted Discretion;

Section 1.6 Amendment to Article V. Section 5.01 of the Credit Agreement is hereby further amended by inserting the following new clauses (i) and (j) immediately after clause (h) appearing therein, deleting the word "and" at the end of clause (h), and renumbering the existing clause (i) as clause (k):

(i) concurrently with the delivery thereof or promptly upon the receipt thereof, copies of any report, notice (including notices of "Defaults," "Events of Default" and other comparable terms), certificate, document, financial statement or other written information delivered or received under or in connection with the Term Loan Facility or the European Facility; provided, however, nothing in this clause (i) shall require the disclosure of any notice, certificate, document, financial statement or other information (A) that relates to settlement negotiations, including, without limitation, any information protected from use or disclosure pursuant to Federal Rule of Evidence 408 and any other rule of similar import and/or (B) to the extent that disclosure of such items would result in the loss of attorney client privilege with respect to such report, notice, certificate, document, financial statement or other information; provided further that the Borrowers shall not be required to deliver fee letters or engagement letters in connection with any amendment, modification or refinancing of the Term Loan Facility or the European Facility so long as such fee letters or engagement letters do not contain terms other than those terms that are customarily contained in fee letters or engagement letters that are kept confidential in the asset-based or leveraged loan markets;

(j) not later than the second Business Day of each calendar week, a certificate of a Financial Officer of the Borrower Representative setting forth reasonably detailed calculations demonstrating compliance with Section 6.19(c) on each day of the prior calendar week; and

Section 1.7 Amendment to Article VI. Section 6.19 of the Credit Agreement is hereby amended by inserting the following subsection to the end of such Section.

(c) Minimum Cash and Cash Equivalents. The Borrowers will not permit the cash and Cash Equivalents belonging to the Borrowers and held in account number 2331794236 with JPMorgan Chase Bank, N.A. (or such other deposit account or securities account as may from time to time be approved in writing by the Administrative Agent) (the "Designated Account"), which account shall be a blocked account subject at all times to a Deposit Account Control Agreement or Securities Account Control Agreement (each as defined in the Security Agreement) in favor of and in form and substance satisfactory to the Administrative Agent (which agreement shall provide that the Borrowers may not issue instructions with respect to such account), at any time to be less than Revolving Exposure at such time as reflected on the Administrative Agent's records.

Section 1.8 Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by inserting the following section to the end of such Article.

SECTION 6.21 Deposit Accounts and Securities Accounts. Notwithstanding any other provision of any other Loan Document, including Sections 4.14 and 4.15 of the Security Agreement, in the case of the Borrowers and their Domestic Subsidiaries (i) maintain or hold any cash or Cash Equivalents unless such cash or Cash Equivalents are held in deposit accounts or investment accounts that

are subject to Deposit Account Control Agreements or Securities Account Control Agreements (each as defined in the Security Agreement) in favor of and in form and substance satisfactory to the Administrative Agent; provided that the Borrowers and their Domestic Subsidiaries may maintain or hold cash and Cash Equivalents in deposit accounts or investment accounts that are not subject to such control agreements (y) in a total aggregate amount not to exceed $15,000,000 or (z) in payroll, trust or tax accounts in an amount not to exceed the amount held in such accounts in the ordinary course of business consistent with past practice, or (ii) open any securities account without providing prior written notice to the Administrative Agent and entering into a Securities Account Control Agreement in order to give the Administrative Agent Control (as defined in the Security Agreement) of such securities account.

Section 1.9 Amendment to Article VII. Article VII of the Credit Agreement is hereby amended by inserting the phrase "of this Agreement, Article VII of the Security Agreement or Section 2.5 of the Fourth Amendment and Limited Waiver" after the phrase "or 5.08 or in Article VI" where such phrase appears in clause (d) of such Article.

Section 1.10 Amendment to Section 4.15 to Security Agreement. Section 4.15 of the Security Agreement is hereby amended by deleting the phrase "when added to the average balance of the Excluded Securities Accounts," and inserting the phrase " when added to the average balance of the Excluded Deposit Accounts," in lieu thereof.

Section 1.11 Amendment to Section 7.2 to Security Agreement. Section 7.2 of the Security Agreement is hereby amended by deleting the phrase "if such Deposit Account is or replaces a Collateral Deposit Account or other existing Deposit Account then subject, or then required pursuant to Section 4.14 to be subject, to a Deposit Account Control Agreement (any deferral by the Administrative Agent or establishment of any reserve notwithstanding)," appearing therein and inserting the phrase "(other than a payroll, trust or tax account)" in lieu thereof.

Section 1.12 Amendment to Exhibit G to Security Agreement. Exhibit G of the Security Agreement is hereby amended and restated in its entirety as set forth in Exhibit I hereto.

ARTICLE II

ACKNOWLEDGEMENT AND LIMITED WAIVER

Section 2.1 Acknowledgement. (a) Each of the Borrowers acknowledges and agrees that as of March 31, 2009, (i) the amount of the Loans outstanding under the Credit Agreement is $105,000,000 plus accrued and unpaid interest and (ii) the amount of Letters of Credit outstanding under the Credit Agreement is $58,185,083.13. All of the Obligations, including those set forth above, are currently valid and outstanding and none of the Borrowers have any rights of offset, defenses, claims or counterclaims with respect to any of the Obligations.

(b) Each of the Borrowers and the Subsidiaries of the Borrowers party hereto, each as debtors, grantors, pledgors, guarantors, assignors, or in other similar capacities in which such parties grant liens or security interests in their properties or are guarantors, as the case may be, under the Loan Documents, hereby ratifies and reaffirms all of its payment and performance obligations and

obligations to indemnify, contingent or otherwise, under each of such documents to which such party is a party, and each such party hereby ratifies and reaffirms its grant of liens on or security interests in its properties pursuant to such documents to which it is a party as security for the Secured Obligations, and confirms and agrees that such liens and security interests hereafter secure all of the Secured Obligations, including, without limitation, all additional Secured Obligations hereafter arising or incurred pursuant to or in connection with this Amendment, the Credit Agreement or any other Loan Document.

Section 2.2 Limited Waiver. Subject to and effective upon the satisfaction of the conditions precedent to effectiveness set forth in Article IV hereof, the Administrative Agent and the Lenders hereby waive (i) the requirement that the annual audit for the Company for the fiscal year which ended on December 31, 2008, required to be delivered pursuant to Section 5.01(a) of the Credit Agreement, be reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit (the inclusion of such a qualification or exception in the audit report for such annual audit, being referred to as the "Specified Default"), and (ii) any Default or Event of Default which would have resulted from the occurrence of the Specified Default under the Loan Documents, in each case, for a period commencing on the date hereof and ending on, and including, Saturday, May 30, 2009 (the "Waiver Termination Date").

Section 2.3 Effect of Limited Waiver. The limited waiver set forth in Section 2.2: (i) does not constitute a waiver of any existing Default or Event of Default (whether or not known to the Administrative Agent or the Lenders) except to the extent specifically set forth therein, (ii) does not constitute a waiver of any subsequently arising Default or Event of Default under the provisions referred to therein, or an acquiescence thereof, (iii) does not constitute a waiver of any other provision of the Credit Agreement or any other Loan Document or a waiver of any other Default or Event of Default (whether or not known to the Administrative Agent or the Lender) that may exist or subsequently arise under the Credit Agreement, or an acquiescence thereof.

