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, 2015

OR

☐ **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 001-15827

VISTEON CORPORATION

(Exact name of registrant as specified in its charter)

State of Delaware	**38-3519512**
(State or other jurisdiction of incorporation or organization)	(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(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Common Stock, par value $0.01 per share	New York Stock Exchange

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

Warrants, each exercisable for one share of Common Stock at an exercise price of $9.66 (expiring October 1, 2020)
(Title of class)

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

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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. ü

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.

Large accelerated filer ü Accelerated filer __ Non-accelerated filer __ 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, 2015 (the last business day of the most recently completed second fiscal quarter) was approximately $4 billion.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ü No__

As of February 19, 2016, the registrant had outstanding 38,864,913 shares of common stock.

Document Incorporated by Reference

Document	Where Incorporated
2016 Proxy Statement	Part III (Items 10, 11, 12, 13 and 14)

Visteon Corporation and Subsidiaries

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Part I

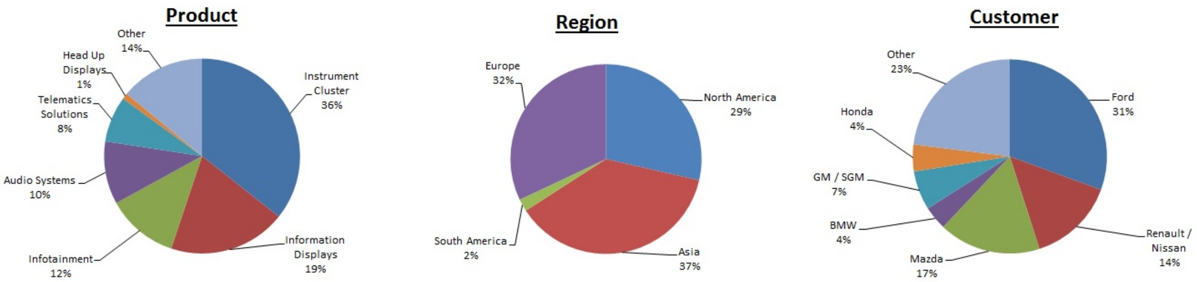
Item 1. Business

Description of Business

Visteon Corporation (the "Company" or "Visteon") is a global automotive supplier that designs, engineers and manufactures innovative electronics products for nearly every original equipment vehicle manufacturer ("OEM") worldwide including Ford, Nissan, Renault, Mazda, BMW, General Motors and Honda. Visteon is headquartered in Van Buren Township, Michigan and has an international network of manufacturing operations, technical centers and joint venture operations, supported by approximately 11,000 employees, dedicated to the design, development, manufacture and support of its product offerings and its global customers. The Company's manufacturing and engineering footprint is principally located outside of the U.S., with a heavy concentration in low-cost geographic regions.

Visteon provides value for its customers and stockholders through its technology-focused vehicle cockpit electronics business, by delivering a rich, connected cockpit experience for every car from luxury to entry. The Company's cockpit electronics business is one of the broadest portfolios in the industry and includes audio systems, information displays, instrument clusters, head up displays, infotainment systems, and telematics solutions. The Company's cockpit electronics business comprises and is reported under the Electronics segment. In addition to the Electronics segment, the Company has residual operations in South America and Europe previously associated with the Interiors and Climate businesses but not subject to discontinued operations classification that comprise Other.

The pie charts below highlight the sales breakdown for Visteon's Electronics segment for the year ended December 31, 2015.



The Company’s History

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.

During the latter part of 2008 and through 2009, weakened economic conditions, largely attributable to the global credit crisis, and erosion of consumer confidence, triggered a global economic recession that negatively impacted the automotive sector. On May 28, 2009, the Company and many of its domestic subsidiaries filed voluntary petitions for reorganization relief under the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware in response to the resulting sudden and severe declines in global automotive production and the related adverse impact on the Company’s cash flows and liquidity. On August 31, 2010, the bankruptcy court entered an order confirming the plan of reorganization and the Company emerged from bankruptcy on October 1, 2010.

In September 2012, the Company announced a comprehensive shareholder value creation plan founded on the pillars of industrial logic, customer focus and financial discipline. The primary objectives of the comprehensive shareholder value creation plan included the following:

- Interiors Exit - During 2009 the Company exited its Interiors businesses in North America leaving a solid and capable regional business, but one without a complete global footprint. Subsequently, the Company determined that the remainder of its Interiors business was not aligned with its long-term strategic goals and set out to explore various alternatives for exit including, but not limited to, divestiture, partnership or alliance.

- Climate Consolidation - Historically, the Company's Climate operations were comprised of Halla Climate Control Corporation ("Halla"), a 70% owned and consolidated Korean subsidiary, and a series of wholly-owned Visteon Climate operations and other Visteon Climate joint ventures. To enhance the efficiency of its investments in global Climate assets, the Company endeavored to consolidate the ownership of its Climate businesses under a single ownership structure thus achieving operational synergies, improved global scale and common business practices.
- Electronics Optimization - Historically, the Company's investment in its Electronics business was sub-optimized. The Company focused its strategy on vehicle cockpit electronics and commenced efforts to expand the size and scale of its capabilities to deliver innovative audio, infotainment, cluster and display products to OEM customers and to position the business to capitalize on rapidly changing consumer-driven technologies in a connected car landscape.
- Strengthen the Balance Sheet - Following emergence from bankruptcy, the Company's balance sheet continued to carry a significant amount of indebtedness, including substantial employee retirement benefit obligations. Servicing these debts and reducing the associated carrying costs and economic risks were identified as priorities.
- Enhance Shareholder Returns - The Company also declared its intent to make shareholder returns a priority.

Interiors Exit

In May 2014 Visteon reached an agreement to divest substantially all of its global Interiors business (the "Interiors Divestiture") pursuant to a Master Purchase Agreement, as subsequently amended (the “Purchase Agreement”). Effective November 1, 2014, the Company closed on the majority of the Interiors Divestiture (the "Master Closing"). Subsequent to the Master Closing, Visteon completed the sale of interiors operations in India and Thailand on December 1, 2014 and February 2, 2015, respectively. Remaining interiors operations subject to the Interiors Divestiture, which are located in Argentina and Brazil, are expected to close in 2016.

In June 2015, the Company completed the sale of its 12.5% ownership interest in Yangfeng Visteon Jinqiao Automotive Trim Systems Co., Ltd., a Chinese automotive supplier for proceeds of approximately $91 million and recorded a pre-tax gain of $62 million. The sale of this joint venture is a final step of the Company's 2013 Master Agreement (the “Master Agreement”) with Huayu Automotive Systems Company Limited (“HASCO”), Yanfeng Visteon Automotive Trim Systems Co., Ltd. (“Yanfeng”) and Yanfeng Visteon Automotive Electronics Co., Ltd. (“YFVE”) to sell its ownership in interiors related joint ventures, the vast majority of which was completed during the fourth quarter of 2013.

On December 1, 2015, Visteon completed the sale and transfer of its equity ownership in Visteon Deutschland GmbH, which operated the Berlin, Germany interiors plant ("Germany Interiors Divestiture") . The Company contributed cash of approximately $141 million, assets of $27 million, and liabilities of $198 million, including pension related liabilities. The Company will make a final contribution payment of approximately $30 million by November 2016 included in the Company's consolidated balance sheet as "Other current liabilities" as of December 31, 2015. The Company recognized a pre-tax loss on divestiture of $105 million related to foreign currency translation and pension benefit plan amounts previously recorded in accumulated other comprehensive loss.

Climate Consolidation and Sale

During 2013, the ownership structure of Visteon’s thermal energy management businesses was changed in connection with the sale of certain of Visteon climate subsidiaries, joint venture investments and related intellectual properties to Halla (“Climate Consolidation”). With effect from February 1, 2013, the climate business as combined under Halla operated as Halla Visteon Climate Control Corporation, a Korean corporation (“HVCC”). Visteon held an approximate 70% controlling ownership interest in HVCC, headquartered in South Korea. The Climate Consolidation qualified as a common control transaction.

On June 9, 2015, Visteon completed the sale to Hahn & Co. Auto Holdings Co., Ltd. (“Hahn”) and Hankook Tire Co., Ltd. (“Hankook” and, together with Hahn, the “Purchasers”) of all of its shares of HVCC, for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon (the “Climate Transaction”), pursuant to and in accordance with the Share Purchase Agreement, dated as of December 17, 2014 (the “Purchase Agreement”), among Visteon and the Purchasers. The Company received net cash proceeds of approximately $2.7 billion and recognized a pre-tax gain of approximately $2.3 billion in connection with the closing of the Climate Transaction in June, 2015.

Electronics Optimization

On November 7, 2013 and in connection with the Yanfeng Transactions, Visteon made a cash payment of $58 million to subscribe to an additional 11% ownership interest in YFVE. This step acquisition increased Visteon's direct ownership interest in YFVE from a non-controlling 40% direct ownership interest to a controlling 51% direct ownership interest.

Effective July 1, 2014 Visteon acquired substantially all of the global automotive electronics business of Johnson Controls Inc. for the aggregate purchase price of $299 million funded with cash on hand, including $31 million of cash and equivalents at the acquired business (the "Electronics Acquisition"). The Electronics Acquisition is expected to enhance Visteon's competitive position in the fast-growing vehicle cockpit electronics segment by strengthening its global scale, manufacturing and engineering footprint, product portfolio and customer penetration. Sales for the acquired business were approximately $1.3 billion for the annual period ended September 30, 2013.

On January 12, 2016, Visteon entered into a share purchase agreement to acquire all shares of AllGo Systems, Inc., USA ("AllGo Systems") for initial consideration of $15 million and contingent consideration of $7 million, expected to close during the first half of 2016. AllGo Systems, is a leading developer of embedded multimedia system solutions to global vehicle manufacturers. The acquisition further strengthens the Company's technological capabilities as it develops the next generation infotainment products.

Strengthen the Balance Sheet

During 2012 the Company offered an accelerated pension payment program to most of its U.S. deferred vested defined benefit plan participants, whereby such participants could elect to receive a single lump sum payout. Approximately 70% of eligible participants elected to receive a single lump sum payout resulting in a reduction of the Company's U.S. retirement plan obligations of $408 million and a reduction in plan assets of $301 million, respectively.

On July 16, 2014, the Company entered into an agreement to transfer approximately $350 million of U.S. pension assets to Prudential Insurance Company of America, to settle approximately $350 million of its U.S. outstanding pension obligation. As a result, the Company substantially lowered the related economic volatility associated with the pension obligation.

On June 12, 2015, the Company utilized Climate Transaction proceeds to pay down $246 million of term loan principal on June 12, 2015 to reduce aggregate principal amount of Term Loans outstanding to $350 million.

Enhance Shareholder Returns

In July 2012, the board of directors authorized the repurchase of up to $100 million of the Company's common stock. During 2012, the Company repurchased 1,005,559 shares of its outstanding common stock at an weighted average price of $49.72 per share, excluding commissions, for the aggregate purchase price of $50 million. In January 2013, the board of directors authorized an increase of share repurchase amount by an additional $200 million and brought the total share repurchase authorization to $300 million. In March 2013, the Company entered into an accelerated stock buyback ("ASB") program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. The program concluded in April 2013 and the Company received 2,209,078 shares in total. The final settlement price for all shares delivered under the program was $56.58.

In August 2013, the Company's board of directors raised the authorization of its remaining share repurchase program from $125 million to $1 billion over the next two years. The Company entered into another ASB program in August 2013 with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. This program concluded in December 2013 and the Company received 1,676,900 shares in total. The final settlement price for all shares delivered under the program was $74.54.

In May 2014, the Company announced another ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,394,157 shares of common stock using a reference price of $92.07, and an additional delivery of 1,129,001 shares of common stock following the conclusion of the hedge period which determined a certain minimum amount of shares guaranteed under a portion of the program that had a maximum per share price of $100.54. On October 15, 2014, the capped portion of the program concluded, and the Company received an additional 112,269 shares. The final settlement price for all shares delivered under the capped portion of the program was $96.19. On May 1, 2015, the uncapped portion of the program concluded, and the Company received an additional 534,214 shares. The final settlement price for all shares delivered under the uncapped portion of the program was $97.25.

On June 11, 2015, the Company's board of directors authorized an additional $125 million of share repurchase for a total of $500 million available for share repurchase. On June 15, 2015, the Company entered into another ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,712,297 shares of common stock, which is approximately 80% of the total number of shares of the Company's common stock expected to be repurchased under the ASB Agreement based on the closing price of the Company's common stock on June 15, 2015. In December 2015, the program concluded and the Company received an additional 1,058,965 shares. The final settlement price for all shares delivered under this 2015 ASB program was $104.79.

On December 9, 2015, the Company's board of directors approved a special distribution of $43.40 per share of its common stock outstanding as of January 15, 2016, or approximately $1.75 billion in the aggregate, payable on January 22, 2016, and authorized a share repurchase program to repurchase up to $500 million of its shares of common stock through December 31, 2016.

On December 16, 2015, the Company entered into a stock repurchase agreement with a third party financial institution to purchase shares of its common stock complying with the provisions of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934 ("10b5-1 Share Repurchase Program"). The new 10b5-1 Share Repurchase Program is open until March 1, 2016 with the maximum purchase amount of $150 million, net of commissions. Under this program, the third-party financial institution will repurchase the Company's shares at the prevailing market prices pursuant to specified share price and daily volume limits. As of February 19, 2016, the Company has paid $84 million to repurchase 1,307,500 of shares at an average price of $64.06.

Approximately $1.74 billion of the Company's cash equivalents and short-term investments, including separately managed accounts, have been liquidated on or about January 19, 2016 to fund the special distribution paid on January 22, 2016.

Strategic Imperatives

After completing the most critical milestones of the Company's transformation plan laid out during the latter half of 2012, Visteon is now a technology-focused, pure-play supplier of automotive cockpit electronics and connected car solutions. The Company has laid out the following three strategic imperatives for 2016 and beyond:

- *Strengthen the Core* - Visteon offers technology and related manufacturing operations for audio, head-up displays, information displays, infotainment, instrument clusters and telematics products. The Company's backlog, defined as cumulative remaining life of program booked sales, is approximately $15.2 billion as of December 31, 2015, or 4.9 times 2015 sales, reflecting a strong booked sales base on which to launch future growth.

- *Move Selectively to Adjacent Products* - As consumer demand continues to evolve with an increase of electronics content per vehicle, the Company strives to further develop expertise in the areas of cockpit domain controllers, next generation safety applications, and vehicle cyber security. These areas require assessment as consumer needs shift and related products complement Visteon's core products.

- *Deliver Cost Efficiencies* - Visteon core business financial results continue to improve with Adjusted EBITDA margin for electronics and corporate of 9.5% in 2015 compared with 7.2% in 2014. The Company expects to deliver cost efficiencies by achieving selling, general and administrative and engineering efficiencies, improving free cash flow, optimizing its capital structure and driving savings benefits as revenues grow.

The Company's Industry

The Company operates in the automotive industry, which is cyclical and highly sensitive to general economic conditions. The Company believes that future success in the automotive industry is, in part, dependent on alignment with customers to support their efforts to effectively meet the challenges associated with the following significant trends and developments in the global automotive industry.

- Emissions and safety - Governments continue to focus regulatory efforts on cleaner and safer transportation with the objective of securing individual mobility. Accordingly, OEMs are working to lower average vehicle emissions by developing a more diverse range of vehicles including those powered by hybrid technologies, alternative fuels, and electricity. OEMs are also working to improve occupant and pedestrian safety by incorporating more safety oriented content in their vehicles. Suppliers must enable the emissions and safety initiatives of their customers including the development of new technologies.
- Electronic content and connectivity - The electronic content of vehicles continues to increase due to various regulatory requirements and consumer demand for increased vehicle performance and functionality. The use of electronic components can reduce weight, expedite assembly, enhance fuel economy, improve emissions, increase safety and enhance vehicle performance. Additionally, digital and portable technologies have dramatically influenced the lifestyle of today's consumers who expect products that enable such a lifestyle. This requires increased electronic and technical content such as in-vehicle communication, navigation and entertainment capabilities. While OEMs are taking different paths to connect their vehicles

to high-speed broadband internet connections in the short-term, future vehicles are expected to be built with vehicle-to-vehicle connectivity systems.

- Vehicle standardization - OEMs continue to standardize vehicle platforms on a global basis, resulting in a lower number of individual vehicle platforms, design cost savings and further scale of economies through the production of a greater number of models from each platform. Having operations in the geographic markets in which OEMs produce global platforms enables suppliers to meet OEMs’ needs more economically and efficiently, thus making global coverage a source of significant competitive advantage for suppliers with a diverse global footprint. Additionally, OEMs are looking to suppliers for increased collaboration to lower costs, reduce risks, and decrease overall time to market. Suppliers that can provide fully-engineered solutions, systems and pre-assembled combinations of component parts are positioned to leverage the trend toward system sourcing.