Section 2.4 Termination. Upon the occurrence of a Waiver Default, the Administrative Agent may in its discretion, or at the direction of the Required Lenders shall, terminate the limited waiver set forth in Section 2.2 of this Amendment (provided that the limited waiver set forth in Section 2.2 of this Amendment shall terminate automatically upon the occurrence of the Waiver Termination Date, unless such date has been extended in writing by the Required Lenders); and thereafter the Administrative shall be entitled to immediately exercise all rights and remedies available to it and the Lenders herein and in the Loan Documents, under the Uniform Commercial Code, and any other state or federal law. Notwithstanding the foregoing, however, the representations, warranties, acknowledgments, covenants, and agreements made by the Borrowers herein shall survive the Waiver Termination Date and Administrative Agent's election to terminate its obligations hereunder in the event of a Waiver Default. As used herein, "Waiver Default" shall mean (A) the failure of any Borrower to timely comply with any term, condition, or covenant set forth in this Amendment, (B) the termination of the Term Loan Waiver prior to the Waiver Termination Date with respect to the Specified Default (or any corresponding default or event of default under the Term Loan Facility), (C) the termination of the European Facility Waiver prior to the Waiver Termination Date with respect to the Specified Default (or any corresponding default or event of default under the European Facility), or (D) the failure of any representation or warranty made by any Borrower under or in connection with this Amendment to be true and complete in all material respects as of the date when made. Notwithstanding any provision of the Credit Agreement, the thirty day notice period described in clause (f) of Article VII of the Credit Agreement with respect to the Specified Default shall commence on the date hereof.

Section 2.5 Covenant. The Borrowers shall perform all actions listed on Annex A hereto, each to the satisfaction of the Administrative Agent or as otherwise required by the Loan Documents, each within by the date specified on such schedule (in each case as such deadline may be extended in writing by the Administrative Agent in its sole discretion).

Section 2.6 Consultant. Borrowers acknowledge and agree that Administrative Agent or its counsel may engage one or more professional consulting firms or financial advisors, chosen by the Administrative Agent (each a "Consultant"), to advise and assist Administrative Agent, Administrative Agent's counsel, Secured Parties and Secured Parties' counsel with their on-going assessment of the Borrowers and their Subsidiaries. Administrative Agent and Secured Parties may elect to maintain the confidentiality of any conclusions reached or reports prepared by any such Consultant. Specifically, the Administrative Agent, the Secured Parties and the Consultant shall have no obligation to disclose the reports prepared by the Consultant, or the conclusions reached by the Consultant, to Borrowers or any of their Subsidiaries or Affiliates. Borrowers shall reimburse Administrative Agent for any and all fees, charges and disbursements of such Consultant in accordance with Section 9.03 of the Credit Agreement. The provisions of this Section shall survive the Waiver Termination Date and Administrative Agent's election to terminate its obligations hereunder in the event of a Waiver Default.

ARTICLE III

GENERAL RELEASE; INDEMNITY.

Section 3.1 General Release. In consideration of, among other things, Administrative Agent's and Lenders' execution and delivery of this Amendment, the Releasors hereby forever waive, release and discharge, to the fullest extent permitted by law, each Releasee from the Claims, that such Releasor now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity, against the Releasees, based in whole or in part on facts, whether or not now known, existing on or before the effective date of this Amendment, that relate to, arise out of or otherwise are in connection with: (i) any or all of the Loan Documents (including this Amendment) or the transactions contemplated thereby or any actions or omissions in connection therewith or (ii) any aspect of the dealings or relationships between or among Borrowers or any of their Subsidiaries party to any Loan Document, on the one hand, and any or all of the Administrative Agent or Lenders on the other hand, relating to any or all of the documents, transactions, actions or omissions referenced in clause (i) hereof. In entering into this Amendment, the Borrowers and their Subsidiaries party hereto consulted with, and have been represented by, legal counsel and expressly disclaims any reliance on any representations, acts or omissions by any of the Releasees and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above do not depend in any way on any such representations, acts and/or omissions or the accuracy, completeness or validity hereof. The provisions of this Section shall survive the termination of this Amendment, the Credit Agreement, the other Loan Documents, and payment in full of the Secured Obligations.

Section 3.2 Indemnity. (a) Each of the Borrowers hereby agrees that it shall be jointly and severally obligated to indemnify and hold the Releasees harmless in accordance with Section 9.03 of the Credit Agreement.

(b) Each of the Borrowers and their Subsidiaries party hereto, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and

discharged by any Borrower or any of their Subsidiaries party hereto pursuant to this Article III. If any Borrower or any of their Subsidiaries, or any of their successors, assigns or other legal representatives violates the foregoing covenant, the Borrowers, each for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation. As used herein, (i) "Claims" shall mean any and all claims (including, without limitation, crossclaims, counterclaims, rights of set-off and recoupment), actions, causes of action, suits, debts, accounts, interests, liens, promises, warranties, damages and consequential damages, demands, agreements, bonds, bills, specialties, covenants, controversies, variances, trespasses, judgments, executions, costs or expenses whatsoever; (ii) "Releasees" shall mean each Indemnitee (as defined in the Credit Agreement); and (iii) "Releasors" shall mean each of the Borrowers and each of their Subsidiaries party hereto, on behalf of themselves and their respective agents, representatives, officers, directors, advisors, employees, subsidiaries, affiliates, successors and assigns.

ARTICLE IV

CONDITIONS TO CLOSING

The effectiveness of the provisions of this Amendment are subject to the satisfaction of the following conditions:

(a) Fourth Amendment. The Borrowers, the Administrative Agent and the Required Lenders shall have delivered a duly executed counterpart of this Amendment to the Administrative Agent.

(b) Certain Actions. The Borrowers shall have performed all actions listed on Annex A hereto which are required to have been performed prior to the effective date of this amendment, each to the satisfaction of the Administrative Agent or as otherwise required by the Loan Documents.

(c) Fees, Costs and Expenses. The Borrowers shall have paid (i) the amendment fee referred to in Section 5.9 hereof to the Administrative Agent for the account of each Lender theretofore entitled thereto, (ii) any other fee then due and payable pursuant to any Loan Document, (iii) the invoiced legal fees (including retainer) of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Administrative Agent, and (iv) all other costs and expenses then payable pursuant to Section 5.8 hereof or any other Loan Document with respect to this Amendment (including expenses with respect to procurement of title insurance for the Mortgage on the fee interests in the Leased Assets (as defined under the Visteon Village Lease)).

(d) Representations and Warranties. The representations and warranties of the Borrowers set forth in Section 5.3 hereof are true and correct on the date hereof and the Administrative Agent shall have received a certificate to such effect.

(e) Other Waivers. The Borrowers shall provided to the Administrative Agent certified copies of waiver agreements, each in form and substance reasonably satisfactory to the Administrative Agent, under the Term Loan Facility (the "Term Loan Waiver") and the European Facility (the "European Facility Waiver"), and each such agreement shall be in full force and effect.

ARTICLE V

MISCELLANEOUS

Section 5.1 Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or any Lender under the Loan Documents, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Loan Documents, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrowers to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Loan Documents in similar or different circumstances. This Amendment is a Loan Document executed pursuant to the Credit Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof. This Amendment shall constitute an amendment and waiver only and shall not constitute a novation with regard to the Credit Agreement, the Security Agreement or any other Loan Document.

Section 5.2 No Representations by Lenders or Administrative Agent. The Borrowers hereby acknowledge that they have not relied on any representation, written or oral, express or implied, by any Lender or the Administrative Agent, other than those expressly contained herein, in entering into this Amendment.