Financial Information about Segments

The Company's operating structure is organized by global product group, including Electronics and Other. These global product groups have financial and operating responsibility over the design, development and manufacture of the Company's product portfolio. The Company's reportable segments are as follows:

- Electronics - The Company's Electronics segment provides vehicle cockpit electronics products to customers, including audio systems, information displays, instrument clusters, head up displays, infotainment systems, and telematics solutions.
- Other - Other includes entities located in Europe previously associated with the Interiors business but not subject to the Interiors Divestiture. Other also includes entities in South America and South Africa previously associated with the Climate business but not subject to the Climate Transaction.

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

The Company designs and manufacturers vehicle cockpit electronics components, modules and systems further described as follows:

Audio Systems

The Company offers a range of audio products, including audio head units, amplifiers and analog and digital radios, which deliver consumer device connectivity. Visteon’s OpenAir® brand of premium connected audio products is based on open architecture, human machine interaction ("HMI") command and control, and wireless communication. These products are designed to allow vehicle occupants to easily connect their mobile devices to the built-in display to safely access phone functions, listen to music, stream media and enable CarPlay, Android Auto and Baidu Carlife.

Information Displays

The Company offers a range of information displays incorporating a sleek profile, craftsmanship and touch sensors, designed to deliver high performance for the automotive market. These displays can integrate a range of user interface technologies and graphics management capabilities, such as dual view and dual organic light-emitting diode ("OLED") displays.

Instrument Clusters

The Company offers a full line of instrument clusters, from standard analog gauge clusters to high-resolution, fully configurable, display-based devices. These support all vehicle segments, including motorcycles. These clusters can use a wide range of display technologies, graphic capabilities and decorative elements, including OLED, free-form and curved displays. Premium clusters, marketed under the brand LightScape®, support complex 3-D graphics and video features such as driver awareness and camera inputs.

Head-Up Displays

The Company provides a complete line of head-up displays ("HUD") that present critical information to the driver in a convenient location and at a comfortable focal distance. Combiner HUD projects a virtual image in front of the driver using a compact, transparent screen mounted on top of the instrument panel. Windshield HUD projects the image directly on the vehicle windscreen.

Infotainment Systems

The Company offers a range of infotainment products, based on Open Software Standards technology. These systems are designed to provide embedded content, a driver-centric user interface and cyber security. New features and content are provided by secure over-the-air software upgrades. Built on a scalable platform, Visteon's OpenAir® premium infotainment system provides extensible HMI using an intelligent application interface and advanced mobile device connectivity, along with advanced driver assistance systems ("ADAS") and driver monitoring integration.

Telematics Solutions

The Company provides a cost-optimized telematics control unit to enable secure connected car services, software updates and data. The Company's telematics solution uses a single hardware and flexible software architecture to support regional telematics service providers and mobile networks. The Company's wireless gateway platform is designed to meet future connectivity requirements including 4G, V2X, Wi-Fi® and next-generation mobile standards such as 5G.

SmartCore™

The Company offers a security-focused approach to cockpit module consolidation that addresses the increasing complexity of cockpit electronics to improve the driving experience. SmartCore™ combines previously separate modules such as instrument cluster, infotainment, head-up display and advanced driver assistance solution domains on a single-module multi domain controller. Using a holistic view of value, this solution considers the total cost of ownership. It meets the needs of vehicle segments through a scalable and flexible framework.

The Company's Customers

The Company sells its products primarily to global vehicle manufacturers including Ford, Nissan, Renault, Mazda, BMW, General Motors and Honda. Ford, Mazda and Nissan/Renault are the Company's largest customers and in 2015 accounted for sales of approximately 34%, 16% and 14%, respectively. In 2014 and 2013 Ford accounted for 41% and 52%, respectively, Nissan and Mazda individually accounted for less than ten percent of Visteon sales for both 2014 and 2013.

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. Price reductions are typically negotiated on an annual basis between suppliers and OEMs. 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 manufacturing productivity enhancements, 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 the Company's cost reduction efforts will be sufficient to fully offset such price reductions. The Company records price reductions when probable and reasonably estimable.

The Company's Competition

The automotive sector is concentrated, but operates under highly competitive conditions resulting from the globalized nature of the industry, high fixed costs and the resulting need for scale economies, market dynamics including share in mature economies and positioning in emerging economies, and the low cost of switching for the end consumer. Accordingly, OEMs rigorously evaluate suppliers on the basis of financial viability, 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. The Company's primary independent competitors include Alpine Electronics, Continental AG, Delphi Automotive PLC, Denso Corporation, Harman International, Nippon Seiki, Panasonic Corporation, Pioneer Corporation, and Robert Bosch GmbH.

The Company's Product Sales Backlog

During the year ended December 31, 2015, the Company modified its backlog definition to represent cumulative remaining life-of-program expected net sales, launching in future periods. The Company's Electronics segment backlog was $15.2 billion as of December 31, 2015, compared to $14.1 billion as of December 31, 2014, reflecting an increase of 8%. The Company's estimated net sales may be impacted by various assumptions, including new program vehicle production levels, customer price reductions, currency exchange rates and program launch timing. In addition, the Company typically enters into customer agreements at the beginning of a vehicle life cycle with the intent to fulfill purchasing requirements for the entire vehicle production life cycle. These agreements may be terminated by customers at any time and, accordingly, expected net sales information does not represent firm orders or firm commitments.

Seasonality and Cyclicality of the Company's Business

Historically, the Company's business has been 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 China, customers typically shut down during one week in early October and one week in January or February. Additionally, third quarter automotive production traditionally is lower as new vehicle models enter production.

However, the market for vehicles is cyclical and is heavily dependent upon general economic conditions, consumer sentiment and spending and credit availability. During 2009, the automotive sector was negatively impacted by global economic instability and the lack of available credit. The severity of the decline in 2009 was masked by numerous government stimulus programs and significant growth in certain emerging automotive markets, which caused vehicle production volumes to vary from historical patterns.

The Company's Workforce and Employee Relations

The Company's workforce as of December 31, 2015 included approximately 11,000 persons, of which approximately 5,000 were salaried employees and 6,000 were hourly workers. Many of the Company's employees are members of industrial trade unions and confederations within their respective countries, including Europe, Asia and South America. 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 and work representatives around the world and believes that its relationships with unionized employees are satisfactory. The Company experienced work stoppages of varying lengths in Europe, South America and Asia during the past three years. These stoppages primarily were either national in nature, aimed at customers or were in anticipation of Company restructuring activities at particular facilities.

The Company's Product Research and Development

The Company's research and development efforts are intended to maintain leadership positions in core products 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, net of recoveries were approximately $294 million in 2015, $257 million in 2014, and $148 million in 2013.

The Company's Intellectual Property

The Company owns significant intellectual property, including a 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.

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 resins, copper, precious metals, steel 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. As of December 31, 2015 the Company had not experienced any other significant shortages of raw materials. The Company monitors its supply base and endeavors to work with suppliers and customers to attempt to mitigate the impact of potential material shortages and supply disruptions. While the Company does not anticipate any significant interruption in the supply of raw materials, there can be no assurance that sufficient sources or amounts of all necessary raw materials will be available in the future.

The automotive supply industry is subject to inflationary pressures with respect to raw materials which have historically placed operational and financial burdens on the entire supply chain. Accordingly, 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.

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. The Company makes capital expenditures in the normal course of business as necessary to ensure that its facilities are in compliance with applicable environmental laws and regulations. For 2015, capital expenditures associated with environmental compliance were not material nor did such expenditures have a materially adverse effect on the Company's earnings or competitive position. The Company does not anticipate that its environmental compliance costs will be material in 2016.

The Company is aware of contamination at some of its properties. The Company is in various stages of investigation and cleanup at these sites and at December 31, 2015, has recorded a reserve of less than $1 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 International Operations

Financial information about sales and net property by major geographic region can be found in Note 22, Segment Information, included in Item 8 "Financial Statements and Supplementary Data" 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 sales and net property and equipment by geographic region as a percentage of such consolidated total amounts.