Section 5.3 Representations of the Borrowers. Each Borrower represents and warrants to the Administrative Agent and the Lenders (except that the Borrowers make no representation (i) as to the continued accuracy of the representation and warranty contained in Section 3.02 of the Credit Agreement and (ii) with respect to the second sentence of Section 3.07 of the Credit Agreement, the Specified Default) that (a) the representations and warranties set forth in the Loan Documents (including with respect to this Amendment and the Credit Agreement as amended hereby) are true and correct in all material respects on and as of the date hereof with the same effect as though made on the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which event such representations and warranties were true and correct in all material respects as of such date, (b) other than the Specified Default, no Default or Event of Default has occurred and is continuing, and (c) this Amendment constitutes, and any of the documents required herein will constitute upon execution and delivery, legal, valid, and binding obligations of each Borrower and each of their Subsidiaries party hereto or thereto, each enforceable in accordance with its terms.

Section 5.4 Successors and Assigns. This Amendment shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Lenders and the Administrative Agent.

Section 5.5 Headings; Entire Agreement. The headings and captions hereunder are for convenience only and shall not affect the interpretation or construction of this Amendment. This Amendment contains the entire understanding of the parties hereto with regard to the subject matter contained herein and supersedes all previous communications and negotiations with regard to the subject matter hereof. No representation, undertaking, promise, or condition concerning the subject matter hereof shall be binding upon the Administrative Agent or any other Secured Party unless clearly expressed in this Agreement or in the other documents referred to herein. No agreement which is reached herein shall give rise to any claim or cause of action except for breach of the express provisions of a legally binding written agreement.

Section 5.6 Severability. The provisions of this Amendment are intended to be severable. If for any reason any provision of this Amendment shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 5.7 Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 5.8 Costs and Expenses. Subject to the terms set forth in Section 9.03 of the Credit Agreement, the Borrowers agree, jointly and severally, to reimburse the Administrative Agent for reasonable, documented out of pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable documented fees and other reasonable charges and disbursements of one counsel for the Administrative Agent (and such other local and foreign counsel as shall be reasonably required), in connection with this Amendment.

Section 5.9 Amendment Fee. The Borrowers agree, jointly and severally, to pay to the Administrative Agent for the benefit of each Lender who delivers a duly executed counterpart of this Amendment to the Administrative Agent on or before 5:00 PM New York time, March 30, 2009, a nonrefundable amendment fee of 0.25% of each such Lender's existing Revolving Commitment.

Section 5.10 Representation by Counsel. The Borrowers and each of their Subsidiaries party hereto acknowledge that they: (i) have been represented, or had the opportunity to be represented, by their own legal counsel in connection with the Loan Documents and this Amendment, including, without limitation, with respect to the releases set forth in Section 3.1 above; (ii) have exercised independent judgment with respect to the Loan Documents and this Amendment; (iii) have not relied on Administrative Agent, any other Secured Party or on counsel for the Administrative Agent or any Secured Party for any advice with respect to the Loan Documents or this Amendment; and (iv) have had a reasonable opportunity to consider whether there may be future damages, injuries, claims, obligations, or liabilities which presently are unknown, unforeseen or not yet in existence and consciously intends to release them. Based upon the foregoing, no rule of contract construction or interpretation shall be employed to construe this Amendment more strictly against one party or the other.

Section 5.11 Relationship of Parties. Nothing contained in this Amendment or any other document referred to herein, nor any action taken pursuant hereto or thereto, shall be construed as: (i) permitting or obligating Administrative Agent or any other Secured Party to act as financial or business advisor or consultant to any Borrower or any of their Subsidiaries; (ii) permitting or obligating Administrative Agent or any other Secured Party to control or to conduct the operations of any Borrower or any of their Subsidiaries; (iii) creating any fiduciary obligation on the part of Administrative Agent or any other Secured Party to any Borrower or any of their Subsidiaries; or (iv) causing any Borrower or any of their Subsidiaries to be treated as an agent of Administrative Agent or any other Secured Party.

Section 5.12 Governing Law. The whole of this Amendment and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, but giving effect to federal laws applicable to national banks.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed and delivered as of the date first above written.

BORROWERS:

VISTEON CORPORATION

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

ARS, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

FAIRLANE HOLDINGS, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

GCM/VISTEON AUTOMOTIVE SYSTEMS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

GCM/VISTEON AUTOMOTIVE LEASING SYSTEMS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

HALLA CLIMATE SYSTEMS ALABAMA CORP.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

INFINITIVE SPEECH SYSTEMS CORP.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON REMANUFACTURING, INCORPORATED

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

MIG-VISTEON AUTOMOTIVE SYSTEMS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

OASIS HOLDINGS STATUTORY TRUST

By: U.S. Bank National Association (successor to
State Street Bank and Trust Company of
Connecticut, National Association), not in its
individual capacity, but solely as trustee

By /s/ David W. Doucette
Name: David W. Doucette
Title: Vice President

SUNGLAS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VC AVIATION SERVICES, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VC REGIONAL ASSEMBLY & MANUFACTURING, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON AC HOLDINGS CORP.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON CLIMATE CONTROL SYSTEMS LIMITED

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON DOMESTIC HOLDINGS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON FINANCIAL CORPORATION

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON GLOBAL TECHNOLOGIES, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON GLOBAL TREASURY, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON INTERNATIONAL BUSINESS DEVELOPMENT, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON LA HOLDINGS CORP.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON SYSTEMS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON TECHNOLOGIES, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

TYLER ROAD INVESTMENTS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

OTHER GRANTORS:

VISTEON ASIA HOLDINGS, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON AUTOMOTIVE HOLDINGS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON EUROPEAN HOLDINGS CORPORATION

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON HOLDINGS, LLC

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

VISTEON INTERNATIONAL HOLDINGS, INC.

By /s/ Michael P. Lewis
Name: Michael P. Lewis
Title: Assistant Treasurer

JPMORGAN CHASE BANK, N.A.
as Administrative Agent, Swingline Lender,
Issuing Bank, and Lender

By /s/ Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

To:

The addressees listed in Annex 1
(each, an ***Addressee***)

30 March 2009

Dear Sirs,

RE: VISTEON SECURITISATION PROGRAMME – CONDITIONAL WAIVER

Reference is made to the securitisation programme of the Visteon Group and, in particular, to the Master Definitions and Framework Deed entered into on 14 August 2006 between, among others, the Addressees, Citicorp USA, Inc. and Citibank International PLC, as amended and restated by a deed of amendment and restatement (the ***Deed of Amendment***) dated 29 October 2008 (the ***Framework Deed***) and to the Master French Definitions Agreement dated 13 November 2006, between, among others, the Addresses, Citicorp USA, Inc. and France Titrisation, as amended on 29 October 2008 (the ***French Master Definitions Agreement***).

Capitalised terms used but not defined in this letter shall have the meaning ascribed to them in the Framework Deed or, if not defined in the Framework Deed, in the French Master Definitions Agreement.

Pursuant to clause 4.4(d)(i) of the Master Receivables Purchase and Servicing Agreement, the Parent is required to deliver, by no later than 31 March 2009, to the Funding Agent, the Master Purchaser and the Security Trustee, a balance sheet and related audited consolidated statements of operations (which include a form 10k) and cash flows, in respect of its financial year ending on 31 December 2008, without going concern or like qualification or a qualification arising out of the scope of the audit by PricewaterhouseCoopers LLP.

You have requested that we agree to a conditional waiver in respect of the following events:

(i) said form 10k is qualified by a qualification of the types referred to above;

(ii) said form 10k is not delivered by 31 March 2009,

each, an ***Event***.

You have also requested that we agree to a conditional waiver of any right that we might have to determine that there has been a Material Adverse Change solely as a result of the diminution of the projected cashflow and income of the Parent shown in the projections delivered by the Parent to the Funding Agent, the Master Purchaser and the Security Trustee pursuant to clause 4.4(d)(v) of the Master Receivables Purchase and Servicing Agreement, on 13 March 2009 (the ***Projections***).

In consideration for each Addressee agreeing to the terms set out in paragraph 1 below, each of the signatories to this letter hereby agrees to a conditional waiver of each Event and of any right that it might have to determine that there has been a Material Adverse Change solely on the basis of the Projections (each, a ***Waiver***) on the terms and subject to the conditions set out in this letter.

1. Notwithstanding any provisions of the Transaction Documents to the contrary:

(i) with effect from the date hereof, the Variable Funding Facility Limit shall be equal to USD 200 million;

(ii) in respect of the Interest Period commencing on or immediately after the date of this letter, and of any Interest Period and Short Interest Period thereafter, the Reference Rate shall (subject to Clause 20.4 of the Framework Deed) be equal:

(1) in respect of the USD Notes, the aggregate of 4.25 per cent per annum and USD LIBOR;

(2) in respect of the EUR Notes, the aggregate of 4.25 per cent. per annum and EURIBOR; and

(3) in respect of the GBP Notes, the aggregate of 4.25 per cent. per annum and GBP LIBOR;

(iii) with effect from the date hereof, the Commitment Fee shall be defined as a fee payable monthly in arrears on each Monthly Settlement Date in USD to the Funding Agent for the account of the Lenders calculated on a daily basis in an amount equal to 0.75 per cent. per annum of the amount by which the Variable Funding Facility Limit exceeds the USD Equivalent of the aggregate Principal Amount Outstanding of all Notes from time to time;

(iv) with effect from the date hereof, on each date on which the NRPB Before Excess Concentrations and Exchange Rate Protection falls to be calculated, an additional reserve will be deducted pursuant to paragraph (j) of the definition of "NRPB Before Excess Concentrations and Exchange Rate Protection" as set out in the Framework Deed, in an amount equal to the USD Equivalent of the amount by which the aggregate Outstanding Balance of the Purchased Receivables owed by an Obligor the Debt Rating of which is BBB- and Baa3 (whether or not on negative watch) or better exceeds 35% of the Net Receivables Pool Balance;

(v) the reserve deducted in accordance with the letter dated 9 March 2009 pursuant to paragraph (j) of the definition of "NRPB Before Excess Concentrations and Exchange Rate Protection" as set out in the Framework Deed, will keep on being deducted on each date on which the NRPB Before Excess Concentrations and Exchange Rate Protection falls to be calculated, in an amount equal to:

(1) until 31 May 2009 (excluded): (a) the USD Equivalent of the aggregate Outstanding Balances of all Purchased Receivables originated by Visteon Deutschland GmbH; less (b) the USD Equivalent of the aggregate Outstanding Balances of each Purchased Receivable originated by Visteon Deutschland GmbH in respect of which the relevant Obligor has been notified to make payments into new accounts in the name of the Master Purchaser or the FCC (as applicable) and the Collateral Monitoring Agent has received

satisfactory evidence that such payments are being or will be made to such accounts. This will be satisfied either by evidence that the relevant Obligor has made at least one payment to the account of the Master Purchaser or the FCC (as applicable) in respect of that Purchased Receivable or a Purchased Receivable owed under the same Invoice or receipt of written confirmation from the relevant Obligor that it will make all payments in respect of all Purchased Receivables owed by it to the account of the Master Purchaser or the FCC (as applicable); and

(2) with effect from 31 May 2009 (included): (a) the USD Equivalent of the aggregate Outstanding Balance of all Purchased Receivables (regardless as to which Seller has originated them); less (b) the USD Equivalent of the aggregate Outstanding Balances of each Purchased Receivable in respect of which the relevant Obligor has been notified to make payments into new accounts in the name of the Master Purchaser or the FCC (as applicable) and the Collateral Monitoring Agent has received satisfactory evidence that such payments are being or will be made to such accounts. This will be satisfied either by evidence that the relevant Obligor has made at least one payment to the account of the Master Purchaser or the FCC (as applicable) in respect of that Purchased Receivable or a Purchased Receivable owed under the same Invoice or receipt of written confirmation from the relevant Obligor that it will make all payments in respect of all Purchased Receivables owed by it to the account of the Master Purchaser or the FCC (as applicable).

2. No Waiver shall become effective until and unless:

(a) Visteon Corporation has paid to Citicorp USA, Inc. the waiver arrangement fees agreed in the separate fee letter dated 26 March 2009; and

(b) [Visteon Corporation] has paid to each Lender which has agreed to this conditional waiver a waiver fee equal to 0.25% of the product of its Commitment Proportion by USD 325 million.

3. Each Waiver is further subject to the conditions subsequent that:

(a) by no later than 30 April 2009, the Parent has delivered to each of the Funding Agent, the Master Purchaser and the Security Trustee, form 10k in relation to its financial year ending on 31 December 2008;

(b) no waiver granted to the Parent in respect of the US ABL Credit Agreement and the Term Loan dated 10 April 2007, is revoked or terminated;

(c) by no later than 30 April 2009, a daily transfer from each Deposit Account to the new accounts of the Master Purchaser or the FCC (as applicable) referred to in paragraphs 1(v)(1) and 1(v)(2) shall be put in place by each relevant account holder (provided that if the holder of the relevant Deposit Account demonstrates that it has taken all necessary steps, reasonably in advance, to have this daily transfer in place prior to 30 April 2009, but this transfer is not effective on 30 April 2009, then the Collateral Monitoring Agent may at its discretion decide to postpone the date for the satisfaction of this condition subsequent to 10 May 2009) ;

(d) by no later than 31 May 2009, the Addressees shall have entered into such documents and amendments to the existing Transaction Documents as are necessary to implement the principles set out in the term-sheet attached as Annex 2 and the conditions precedent set out in such documentation shall have been fulfilled, in each case in a manner satisfactory to each of the Funding Agent, the Master Purchaser, the Collateral Monitoring Agent and the Security Trustee (acting reasonably and in good faith),

provided in addition that if the Addressees have not entered into such documents and amendments by 15 May 2009, an additional reserve of USD 20 million will be deducted pursuant to paragraph (j) of the definition of "NRPB Before Excess Concentrations and Exchange Rate Protection" as set out in the Framework Deed, on each date on which the NRPB Before Excess Concentrations and Exchange Rate Protection falls to be calculated and falling between 15 May 2009 (included) and the date on which condition precedent (d) is fulfilled.

4. Each Waiver shall automatically be revoked and cease to be of any effect, on 29 June 2009 or on the earlier date on which any of the conditions subsequent listed above is not complied with (in each case, the ***Relevant Date***), without prejudice to the modifications provided for in paragraph 1. above which shall remain in full force and effect.

5. Without prejudice to the rights of any of the signatories to this letter under the Transaction Documents, the Sellers undertake, by countersigning this letter, to pay on demand to each of the Funding Agent, the Collateral Monitoring Agent, the Master Purchaser and the Security Trustee any costs, fees and expenses, including without limitation legal fees, together with such amount as shall represent any value added tax, sales tax, purchase tax or other similar taxes or duties associated with such costs fees and expenses (if any) incurred by the Funding Agent, the Collateral Monitoring Agent, the Master Purchaser or the Security Trustee (as the case may be) in connection with the preparation, negotiation and execution of this letter and of any documents required in connection with the matters set out, and agreed, in the term sheet attached to this letter and/or in connection with the enforcement of any such party's rights and remedies under this letter.