	Sales			Property and Equipment, Net	
	Year Ended December 31			December 31	
	2015	2014	2013	2015	2014
United States	26 %	29 %	31 %	4%	7%
Mexico	2 %	2 %	2 %	17%	16%
Total North America	28 %	31 %	33 %	21%	23%
Portugal	13 %	18 %	26 %	16%	14%
Slovakia	8 %	5 %	— %	8%	7%
Germany	3 %	4 %	7 %	1%	5%
Tunisia	6 %	4 %	— %	4%	4%
France	4 %	3 %	— %	7%	9%
Hungary	— %	— %	4 %	—%	—%
Other Europe	3 %	3 %	3 %	4%	5%
Intra-region eliminations	(2)%	(2)%	(2)%	—%	—%
Total Europe	35 %	35 %	38 %	40%	44%
China	21 %	22 %	5 %	20%	16%
Japan	15 %	9 %	7 %	3%	3%
Thailand	3 %	2 %	4 %	3%	1%
India	2 %	3 %	3 %	7%	6%
Korea	1 %	1 %	1 %	—%	—%
Intra-region eliminations	(5)%	(3)%	(1)%	—%	—%
Total Asia	37 %	34 %	19 %	33%	26%
South America	4 %	7 %	13 %	6%	7%
Inter-region eliminations	(4)%	(7)%	(3)%	—%	—%
	100 %	100 %	100 %	100%	100%

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 (734) 710-5800; or via email at investor@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 automotive industry is cyclical and significant declines in the production levels of the Company's major customers could reduce the Company's sales and harm its profitability.

Demand for the Company's products is directly related to the automotive vehicle production of the Company's major customers. Automotive sales and production is cyclical and can be affected by general economic or industry conditions, labor relations issues, fuel prices, regulatory requirements, government initiatives, trade agreements, the cost and availability of credit and other factors. Automotive industry conditions in North America and Europe have been and continue to be extremely challenging. In North America, the industry is characterized by significant overcapacity and fierce competition. In Europe, the market structure is more fragmented with significant overcapacity and declining sales. While Asia continues to grow, the rate of growth is expected to decline.

The discontinuation of, loss of business or lack of commercial success, with respect to a particular vehicle model for which the Company is a significant supplier could reduce the Company's sales and harm its profitability.

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 vehicle model and assembly plant, or in some cases, for the supply of a customer's requirements for the life of a particular vehicle model, rather than for the purchase of a specific quantity of products. In addition, it is possible that customers could elect to manufacture components internally that are currently produced by outside suppliers, such as the Company. 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 reduce the Company's sales and harm the Company's profitability.

The Company is highly dependent on Ford Motor Company and decreases in such customers' vehicle production volumes would adversely affect the Company.

Ford is one of the Company's largest customers and accounted for 34% of sales in 2015, 41% of sales in 2014, and 52% of sales in 2013. Accordingly, any change in Ford's vehicle production volumes will have a significant impact on the Company's sales volume and profitability.

The Company's inability to effectively manage the timing, quality and costs of new program launches could adversely affect its financial performance.

In connection with the award of new business, the Company often obligates itself to deliver new products and services that are subject to its customers' timing, performance and quality standards. Additionally, as a Tier 1 supplier, the Company must effectively coordinate the activities of numerous suppliers in order to launch programs successfully. Given the complexity of new program launches, especially involving new and innovative technologies, the Company may experience difficulties managing product quality, timeliness and associated costs. In addition, new program launches require a significant ramp up of costs; however, the sales related to these new programs generally are dependent upon the timing and success of the introduction of new vehicles by the Company's customers. The Company's inability to effectively manage the timing, quality and costs of these new program launches could adversely affect its financial condition, operating results and cash flows.

The Company must continue to develop, introduce and achieve market acceptance of new and enhanced products in order to grow its sales in the future.

The growth of the Company's business will be dependent on the demand for innovative automotive electronics products. In order to increase sales in current markets and gain entry into new markets, the Company must innovate to maintain and improve existing products, while successfully developing and introducing distinctive new and enhanced products that anticipate changing customer and consumer preferences and capitalize upon emerging technologies. However, the Company may experience difficulties that delay or prevent the development, introduction or market acceptance of its new or enhanced products. Furthermore, competitors may develop and introduce technologies that gain greater customer or consumer acceptance, which could adversely affect the future growth of the Company.

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 implemented aggressive price reduction initiatives and objectives each year with their suppliers, and such actions are expected to continue in the future. In addition, estimating such amounts is subject to risk and uncertainties because any price reductions are a result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. The Company has taken steps to reduce its operating costs and other actions to offset customer price reductions; however, price reductions have impacted the Company's sales and profit margins and are expected to continue 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 will likely be adversely affected.

The Company's substantial international operations make it vulnerable to risks associated with doing business in foreign countries.

As a result of the Company's global presence, a significant portion of the Company's revenues and expenses are denominated in currencies other than the U.S. dollar. In addition, the Company has manufacturing and distribution facilities in many foreign countries, including countries in Europe, Central and South America and Asia. International operations are subject to certain risks inherent in doing business abroad, including:

- local economic conditions, expropriation and nationalization, foreign exchange rate fluctuations and currency controls;
- withholding and other taxes on remittances and other payments by subsidiaries;
- investment restrictions or requirements;
- export and import restrictions; and
- increases in working capital requirements related to long supply chains.

Expanding the Company's business in Asia and Europe and enhancing the Company's business relationships with Asian and European automotive manufacturers worldwide are important elements of the Company's long-term business strategy. In addition, the Company has invested significantly in joint ventures with other parties to conduct business in Russia, 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. As a result, the Company's exposure to the risks described above is substantial. The likelihood of such occurrences and its potential effect on the Company vary from country to country and are unpredictable. However, any such occurrences could be harmful to the Company's business and the Company's profitability and financial condition.

The Company could be negatively impacted by the distress of its supplier or other shortages.

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. In addition, certain materials and components used by the Company are in high demand but of limited availability. 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 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 the supply of components. If the Company were 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 or to ship such products to its customers in a timely fashion, which would adversely affect sales, margins, and customer relations. Furthermore, unfavorable economic or industry conditions could result in financial distress within the Company's supply base, thereby increasing the risk of supply disruption. Although market conditions generally have improved in recent years, uncertainty remains and another economic downturn or other unfavorable industry conditions in one or more of the regions in which the Company operates could cause a supply disruption and thereby adversely affect the Company's financial condition, operating results and cash flows.

The Company is subject to significant foreign currency risks and foreign exchange exposure.

As a result of our global presence, a significant portion of the Company's revenues and expenses is denominated in currencies other than the U.S. dollar. The Company is therefore subject to foreign currency risks and foreign exchange exposure. The Company's primary exposures are to the Euro, Japanese Yen, Thai Baht, Mexican Peso and Chinese Renminbi. While the Company employs financial instruments to hedge transactional foreign exchange exposure, including multi-year contracts, exchange rates are difficult to predict and such actions may not insulate us completely from those exposures. As a result, volatility in certain exchange rates could adversely impact our financial results and comparability of results from period to period. Notably, the strong dollar, central bank actions, falling oil prices, and a slowdown in China have introduced additional uncertainty into the currency markets.

Work stoppages and similar events could significantly disrupt the Company's business.

Because the automotive industry relies heavily on just-in-time delivery of components during the assembly and manufacture of vehicles, a work stoppage at one or more of the Company's manufacturing and assembly facilities could have material adverse effects on the business. Similarly, 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. 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.

Privacy concerns relating to the Company's current or future products and services could damage its reputation and deter current and potential users from using them.

The Company may gain access to sensitive, confidential or personal data or information that is subject to privacy and security laws, regulations and customer-imposed controls. Concerns about the Company's practices with regard to the collection, use, disclosure, or security of personal information or other privacy related matters, even if unfounded, could damage its reputation and adversely affect its operating results.

Furthermore, regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. In addition, the interpretation and application of consumer and data protection laws in the U.S., Europe and elsewhere are often uncertain and in flux. Complying with these various laws could cause the Company to incur substantial costs.

Visteon’s operations may be restricted by the terms of the Company’s credit agreements.

The Company’s credit agreements include standard restrictive covenants. These covenants could impair the Company’s financing and operational flexibility and make it difficult to react to market conditions and satisfy ongoing capital needs and unanticipated cash requirements. Specifically, such covenants may restrict the ability and, if applicable, the ability of the subsidiaries to, among other things:

- incur significant additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- limit dividends or other certain payments by restricted subsidiaries;
- use assets as security in other transactions;
- pay dividends on common stock or repurchase equity interests other than those expressly permitted;
- sell certain assets or merge with or into other companies;
- guarantee the debts of others;
- enter into new lines of business; and
- form joint ventures or make subsidiary investments.

In addition, the credit agreements require the Company to periodically meet various financial ratios and tests which include a financial net leverage covenant, as well as certain maximum net leverage levels in order to take certain corporate actions such as incur additional debt or make restricted payments in excess of those expressly permitted, or for excess cash flow mandatory prepayments. These financial covenants and tests could limit the ability to react to market conditions or satisfy extraordinary capital needs and could otherwise restrict the Company’s financing and operations. The Company’s ability to comply with the covenants and other terms of the credit agreements will depend on future operating performance. If the Company fails to comply with such covenants and terms, the Company would be required to obtain waivers from the lenders to maintain compliance under such agreements. If the Company is unable to obtain any necessary waivers and the debt under the credit agreements is accelerated, it could have a material adverse effect on the financial condition and future operating performance.

Inflation 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 continuing supply of raw materials and/or components has made it difficult to resist price increases and surcharges imposed by its suppliers.

The Company’s pension 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 benefit obligations.

Many of the Company’s employees participate in defined benefit pension plans or retirement/termination indemnity plans. Effective December 31, 2011, active salaried employees in the U.S. ceased to accrue benefits under the existing defined benefit pension plan. The Company’s worldwide pension obligations exposed the Company to approximately $256 million in unfunded liabilities as of December 31, 2015, of which approximately $199 million and $57 million was attributable to unfunded U.S. and non-U.S. pension obligations, respectively.

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 2016 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's assumptions used to calculate pension 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 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 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 or in emerging regions. 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.

The Company may incur significant restructuring charges.

The Company has taken, and expects to take, restructuring actions to realign and resize its production capacity and cost structure to meet current and projected operational and market requirements. Charges related to these actions could have a material adverse effect on the Company's financial condition, operating results and cash flows. Moreover, there can be no assurances that any future restructurings will be completed as planned or achieve the desired results.

Impairment charges relating to the Company's goodwill and long-lived assets and possible increases to deferred income tax asset valuation allowances could adversely affect the Company's financial performance.

The Company regularly monitors its goodwill and long-lived assets for impairment indicators. The Company performs either a qualitative or quantitative assessment of goodwill for impairment at the reporting unit level on an annual basis. In conducting the impairment analysis of long-lived assets, the Company compares the undiscounted cash flows expected to be generated from the long-lived assets to the related net book values. Changes in economic or operating conditions impacting the estimates and assumptions could result in the impairment of goodwill or long-lived assets. In the event that the Company determines that its goodwill or long-lived assets are impaired, the Company may be required to record a significant charge to earnings that could materially affect the Company's results of operations and financial condition in the period(s) recognized. The Company recorded asset impairment charges including discontinued operations of $5 million and $190 million in 2015 and 2014, respectively, to adjust the carrying value of certain assets to their estimated fair value. In addition, the Company cannot provide assurance that it will be able to recover remaining net deferred tax assets, which are dependent upon achieving future taxable income in certain foreign jurisdictions. Failure to achieve its taxable income targets may change the 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, which could have a significant impact on the Company's future results of operations.

The Company's expected annual effective tax rate could be volatile and could 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 computed as consolidated tax expense as a percentage of consolidated earnings before tax. However, tax expenses and benefits are not recognized on a global basis but rather on a jurisdictional basis. Further, the 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.

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

The Company faces the 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 suppliers 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, could have materially adverse effects 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.

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

The Company’s operations are subject to U.S. and foreign environmental laws and regulations governing emissions to air; discharges to water; the generation, handling, storage, transportation, treatment and disposal of waste materials; and the cleanup of contaminated properties. Currently, environmental costs with respect to former, existing or subsequently acquired operations are not material, but there is no assurance that the 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 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 Company’s business. Significant technological developments by others also could materially and adversely affect the Company’s business and results of operations and financial condition.

A disruption in our information technology systems could adversely affect our business and financial performance.

We rely on the accuracy, capacity and security of our information technology systems. Despite the security and risk-prevention measures we have implemented, our systems could be breached, damaged or otherwise interrupted by computer viruses, unauthorized physical or electronic access or other natural or man-made incidents or disasters. Such a breach or interruption could result in business disruption, theft of our intellectual property or trade secrets and unauthorized access to personnel information. To the extent that our business is interrupted or data is lost, destroyed or inappropriately used or disclosed, such disruptions could adversely affect our competitive position, relationships with our customers, financial condition, operating results and cash flows.

The Company may not be able to fully utilize its U.S. net operating losses and other tax attributes.

Visteon's emergence from bankruptcy in 2010 resulted in a change of ownership within the meaning of Internal Revenue Code (“IRC”) Sections 382 and 383, causing the use of Visteon's pre-emergence U.S. federal net operating loss (“NOL”) and various other tax attributes to be limited in the post-emergence period. However, NOLs and other tax attributes generated in the post-emergence period are generally not limited by the emergence from bankruptcy, but could be limited if there is a subsequent change of ownership. If the Company were to have another change of ownership within the meaning of IRC Sections 382 and 383, its post-emergence NOL and other tax attributes could be limited to an amount equal to its market capitalization at the time of the subsequent ownership change multiplied by the federal long-term tax exempt rate. The Company cannot provide any assurance that such an ownership change will not occur, in which case the availability of the Company's NOLs and other tax attributes could be significantly limited or possibly eliminated.

Certain tax benefit preservation provisions of our corporate documents could delay or prevent a change of control, even if that change would be beneficial to stockholders.

Our second amended and restated certificate of incorporation provides, among other things, that any attempted transfer of the Company's securities during a Restricted Period shall be prohibited and *void ab initio* insofar as it purports to transfer ownership or rights in respect of such stock to the purported transferee to the extent that, as a result of such transfer, either any person or group of persons shall become a “Five-percent shareholder” of Visteon pursuant to Treasury Regulation § 1.382-2T(g), other than a “direct public group” as defined in such regulation (a “Five-Percent Shareholder”), or the percentage stock ownership interest in Visteon of any Five-Percent Shareholder shall be increased.

The foregoing restriction does not apply to transfers if either the transferor or transferee gives written notice to the Board of Directors and obtains their approval. A Restricted Period means any period beginning when the Company's market capitalization falls below $1.5 billion (or such other level determined by the Board of Directors not more frequently than annually) and ending when such market capitalization has been above such threshold for 30 consecutive calendar days.

These restrictions could prohibit or delay the accomplishment of an ownership change with respect to Visteon by (i) discouraging any person or group from being a Five-Percent Shareholder and (ii) discouraging any existing Five-Percent Shareholder from acquiring more than a minimal number of additional shares of Visteon's stock.

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 effect 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. As of December 31, 2015, the Company and its consolidated subsidiaries owned or leased approximately:

- 25 corporate offices, technical and engineering centers and customer service centers in ten countries around the world, of which 24 were leased and 1 was owned;
- 20 Electronics manufacturing and/or assembly facilities in Mexico, Macedonia, Portugal, Russia, Slovakia, France, Tunisia, India, Japan, South Korea, China, Thailand and Brazil, of which 14 were leased and 6 were owned; and
- 5 Other manufacturing and/or assembly facilities in Argentina, Brazil and South Africa of which 4 were owned and 1 leased.

In addition, the Company's non-consolidated affiliates operate approximately 8 manufacturing and/or assembly locations, primarily in the Asia Pacific region. The Company considers its facilities to be adequate for its current uses.

Item 3. Legal Proceedings

In 2003, the Local Development Finance Authority of the Charter Township of Van Buren, Michigan (the “Township”) issued approximately $28 million in bonds finally maturing in 2032, the proceeds of which were used at least in part to assist in the development of the Company’s U.S. headquarters located in the Township. During January 2010, the Company and the Township entered into a settlement agreement (the “Settlement Agreement”) that, among other things, reduced the taxable value of the headquarters property to current market value and facilitated certain claims of the Township in the Company’s chapter 11 proceedings. The Settlement Agreement also provided that the Company would continue to negotiate in good faith with the Township in the event that property tax payments was inadequate to permit the Township to meet its payment obligations with respect to the bonds. In September 2013, the Township notified the Company in writing that it is estimating a shortfall in tax revenues of between $25 million and $36 million, which could render it unable to satisfy its payment obligations under the bonds. On May 12, 2015, the Township commenced a proceeding against the Company in the U. S. Bankruptcy Court for the District of Delaware in connection with the foregoing. Upon the Company’s motion to dismiss, the Township dismissed the proceeding before the Delaware Bankruptcy Court and re-commenced the proceeding against the Company in the Michigan Wayne County Circuit Court on July 2, 2015. The Township sought a declaratory judgment that, among other things, the Company is responsible under the Settlement Agreement for payment of any shortfall in the bond debt service payments. The Company filed a motion for summary disposition in August 2015 on the basis that the Township's claims were not ripe for adjudication. In February 2016, the court granted the Company's motion and dismissed the Township's complaint without prejudice. In the event of an appeal or other recommencement of the proceedings, the Company continues to dispute the factual and legal assertions made by the Township and intends to vigorously defend the matter. The Company is not able to estimate the possible loss or range of loss in connection with this matter.