6. This letter shall not constitute a waiver of the rights of any party to the Transaction Documents save as expressly set out herein and shall not prevent any such parties from exercising any such rights at any time. In particular, this letter shall not constitute a waiver of any Termination Event, Potential Termination Event, Cash Control Event, Material Adverse Change, Servicer Default, Potential Servicer Default other than an Event or a Material Adverse Change determined solely on the basis of the Projections, on the limited terms set out herein. Further, this letter shall not constitute a waiver of, and shall be without prejudice to, the rights of any party to the Transaction Documents in respect of any Event after the Relevant Date.

7. Each of the Majority Lenders hereby instructs the Security Trustee to sign this letter and agrees that the Security Trustee shall have no liability to the Majority Lenders for any loss howsoever arising as a result of the waiver agreed to by this letter.

Each of the Majority Lenders and the Security Trustee hereby instructs the Master Purchaser to sign this letter.

The Master Purchaser hereby instructs the FCC Management Company and the FCC Custodian to sign this letter and agrees that neither the FCC Management Company nor the FCC Custodian shall have any liability to the Master Purchaser for any loss howsoever arising as a result of the waiver agreed to by this letter.

8. The provisions of Clause 15 (No Petition) and Clause 16 (Limited Recourse) of the Framework Deed shall be incorporated into and shall apply to this letter, *mutatis mutandis*.

9. This letter constitutes an addendum to the Transaction Documents and therefore forms part of the Transaction Documents.

10. This letter may be signed in counterparts (including by facsimile transmission), each of which will be deemed an original. Such counterparts shall together constitute one and the same instrument.

11. By countersigning this letter, each Addressee acknowledges and agrees to the matters set out in this letter and makes the undertakings set out above and hereby represents and warrants to each of the other signatories to this letter that:

    (a) it has obtained all necessary corporate authority and has taken all necessary actions to sign and deliver and perform the transactions contemplated in this letter; and

    (b) its obligations under this letter constitute its legal, valid and binding obligations enforceable against it in accordance with the terms set out herein.

This letter and any non-contractual obligations arising out of or in relation to this letter are governed by English law.

Yours faithfully

/s/ Brendan Mackay
CITICORP USA, INC.
as Collateral Monitoring Agent
Represented by:

/s/ Jane Horner
CITIBANK INTERNATIONAL PLC
as Funding Agent
Represented by:

/s/ Sunil Masson
VISTEON FINANCIAL CENTRE P.L.C.
as Master Purchaser
Represented by:

/s/ Laura Wines
THE LAW DEBENTURE TRUST CORPORATION P.L.C.
as Security Trustee
Represented by:

/s/ S. Thomas
FRANCE TITRISATION
as FCC Management Company

/s/ Harvé Bruyere
BNP PARIBAS SECURITIES SERVICES
as FCC Custodian

/s/ Jane Horner

MAJORITY LENDERS
represented by the Funding Agent

[Seal]

/s/ William G. Quigley III

VISTEON CORPORATION
as Parent

/s/ Michael P. Lewis

VISTEON NETHERLANDS FINANCE B.V.
as Subordinated VLN Facility Provider

/s/ William G. Quigley III

VISTEON ELECTRONICS CORPORATION
as Master Servicer, VEC and US Sub-Servicer

/s/ Michael P. Lewis

VISTEON DEUTSCHLAND GMBH
as Seller and Servicer

/s/ Michael P. Lewis

VISTEON SYSTEMES INTERIEURS S.A.S.
as Seller and Servicer

/s/ Michael P. Lewis

VISTEON ARDENNES INDUSTRIES S.A.S.
as Seller and Servicer

/s/ Michael P. Lewis

VISTEON SISTEMAS INTERIORES ESPAÑA, S.L.U.
as Seller and Servicer

/s/ Michael P. Lewis

CÁDIZ ELECTRÓNICA, S.A.U.
as Seller and Servicer

/s/ Michael P. Lewis

VISTEON PORTUGUESA LIMITED
as Seller and Servicer

/s/ Michael P. Lewis

VC RECEIVABLES FINANCING CORPORATION LIMITED
as Seller and VC Subordinated VLN Facility Provider

Annex 1
The Addressees

THE PARENT		
VISTEON CORPORATION	Address:	One Village Center Drive Van Buren Township, MI 48111 USA
	Fax:	+1 734-736-5563
	For the attention of:	Treasurer
	With a copy to:	Kirkland & Ellis LLP 200 East Randolph Drive Chicago, IL 60601
	Fax:	+1 312-861-2200
THE SUBORDINATED VLN FACILITY PROVIDER	For the attention of:	Linda K. Myers PC
VISTEON NETHERLANDS FINANCE B.V.	Address:	Visteon Strasse 4-10 50170 Kerpen Germany
	Fax:	+49 2273 5952 533
	For the attention of:	Salvador Medina
THE SELLERS AND THE SERVICERS		
VISTEON DEUTSCHLAND GMBH	Address:	Visteon Strasse 4-10 50170 Kerpen Germany
	Fax:	+ 49 2273 5951 269
	For the attention of:	Roland Greff/ Dr Mathias Hüttenrauch/ Tom Schultz
VISTEON SYSTEMES INTERIEURS S.A.S.	Address:	Tour Pentagone Plaza, 381, avenue du Général de Gaulle, 92140 Clamart France
	Fax:	+ 33 1 5813 6550
	For the attention of:	Terrence Gohl
VISTEON ARDENNES INDUSTRIES S.A.S.	Address:	Z.I. De Montjoly BP 228 08102 Charleville – Mézières Cedex France
	Fax:	+ 33 3 2457 2252
	For the attention of:	Stephen Gawne
VISTEON SISTEMAS INTERIORES ESPAÑA, S.L.U.	Address:	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain

	Fax:	+ 34 93478 3534
	For the attention of:	Terrence Gerard Gohl/ Glenda J. Minor/ Pierre Eugène Boulet
CÁDIZ ELECTRÓNICA, S.A.U.	Address:	Carretera A-2001, Km. 6,280 Apartado de Correos 200 11500 El Puerto de Santa Maria Spain
	Fax:	+ 34 956 483 351
	For the attention of:	João Paulo de Sousa Ribeiro/ Daniel Linàn Macias/ Sunil Kumar Bilolikar/
VISTEON PORTUGUESA LIMITED	Address:	Estrada Nacional No. 252-Km12 Parque Industrial das Carrascas 2951-503 Palmela Portugal
	Fax:	+ 315 212 339 269
	For the attention of:	Sunil Kumar Bilolikar/ Glenda Minor/ John Donofrio
MASTER SERVICER, VEC AND US SUB-SERVICER		
VISTEON ELECTRONICS CORPORATION	Address:	One Village Center Drive, Van Buren Township, Michigan 48111, U.S.A.
	Fax:	+1 734-736-5563
SELLER AND VC SUBORDINATED VLN FACILITY PROVIDER	For the attention of:	Treasurer
VC RECEIVABLES FINANCING CORPORATION LIMITED	Address:	5 Harbourmaster Place I.F.S.C. Dublin 1
	Fax:	+ 353 1 680 6050
	For the attention of:	Rhys Owens / Louise Delaney

Annexe 2
Term-sheet

EUROPEAN RECEIVABLES SECURITISATION PROGRAMME
SUMMARY OF PROPOSED AMENDMENTS

*This term sheet sets out the amendments proposed to be made (the "**Amendments**") to the terms of the Visteon European securitisation programme (the "**Transaction**").*

*This document does not prejudice the existing and/or future rights of Citibank, N.A. (**Citi**), any Noteholder or any Lender or any member of their respective groups, the Security Trustee, the FCC, the Master Purchaser or the FCC Management Company to exercise any of their rights and remedies under the Transaction. Neither this document, nor any potential negotiation and/or agreement which might be entered into should be considered in anyway as a waiver of the said parties' rights or shall prevent such parties to exercise any such rights at any time.*

Capitalised terms used in this document shall have the meanings given to them in the Master Definitions and Framework Deed dated 14 August 2006, as amended and restated on 29 October 2008 and the Master French Definitions Agreement dated 13 November 2006, as amended on 29 October 2008.

This document is confidential and shall not be disclosed or otherwise communicated to third parties without Citi's prior consent.

Proposed Amendments:

A.	**Programme limit**	Formalisation of the change agreed pursuant to paragraph 1(i) of the waiver letter to which this term-sheet is attached.
B.	**Pricing / Commitment Fee**	Formalisation of the changes agreed pursuant to paragraphs 1(ii) and 1(iii) of the waiver letter to which this term-sheet is attached.
C.	**Cash Controls and Customer Notifications**	*Notification in Invoices:* With effect from 30 April 2009, all Invoices issued in respect of Purchased Receivables will be required to contain notification of sale wording satisfactory to the Collateral Monitoring Agent and must direct the relevant Obligor to make payments in respect of the Purchased Receivables directly into an account in the name of the Master Purchaser or the FCC (as applicable). *Reserve in the absence of redirection of Obligor Payments:* Formalisation of the changes agreed pursuant to paragraphs 1(v)(1) and 1(v)(2) of the waiver letter to which this term-sheet is attached.

Right to give notification to Obligors:

With effect from the 30 April 2009, to the extent that the relevant notification has not already been given by the relevant Seller the Master Purchaser (or the Collateral Monitoring Agent on its behalf) and the FCC Management Company are to have the ability at any time to give notice to Obligors of the sale of the relevant Receivables and direct the Obligors to make payment to an account of the Master Purchaser or the FCC (as applicable) if the Collateral Monitoring Agent determines that such notification is necessary or desirable for the protection or preservation of the interests of any of the Master Purchaser, the Noteholders or the FCC.

Daily transfer from the Deposit Accounts:

Formalisation of the daily transfer from each Deposit Account to an account of the Master Purchaser or the FCC (as applicable).

Access to Deposit Accounts information:

To the extent possible, in relation to any Deposit Account in the name of an entity within the Visteon Group with an account bank other than Citi, each such entity shall procure (to the extent possible) as soon as reasonably practicable after the Amendment Date that the Collateral Monitoring Agent has on-line view access to the relevant account balances.

D. **Repurchase of German Purchased Receivables**

Pursuant to the Amendments, the German Seller will be granted the right, by giving 10 Business Days' notice in writing to the Master Purchaser, the Security Trustee, the Collateral Monitoring Agent and the Funding Agent, to stop selling receivables under the Transaction, and to repurchase all outstanding Purchased Receivables sold by it under the Transaction, provided that such repurchase shall take place on terms and conditions similar to those currently set out in clause 6 of the Deed of Amendment, *mutatis mutandis*.

E. **Weekly settlement of the Purchase Price**

Weekly settlement of the Purchase Price:

From the date of execution of the Amendments (the ***Amendment Date***), a concept of Weekly Settlement Date and Weekly Determination Date will be introduced (so that Determination Periods will last a week).

Between two Weekly Settlement Dates, the Master Purchaser and the FCC will release on a daily basis to each Seller the Collections received on their respective account, as Advance Purchase Prices in respect of the Purchased Receivables to arise during the corresponding Determination Period.

On the Weekly Settlement Date following the end of that Determination Period, a settlement will occur between the Advance Purchase Prices so paid and the Purchase Prices in respect of Purchased Receivables which have actually arisen during this Determination Period.

The Collateral Monitoring Agent, the Security Trustee, the Master Purchaser and the FCC will reserve the right to stop the release of Collections and the payment of Advance Purchase Prices to the Sellers. The Collateral Monitoring Agent, the Security Trustee, the Master Purchaser and the FCC shall be entitled to exercise this right at any time, by giving notice of this decision to the Parent on the day on which it becomes effective. Such notice shall be deemed to be received on the date on which it is issued.

The Collateral Monitoring Agent, the Security Trustee, the Master Purchaser or the FCC (as applicable) will make a reasonable attempt to consult the Parent on the day on which it issues such notice, provided that whether or not this consultation takes place and whatever its outcome, the Collateral Monitoring Agent, the Security Trustee, the Master Purchaser and the FCC shall retain the right to stop the release of Collections and the payment of Advance Purchase Prices to the Sellers on that day if they have so decided.

After such notice has been issued, and as long as no Termination Event, Potential Termination Event, Cash Control Event, Material Adverse Change, Servicer Default or Potential Servicer Default has occurred, if on any date (i) the amount of Collections standing to the accounts of the Master Purchaser and the FCC exceeds (ii) all amounts which are or will become due and payable by the Master Purchaser on any Settlement Dates under paragraphs (a) to (k) (included) of each of the EUR Pre-Enforcement Priority of Payments, GBP Pre-Enforcement Priority of Payments and USD Pre-Enforcement Priority of Payments and all amounts which are or will become due and payable by the FCC on any Settlement Dates, the Master Purchaser and the FCC will release from their accounts an amount equal to the difference between (i) and (ii), to be applied to the payments of amounts then due and payable under paragraphs (l) to (r) (included) of the EUR Pre-Enforcement Priority of Payments, paragraphs (l) to (q) (included) of the GBP Pre-Enforcement Priority of Payments and paragraphs (l) to (q) (included) of the USD Pre-Enforcement Priority of Payments.

Solvency certificate:

Each Seller is to be required to provide a solvency certificate immediately prior to each Monthly Settlement Date (in a form satisfactory to the Collateral Monitoring Agent).

F. **Weekly notarisation**

From the Amendment Date, the Spanish Transfer Deeds executed in respect of Spanish Purchased Receivables and the Transfer Documents executed and delivered by (x) any Spanish Seller in respect of French Receivables arising from Contracts governed by French law and (y) any French Seller in respect of French Receivables arising from Contracts governed by Spanish law will have to be notarised on a weekly basis. The Amendments will provide a possibility for the Master Purchaser and the FCC to retain Collections to pay the notarisation fees, to the extent unpaid by the relevant Seller.

G. **Alternate Collection Agent and provision of information**

Weekly Spreadsheet:

The Servicer shall provide to the Collateral Monitoring Agent, the Management Company, the Custodian on a weekly basis a spreadsheet in a form satisfactory to the Collateral Monitoring Agent detailing all Collections received during the preceding week, all Receivables originated during the preceding week (the ***Weekly Spreadsheet***). Each such spreadsheet shall be accompanied by a list of all outstanding Purchased Receivables (including invoice numbers and contact details of the relevant Obligors) as at the Business Day on which such spreadsheet is delivered.

Alternate Collection Agent:

An alternate collection agent satisfactory to the Collateral Monitoring Agent may be appointed at any time, on terms satisfactory to the Collateral Monitoring Agent and at the cost of the Sellers:

(a) immediately upon notice given by the Collateral Monitoring Agent to the Servicers, in case a Termination Event, Potential Termination Event, Cash Control Event, Servicer Default or Potential Servicer Default has occurred; or

(b) upon a 5 Business Days prior notice given by the Collateral Monitoring Agent to the Servicers in all other cases.