In November 2013, the Company and HVCC, jointly filed an Initial Notice of Voluntary Self-Disclosure statement with the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) regarding certain sales of automotive HVAC components by a minority-owned, Chinese joint venture of HVCC into Iran. The Company updated that notice in December 2013, and subsequently filed a voluntary self-disclosure regarding these sales with OFAC in March 2014. In May 2014, the Company voluntarily filed a supplementary self-disclosure identifying additional sales of automotive HVAC components by the Chinese joint venture, as well as similar sales involving an HVCC subsidiary in China, totaling approximately $12 million, and filed a final voluntary-self disclosure with OFAC on October 17, 2014. OFAC is currently reviewing the results of the Company’s investigation. Following that review, OFAC may conclude that the disclosed sales resulted in violations of U.S. economic sanctions laws and warrant the imposition of civil penalties, such as fines, limitations on the Company's ability to export products from the United States, and/or referral for further investigation by the U.S. Department of Justice. Any such fines or restrictions may be material to the Company’s financial results in the period in which they are imposed, but is not able to estimate the possible loss or range of loss in connection with this matter. Additionally, disclosure of this conduct and any fines or other action relating to this conduct could harm the Company’s reputation and have a material adverse effect on our business, operating results and financial condition. The Company cannot predict when OFAC will conclude its own review of our voluntary self-disclosures or whether it may impose any of the potential penalties described above.

The Company's operations in Brazil are subject to highly complex labor, tax, customs and other laws. While the Company believes that it is in compliance with such laws, it is periodically engaged in litigation regarding the application of these laws. As of December 31, 2015, the Company maintained accruals of approximately $7 million for claims aggregating approximately $69 million. The amounts accrued represent claims that are deemed probable of loss and are reasonably estimable based on the Company's assessment of the claims and prior experience with similar matters.

While the Company believes its accruals for litigation and claims are adequate, the final amounts required to resolve such matters could differ materially from recorded estimates and the Company's results of operations and cash flows could be materially affected.

Item 4. Mine Safety Disclosures

None

Item 4A. Executive Officers and Key Employees

The following table shows information about the executive officers of the Company and other key employees. Ages are as of February 1, 2016:

Name	Age	Position
Sachin S. Lawande	48	Director, President and Chief Executive Officer
Jeffrey M. Stafeil	46	Executive Vice President and Chief Financial Officer
William M. Robertson	54	Vice President and Corporate Controller
Peter M. Ziparo	46	Vice President and General Counsel
Stephanie S. Marianos	47	Assistant Corporate Controller and Chief Accounting Officer

Sachin S. Lawande has been Visteon’s Chief Executive Officer, President and a director of the Company since June 29, 2015. Before joining Visteon, Mr. Lawande served as Executive Vice President and President, Infotainment Division of Harman International Industries, Inc., an automotive supplier, from July 2013 to June 2015. From July 2011 to June 2013, he served as Executive Vice President and President of Harman’s Lifestyle Division, and from July 2010 to June 2011 as Executive Vice President and Co-President, Automotive Division. Prior to that he served as Harmon’s Executive Vice President and Chief Technology Officer since February 2009. Mr. Lawande joined Harman International in 2006, following senior roles at QNX Software Systems and 3Com Corporation. He also serves on the board of directors of Computer Sciences Corporation.

Jeffrey M. Stafeil has been Visteon's Executive Vice President since joining the Company on October 31, 2012 and Chief Financial Officer since November 2, 2012. Prior to joining the Company, Mr. Stafeil was the Chief Executive Officer of DURA Automotive Systems LLC, an automotive supplier, since October 2010, and DURA's Executive Vice President and Chief Financial Officer between December 2008 and October 2012. Prior to that, Mr. Stafeil was the Chief Financial Officer and a board member at the Klöckner Pentaplast Group, a producer of films for packaging, printing and specialty applications, from July 2007 to December 2008. From July 2003 to July 2007, he was the Executive Vice President and Chief Financial Officer of Metaldyne Corporation, an automotive supplier. Prior to joining Metaldyne in 2001, Mr. Stafeil served in a variety of management positions at Booz Allen and Hamilton, Peterson Consulting and Ernst and Young. In addition, from January 2007 to July 2009, he served on the board of directors and was Co-Chairman of the Audit Committee for Meridian Automotive Systems, and served on the board of directors and was Audit Committee Chairman of J.L. French Automotive Castings, Inc. from September 2009 to June 2012. Mr. Stafeil currently serves on the board of directors of Mentor Graphics Corporation and Metaldyne Performance Group, Inc.

William M. Robertson has been Visteon’s Vice President and Corporate Controller since June 2015. Prior to that, he was Director, Corporate Finance since 2003; Manager, Corporate Finance since April 2001; and Operations Manager since joining the Company in May, 2000. Before joining Visteon, he served as Vehicle Operations Controller for Ford Motor Company.

Peter M. Ziparo has been Visteon's Vice President and General Counsel since April 2014. Prior to that, he was Assistant General Counsel since 2005 and Associate General Counsel since joining the Company in October 2002. Before joining Visteon, Mr. Ziparo was a corporate associate with Morrison & Foerster LLP and Chadbourne & Parke LLP.

Stephanie S. Marianos has been Visteon’s Chief Accounting Officer since June 2015 and Assistant Corporate Controller since July 2014. Prior to that, she was Associate Director, Corporate Finance since May 2012; Associate Director, Corporate Accounting since April 2008; and Senior Manager, Corporate Accounting since joining the Company in September 2005. Before joining Visteon, she was an independent accounting consultant serving manufacturing, insurance and health care companies. Ms. Marianos began her career at Ernst & Young LLP and is a certified public accountant.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

As of February 19, 2016, the Company had 38,864,913 shares of its common stock, $0.01 par value per share, outstanding, which were owned by 8,252 shareholders of record. The table below shows the high and low sales prices per share for the Company's common stock as reported by the NYSE for each quarterly period for the last two years.

	2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	$107.45	$110.48	$106.71	$121.65
Low	$95.15	$95.96	$95.11	$100.85

	2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	$88.44	$97.01	$108.29	$106.86
Low	$79.22	$84.19	$95.5	$84.55

No dividends were paid by the Company on its common stock during the years ended December 31, 2015, 2014 or 2013. On January 22, 2016, the Company paid a special distribution of $43.40 per share of common stock. The Company's Board of Directors (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 6, "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 2015.

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 (2)	Approximate Dollar Value of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (2) (in millions)
Oct. 1, 2015 to Oct. 31, 2015	9,260	$107.33	—	$0
Nov. 1, 2015 to Nov. 30, 2015	2,364	$119.74	—	$0
Dec. 1, 2015 to Dec. 31, 2015	1,101,489	$105.25	1,058,965	$0
Total	1,113,113	$105.30	1,058,965	$0

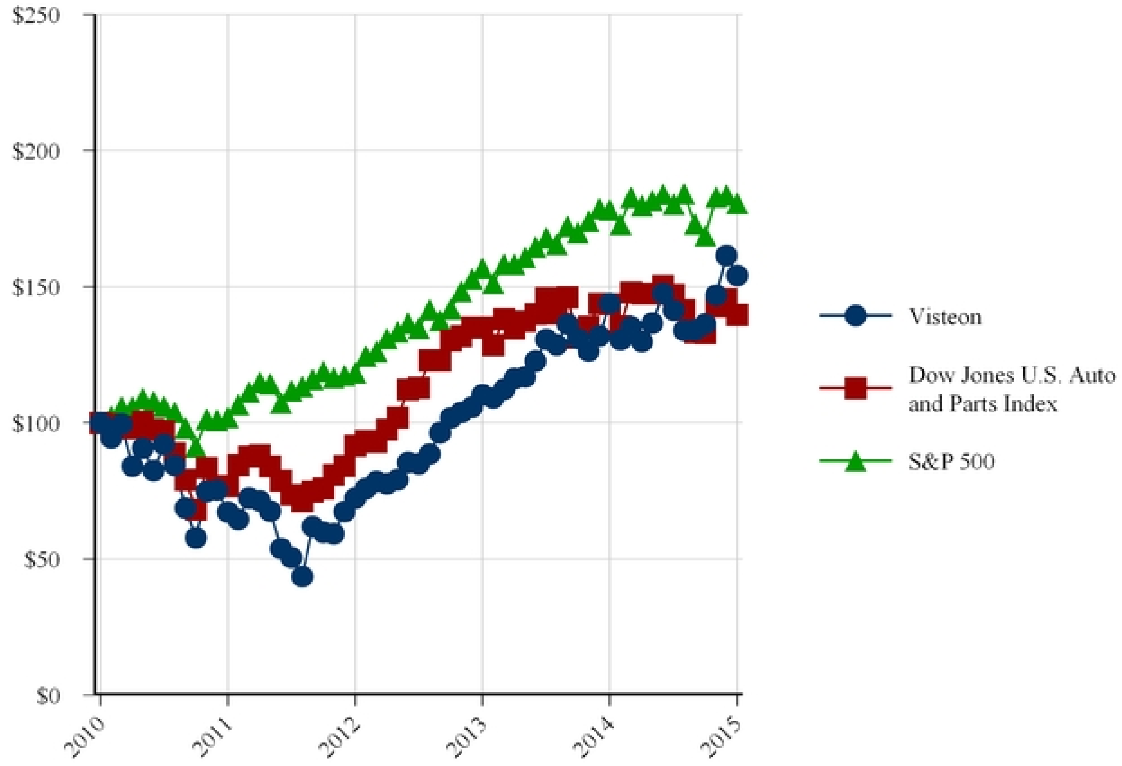
(1) This column includes 54,148 shares surrendered to the Company by employees to satisfy tax withholding obligations in connection with the vesting of restricted share and stock unit awards made pursuant to the Visteon Corporation 2010 Incentive Plan.

(2) On June 11, 2015, the board of directors increased its share repurchase program authorization by $125 million, to a total authorization to repurchase up to $1.125 billion of the Company's common stock from the beginning of the program until December 31, 2015. In June 2015, the Company entered into an accelerated stock buyback ("ASB") program with Goldman, Sachs & Co. ("Goldman") to repurchase shares of common stock for an aggregate purchase price of $500 million. Under this ASB program, the Company paid Goldman $500 million and received an initial delivery of 3,712,297 shares of common stock using a reference price of $107.75. On December 30, 2015, this ASB program program concluded, and the Company received an additional 1,058,965 shares. On December 9, 2015, the board of directors authorized a new share repurchase program, which authorizes repurchases of up to $500 million of the Company's common stock through December 31, 2016. The Company anticipates that future repurchases of common stock, if any, would occur from time to time in open market transactions, 10b5-1 programs, non-discretionary programs or in privately negotiated transactions depending on market and economic conditions, share price, trading volumes, alternative uses of capital and other factors.

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.

Performance Graph

The following graph compares the cumulative total stockholder return from December 31, 2010 through December 31, 2015 for its existing common stock, the S&P 500 Index and the Dow Jones U.S. Auto Parts Index. The graph below assumes that $100 was invested on December 31, 2010 in each of the Company's common stock, the stocks comprising the S&P 500 Index and the stocks comprising the Dow Jones U.S. Auto Parts Index, and that all that dividends have been reinvested.



	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015
Visteon Corporation	$100.00	$67.30	$72.50	$110.30	$143.90	$154.20
Dow Jones U.S. Auto & Parts Index	$100.00	$76.90	$91.70	$135.20	$143.80	$139.80
S&P 500	$100.00	$102.10	$118.40	$156.80	$178.20	$180.70

The above comparisons 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.

Item 6. Selected Financial Data

The following statement of operations, statement of cash flows and balance sheet data were derived from the Company's consolidated financial statements for the years ended December 31, 2015, 2014, 2013, 2012 and 2011. This information should be read in conjunction with Item 7, “Management's Discussion and Analysis of Financial Condition and Results of Operations” and Item 8, “Financial Statements and Supplementary Data” in this Annual Report on Form 10-K.

	Year Ended December 31 2015	Year Ended December 31 2014	Year Ended December 31 2013	Year Ended December 31 2012	Year Ended December 31 2011
	(Dollars in Millions, Except Per Share Amounts)				
Statement of Operations Data:					
Net sales	$ 3,245	$ 2,586	$ 1,724	$ 1,625	$ 1,815
Net income (loss) from continuing operations	42	(75)	555	56	(12)
Income (loss) from discontinued operations, net of tax	2,286	(131)	220	111	166
Net income (loss) attributable to Visteon Corporation	$ 2,284	$ (295)	$ 690	$ 100	$ 80
Basic earnings (loss) per share					
Continuing operations	$ 0.52	$ (2.14)	$ 11.10	$ 1.06	$ (0.25)
Discontinued operations	53.48	(4.30)	2.70	0.83	1.81
Basic earnings (loss) attributable to Visteon Corporation	$ 54.00	$ (6.44)	$ 13.80	$ 1.89	$ 1.56
Diluted earnings (loss) per share					
Continuing operations	$ 0.51	$ (2.14)	$ 10.86	$ 1.05	$ (0.25)
Discontinued operations	52.12	(4.30)	2.64	0.83	1.81
Diluted earnings (loss) attributable to Visteon Corporation	$ 52.63	$ (6.44)	$ 13.50	$ 1.88	$ 1.56
Balance Sheet Data:					
Total assets	$ 4,682	$ 5,323	$ 6,027	$ 5,156	$ 4,969
Total debt, excluding held for sale	$ 384	$ 616	$ 399	$ 491	$ 521
Total Visteon Corporation stockholders' equity	$ 1,057	$ 865	$ 1,920	$ 1,385	$ 1,307
Statement of Cash Flows Data:					
Cash provided from operating activities	$ 338	$ 284	$ 312	$ 239	$ 175
Cash provided from (used by) investing activities	$ 2,358	$ (740)	$ 698	$ (40)	$ (331)
Cash used by financing activities	$ (774)	$ (359)	$ (141)	$ (115)	$ (3)

Year Ended December 31, 2015

On June 9, 2015, Visteon completed the sale to Hahn & Co. Auto Holdings Co., Ltd. (“Hahn”) and Hankook Tire Co., Ltd. (“Hankook” and, together with Hahn, the “Purchasers”) of all of its shares of Halla Visteon Climate Control Corporation, a Korean corporation (“HVCC”), for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon (the “Climate Transaction”), pursuant to and in accordance with the Share Purchase Agreement, dated as of December 17, 2014 (the “Purchase Agreement”), among Visteon and the Purchasers. The respective results of operations of the HVCC Climate business have been reclassified to Net (loss) income from discontinued operations, net of tax for all periods presented.

On December 1, 2015, Visteon Corporation and its wholly owned subsidiary, Visteon Deutschland GmbH, which operates the Berlin, Germany interiors plant completed the sale to APCH Automotive Plastic Components Holding GmbH. The Company recorded a loss of $105 million in connection with the sale. Although the divestiture represents a continuation of the Company’s exit from the Interiors business, the divestiture is not considered a strategic shift given the size of the operations representing $86 million in 2015 sales. Therefore, the operations do not qualify for discontinued operations presentation and operating results prior to the sale are classified within Other as continuing operations.

Year Ended December 31, 2014

In May 2014, pursuant to a Master Purchase Agreement, as subsequently amended, Visteon agreed to divest substantially all of its global Interiors business (the "Interiors Divestiture") in exchange for the assumption of certain liabilities related to the Company's Interiors business and the payment of nominal cash consideration. In connection with the Interiors Divestiture, the Company recorded losses totaling $326 million during the year ended December 31, 2014. These losses included an asset impairment loss of $190 million recorded during the second quarter of 2014 pursuant to execution of the Purchase Agreement and additional losses of $136 million during the fourth quarter of 2014 pursuant to the Master Closing on November 1, 2014 and the completion of the sale of an Interiors operation in India on December 1, 2014. The operating results of Interiors businesses subject to the Interiors Divestiture have been reclassified to Net income (loss) from discontinued operations, net of tax for all periods presented.