The Sellers and Servicers are to undertake to provide to any such alternate collection agent, on a daily basis, such information as the Collateral Monitoring Agent may from time to time require (including without limitation the daily spreadsheet described above and listings of all receivables, names and addresses of Obligors). The alternate collection agent may if required by the Collateral Monitoring Agent also be engaged to manage a website containing copies of the securitisation documentation to be made available as required to Obligors to evidence sale and transfer of receivables and the authority of the alternate collection agent.

Replacement of Servicers:

Each of the Master Purchaser and the FCC Management Company are to have the ability (and shall be required if directed by any Noteholder or the Collateral Monitoring Agent) to terminate the appointment of the Servicers on giving not less than one Business Day's notice at any time and to appoint a replacement servicer, which can be any alternate collection agent previously appointed.

Further assistance:

Each Seller to agree to provide to the Collateral Monitoring Agent, FCC Management Company and/or alternate collection agent promptly on request copies of any other documents relating to the receivables (including delivery notes). Each of the Sellers is to undertake to acknowledge and confirm if questioned the sale and transfer of Purchased Receivables to any Obligor following notification having been given by or on behalf of the Master Purchaser, FCC Management Company or Collateral Monitoring Agent.

H. Conditions precedent

Customary for facilities of this type but to include:

- Solvency certificates from each of the Sellers and the Parent in a form satisfactory to Citi;
- Confirmation from the Parent as to continuing effectiveness of Parent Undertaking;
- Corporate authorisation, capacity, execution etc. opinions in respect of each of the Sellers, the Parent and the Master Purchaser in form satisfactory to Citi to be delivered by Visteon's counsel;
- Legal opinions as to the effectiveness of transaction documents in form satisfactory to Citi a to be delivered by Citi's counsel.

EXHIBIT 12.1

Visteon Corporation and Subsidiaries
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(in millions)

	For the Years Ended December 31,				
	2008	2007	2006	2005	2004
Earnings					
Income/(loss) before income taxes, minority interest, discontinued operations and change in accounting and extraordinary item	$ (531)	$ (285)	$ (89)	$ (165)	$ (540)
Earnings of non-consolidated affiliates	(41)	(47)	(33)	(25)	(45)
Cash dividends received from non-consolidated affiliates	46	71	24	48	42
Fixed charges	236	249	212	185	140
Amortization of capitalized interest, net of interest capitalized	7	6	6	4	1
Earnings	$ (283)	$ (6)	$ 120	$ 47	$ (402)
Fixed Charges					
Interest and related charges on debt	$ 215	$ 226	$ 190	$ 158	$ 109
Portion of rental expense representative of the interest factor	27	27	23	27	31
Fixed charges	$ 242	$ 253	$ 213	$ 185	$ 140
Ratios					
Ratio of earnings to fixed charges *	N/A	N/A	N/A	N/A	N/A

* For the years ended December 31, 2008, 2007, 2006, 2005 and 2004 fixed charges exceed earnings by $525 million, $259 million, $93 million, $138 million and $542 million, respectively, resulting in a ratio of less than one.

SUBSIDIARIES OF VISTEON CORPORATION AS OF DECEMBER 31, 2008 *

Organization	Jurisdiction
Atlantic Automotive Components, L.L.C.	Michigan, U.S.A.
GCM/Visteon Automotive Systems, LLC	Mississippi, U.S.A.
GCM/Visteon Automotive Leasing Systems, LLC	Mississippi, U.S.A.
Infinitive Speech Systems Corp.	Delaware, U.S.A.
Infinitive Speech Systems UK Limited	England
SunGlas, LLC	Delaware, U.S.A.
Autovidrio S.A. de C.V.	Mexico
Fairlane Holdings, Inc.	Delaware, U.S.A.
Tyler Road Investments, LLC	Michigan, U.S.A.
VC Aviation Services, LLC	Michigan, U.S.A.
Visteon Climate Control Systems Limited	Delaware, U.S.A.
ARS, Inc.	Delaware, U.S.A.
Visteon Domestic Holdings, LLC	Delaware, U.S.A.
Halla Climate Systems Alabama Corp.	Delaware, U.S.A.
LTD Parts, Incorporated	Tennessee,U.S.A.
VC Regional Assembly & Manufacturing, LLC	Delaware, U.S.A.
MIG-Visteon Automotive Systems, LLC	Tennessee,U.S.A.
Visteon Technologies, LLC	Delaware, U.S.A.
Visteon Electronics Corporation	Delaware, U.S.A.
Visteon Global Technologies, Inc.	Michigan, U.S.A.
Visteon Holdings GmbH	Germany
Visteon Deutschland GmbH	Germany
Visteon Handels and Service GmbH	Germany
Visteon Global Treasury, Inc.	Delaware, U.S.A.
Visteon International Business Development, Inc.	Delaware, U.S.A.
Visteon International Holdings, Inc.	Delaware, U.S.A.
Brasil Holdings Ltda.	Brazil
Visteon Sistemas Automotivos Ltda.	Brazil
Visteon Brasil Trading Company Ltd.	Brazil
Climate Systems India Limited	India
Duck Yang Industry Co., Ltd.	Korea
Halla Climate Control Corporation	Korea
Climate Global LLC	Korea
Visteon Automotive Systems India Private Limited	India
Visteon Climate Control (Beijing) Co., Ltd.	China
Halla Climate Control Canada Inc.	Canada
Halla Climate Control (Dalian) Co., Ltd.	China
Halla Climate Control (Portugal) Ar Condicionado, LDA	Portugal
Halla Climate Control Slovakia s.r.o.	Slovakia
Halla Climate Control (Thailand) Company Limited	Thailand
Visteon Automotive Components Production Industry and Commerce AS	Turkey
Jiangxi Fuchang Climate Systems, Ltd.	China
TACO Visteon Engineering Private Limited	India
Visteon Adria d.o.o.	Croatia
Visteon Amazonas Ltda.	Brazil
Visteon Asia Holdings, Inc.	Delaware, U.S.A.
Visteon Asia Pacific, Inc.	China

Organization	Jurisdiction
Visteon Automotive Holdings, LLC	Delaware, U.S.A.
Grupo Visteon, S.de R.L. de C.V.	Mexico
Aeropuerto Sistemas Automotrices S.de R.L de C.V.	Mexico
Altec Electronica Chihuahua, S.A. de C.V.	Mexico
Carplastic S.A. de C.V.	Mexico
Climate Systems Mexicana, S.A. de C.V.	Mexico
Coclisa S.A. de C.V.	Mexico
Lamosa S.A. de C.V.	Mexico
Visteon de Mexico S. de R.L.	Mexico
Visteon Holdings, LLC	Delaware, U.S.A.
Visteon Canada Inc.	Canada
Visteon Caribbean, Inc.	Puerto Rico
Visteon Climate Control(Chongqing) Co., Ltd.	China
Visteon Climate Holdings (Hong Kong), Ltd.	Hong Kong
Visteon Electronics Holdings (Hong Kong), Ltd.	Hong Kong
Visteon Electronics Korea Ltd.	Korea
Visteon Engineering Services Limited	United Kingdom
Visteon Engineering Services Pension Trustees Limited	United Kingdom
Visteon European Holdings Corporation	Delaware, U.S.A.
Visteon Financial Corporation	Delaware, U.S.A.
Visteon Holdings Espana SL	Spain
Cadiz Electronica, S.A.	Spain
Eldeberries, s.r.o.	Czech Republic
Visteon-Autopal, s.r.o.	Czech Republic
Visteon Sistemas Interiores Espana, S.L.	Spain
Visteon Holdings France SAS	France
Visteon Holdings Italia, s.r.l.	Italy
Visteon Interior Systems Italia S.r.l.	Italy
Visteon Interior Systems Holdings France SAS	France
Visteon Ardennes Industries SAS	France
Visteon Systemes Interieurs SAS	France
Reydel International NV	Netherlands
Reydel Limited	United Kingdom
Reydel Nederland NV	Netherlands
Visteon Software Technologies SAS	France
Visteon Netherlands Holdings B.V.	Netherlands
Visteon Netherlands Finance B.V.	Netherlands
Visteon Portugesa, Ltd.	Bermuda
Visteon Hungary Kft	Hungary
Visteon Interiors Holdings (Hong Kong), Ltd.	Hong Kong
Visteon Interiors Korea Limited	Korea
Visteon International Holding (BVI) Limited	British Vir. Isles
Visteon International Holdings (Hong Kong), Ltd.	Hong Kong
Visteon International Trading (Shanghai) Co., Ltd.	China
Visteon Japan, Ltd.	Japan
Visteon-Nichirin-Czech s.r.o	Czech Republic
Visteon Philippines, Inc.	Philippines
Visteon Poland S.A.	Poland
Visteon S.A.	Argentina
Visteon Singapore Holdings Pte. Ltd.	Singapore
Visteon Slovakia S.r.o.	Slovakia
Visteon South Africa (Pty) Limited	South Africa
Visteon Technical & Services Centre Private Limited	India
Visteon (Thailand) Limited	Thailand
Visteon UK Limited	England
Visteon LA Holdings Corp.	Delaware, U.S.A.

Organization	Jurisdiction
Visteon Systems, LLC	Delaware, U.S.A.
Visteon AC Holdings Corp.	Delaware, U.S.A.

* Subsidiaries not shown by name in the above list, if considered in the aggregate as a single subsidiary, would not constitute a significant Subsidiary.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-40202, 333-87794, 333-115463, and 333-145106) of Visteon Corporation of our report dated March 31, 2009 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Detroit, Michigan
March 31, 2009

VISTEON CORPORATION

Certificate of Secretary

The undersigned, Heidi A. Sepanik, Secretary of VISTEON CORPORATION, a Delaware corporation (the "Company"), DOES HEREBY CERTIFY that the following resolutions were adopted by the Board of Directors of the Company at a meeting held on March 27, 2009, and that the same are in full force and effect:

"RESOLVED, that preparation of the Annual Report on Form 10-K of the Company for the year ended December 31, 2008, (the "10-K Report"), including exhibits and other documents, to be filed with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended, be and hereby is in all respects authorized and approved; that the draft 10-K Report be and hereby is approved in all respects; that the directors and appropriate officers of the Company, and each of them, be and hereby are authorized to sign and execute in their own behalf, or in the name and on behalf of the Company, or both, as the case may be, the 10-K Report, and any and all amendments thereto, with such changes therein as such directors and officers may deem necessary, appropriate or desirable, as conclusively evidenced by their execution thereof; and that the appropriate officers of the Company, and each of them, be and hereby are authorized to cause the 10-K Report and any such amendments, so executed, to be filed with the Commission.

"RESOLVED, that each officer and director who may be required to sign and execute the 10-K Report or any amendment thereto or document in connection therewith (whether in the name and on behalf of the Company, or as an officer or director of the Company, or otherwise), be and hereby is authorized to execute a power of attorney appointing W. G. Quigley III, M. J. Widgren and J. Donofrio, and each of them, severally, his or her true and lawful attorney or attorneys to sign in his or her name, place and stead in any such capacity the 10-K Report and any and all amendments thereto and documents in connection therewith, and to file the same with the Commission, each of said attorneys to have power to act with or without the other, and to have full power and authority to do and perform in the name and on behalf of each of said officers and directors who shall have executed such power of attorney, every act whatsoever which such attorneys, or any of them, may deem necessary, appropriate or desirable to be done in connection therewith as fully and to all intents and purposes as such officers or directors might or could do in person."

WITNESS my hand as of this 31st day of March, 2009.

/s/ Heidi A. Sepanik
Heidi A. Sepanik
Secretary

(SEAL)

POWER OF ATTORNEY WITH RESPECT TO
ANNUAL REPORT ON FORM 10-K OF
VISTEON CORPORATION FOR
THE YEAR ENDED DECEMBER 31, 2008

Each of the undersigned, a director or officer of VISTEON CORPORATION, appoints each of W. G. Quigley III, M. J. Widgren and J. Donofrio as his or her true and lawful attorney and agent to do any and all acts and things and execute any and all instruments which the attorney and agent may deem necessary or advisable in order to enable VISTEON CORPORATION to comply with the Securities Exchange Act of 1934, and any requirements of the Securities and Exchange Commission, in connection with the Annual Report on Form 10-K of VISTEON CORPORATION for the year ended December 31, 2008, and any and all amendments thereto, including, but not limited to, power and authority to sign his or her name (whether on behalf of VISTEON CORPORATION, or as a director or officer of VISTEON CORPORATION, or by attesting the seal of VISTEON CORPORATION, or otherwise) to such instruments and to such Annual Report and any amendments thereto, and to file them with the Securities and Exchange Commission. The undersigned ratifies and confirms all that any of the attorneys and agents shall do or cause to be done by virtue hereof. Any one of the attorneys and agents shall have, and may exercise, all the powers conferred by this instrument.

Each of the undersigned has signed his or her name as of the 31st day of March, 2009.

/s/ Wiiliam H. Gray, III	/s/ Donald J. Stebbins
William H. Gray, III	Donald J. Stebbins
/s/ Steven K. Hamp	/s/ Richard J. Taggart
Steven K. Hamp	Richard J. Taggart
/s/ Patricia L. Higgins	/s/ James D. Thornton
Patricia L. Higgins	James D. Thornton
/s/ Karl J. Krapek	/s/ Kenneth B. Woodrow
Karl J. Krapek	Kenneth B. Woodrow
/s/ Alex J. Mandl	/s/ William G. Quigley III
Alex J. Mandl	William G. Quigley III
/s/ Charles L. Schaffer	/s/ Michael J. Widgren
Charles L. Schaffer	Michael J. Widgren

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Donald J. Stebbins, certify that:

1. I have reviewed this Annual Report on Form 10-K of Visteon Corporation;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2009

/s/ Donald J. Stebbins
Donald J. Stebbins
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, William G. Quigley III, certify that:

1. I have reviewed this Annual Report on Form 10-K of Visteon Corporation;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

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

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2009

/s/ William G. Quigley III
William G. Quigley III
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SS.1350
AND EXCHANGE ACT RULE 13a-14(b)

Solely for the purposes of complying with 18 U.S.C. ss.1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), I, the undersigned Chairman and Chief Executive Officer of Visteon Corporation (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2008 (the "Report") fully complies with the requirements of Section 13(a) of the Exchange Act and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Donald J. Stebbins
Donald J. Stebbins

March 31, 2009

CERTIFICATION PURSUANT TO 18 U.S.C. SS.1350
AND EXCHANGE ACT RULE 13a-14(b)

Solely for the purposes of complying with 18 U.S.C. ss.1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), I, the undersigned Executive Vice President and Chief Financial Officer of Visteon Corporation (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2008 (the "Report") fully complies with the requirements of Section 13(a) of the Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William G. Quigley III
William G. Quigley III

March 31, 2009