On July 1, 2014, the Company completed the acquisition of substantially all of the global automotive electronics business of Johnson Controls Inc. for an aggregate purchase price of $299 million, including $31 million of cash and equivalents at the acquired business. In August 2014, Halla Visteon Climate Control Corporation ("HVCC"), a consolidated subsidiary of the Company, acquired the automotive thermal and emissions business of Cooper-Standard Automotive Inc., a subsidiary of Cooper-Standard Holdings Inc., for cash of $46 million. On September 1, 2014, HVCC completed the acquisition of a controlling 51% equity interest in Japan Climate Systems - Nanjing for $7 million. The Company commenced consolidation of all the acquired businesses from respective dates of acquisition.

Year Ended December 31, 2013

During the year ended December 31, 2013 the Company recorded gains totaling $465 million in connection with the Yanfeng Transactions that were included in Income before income taxes, income (loss) from continuing operations, and net income (loss) attributable to Visteon Corporation. These gains included $413 million from the sale of the Company's 50% equity interest in Yanfeng and a gain of $52 million from the remeasurement of Visteon's previous 40% equity interest in YFVE to fair value in connection with the step acquisition of an additional 11%, which resulted in a 51% controlling ownership interest in YFVE. Additionally, during the fourth quarter of 2013, Visteon recorded equity earnings of $27 million, representing its 50% share of a $54 million non-cash gain at Yanfeng. The gain resulted from the deconsolidation of YFVE at Yanfeng pursuant to Visteon's November 2013 step acquisition. Cash received from the sale of the Company's 50% investment in Yanfeng has been included in the table above as Cash provided from investing activities for the year ended December 31, 2013.

Year Ended December 31, 2012

On August 1, 2012, the Company completed the sale of its Lighting operations and the respective results of operations of the Lighting business have been reclassified to Income (loss) from discontinued operations, net of tax for all periods presented.

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.

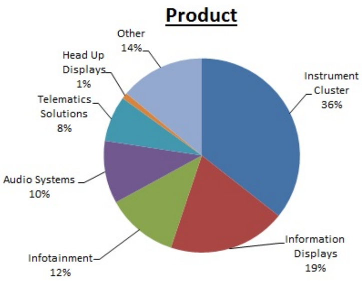
Executive Summary

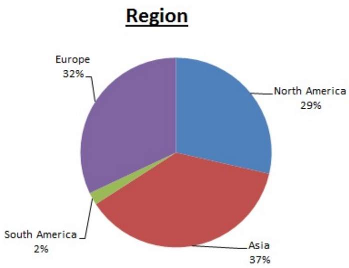
Description of Business

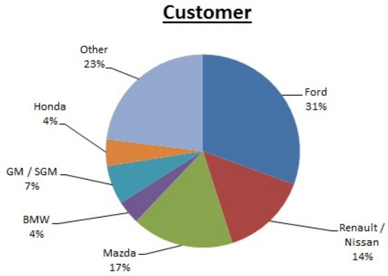
Visteon Corporation (the "Company" or "Visteon") is a global automotive supplier that designs, engineers and manufactures innovative electronics products for nearly every original equipment vehicle manufacturer ("OEM") worldwide including Ford, Nissan, Renault, Mazda, BMW, General Motors and Honda. Visteon is headquartered in Van Buren Township, Michigan and has an international network of manufacturing operations, technical centers and joint venture operations, supported by approximately 11,000 employees, dedicated to the design, development, manufacture and support of its product offerings and its global customers. The Company's manufacturing and engineering footprint is principally located outside of the U.S., with a heavy concentration in low-cost geographic regions.

Visteon provides value for its customers and stockholders through its technology-focused vehicle cockpit electronics business, by delivering a rich, connected cockpit experience for every car from luxury to entry. The Company's cockpit electronics business is one of the broadest portfolios in the industry and includes audio systems, information displays, instrument clusters, head up displays, infotainment systems, and telematics solutions. The Company's cockpit electronics business comprises and is reported under the Electronics segment. In addition to the Electronics segment, the Company has residual operations in South America and Europe previously associated with the Interiors and Climate businesses but not subject to discontinued operations classification that comprise Other.

The pie charts below highlight the sales breakdown for Visteon's Electronics segment for the year ended December 31, 2015.







Strategic Imperatives

After completing the most critical milestones of the Company's transformation plan laid out during the latter half of 2012, Visteon is now a technology-focused, pure-play supplier of automotive cockpit electronics and connected car solutions. The Company has laid out the following three strategic imperatives for 2016 and beyond:

- *Strengthen the Core* - Visteon offers technology and related manufacturing operations for audio, head-up displays, information displays, infotainment, instrument clusters and telematics products. The Company's backlog, defined as cumulative remaining life of program booked sales, is approximately $15.2 billion as of December 31, 2015, or 4.9 times 2015 sales, reflecting a strong booked sales base on which to launch future growth.

- *Move Selectively to Adjacent Products* - As consumer demand continues to evolve with an increase of electronics content per vehicle, the Company strives to further develop expertise in the areas of cockpit domain controllers, next generation safety applications, and vehicle cyber security. These areas require assessment as consumer needs shift and related products complement Visteon's core products.

- *Deliver Cost Efficiencies* - Visteon core business financial results continue to improve with Adjusted EBITDA margin for electronics and corporate of 9.5% in 2015 compared with 7.2% in 2014. The Company expects to deliver cost efficiencies by achieving selling, general and administrative and engineering efficiencies, improving free cash flow, optimizing its capital structure and driving savings benefits as revenues grow.

Transformation Milestones

During the year ended December 31, 2015, the Company further progressed its transformation and completed the vast majority of milestones defined by the 2012 comprehensive shareholder value creation plan. During 2015, the Company continued to optimize its Electronics operations, progressed the divestiture of its Interiors operations, sold the vast majority of its Climate operations, strengthened the balance sheet and announced plans for significant shareholder returns.

- Electronics Optimization - Effective July 1, 2014 Visteon acquired substantially all of the global automotive electronics business of Johnson Controls Inc. (the "Electronics Acquisition") for the aggregate purchase price of $299 million, including $31 million of cash and equivalents at the acquired business. The Electronics Acquisition has enhanced Visteon's competitive position in the fast-growing cockpit electronics segment by strengthening its global scale, manufacturing and engineering footprint, product portfolio and customer penetration.

  The Company has achieved approximately $70 million in annual cost synergies primarily accomplished through manufacturing and purchasing efficiencies as well as restructuring actions. The Company initiated a restructuring program in 2014 reducing fixed costs including administrative, engineering and manufacturing functions. Through December 31, 2015, the Company had recorded $57 million of restructuring expense in connection with this program, of which approximately $19 million remains accrued at December 31, 2015. Charges for the 2014 initiated program are considered substantially complete. As the Company continues to focus on delivering cost efficiencies, new restructuring actions may be contemplated.

  On January 12, 2016, Visteon entered into a share purchase agreement to acquire all shares of AllGo Systems, Inc., USA ("AllGo Systems") for initial consideration of $15 million and contingent consideration of $7 million, expected to close during the first half of 2016. AllGo Systems, is a leading developer of embedded multimedia system solutions to global vehicle manufacturers. The acquisition further strengthens the Company's technological capabilities as it develops the next generation infotainment products.

- Exit of Interiors Business - On December 1, 2015, Visteon completed the sale and transfer of its equity ownership in Visteon Deutschland GmbH, which operated the Berlin, Germany interiors plant ("Germany Interiors Divestiture") . The Company contributed cash of approximately $141 million, assets of $27 million, and liabilities of $198 million, including pension related liabilities. The Company will make a final contribution payment of approximately $30 million by November 2016 included in the Company's consolidated balance sheet as "Other current liabilities" as of December 31, 2015. The Company recognized a pre-tax loss on divestiture of $105 million related to foreign currency translation and pension benefit plan amounts previously recorded in accumulated other comprehensive loss.

  In June 2015, the Company completed the sale of its 12.5% ownership interest in Yangfeng Visteon Jinqiao Automotive Trim Systems Co., Ltd., a Chinese automotive supplier for proceeds of approximately $91 million and recorded a pre-tax gain of $62 million. The sale of this joint venture is a final step of the Company's 2013 Master Agreement (the “Master Agreement”) with Huayu Automotive Systems Company Limited (“HASCO”), Yanfeng Visteon Automotive Trim Systems Co., Ltd. (“Yanfeng”) and Yanfeng Visteon Automotive Electronics Co., Ltd. (“YFVE”) to sell its ownership in interiors related joint ventures, the vast majority of which was completed during the fourth quarter of 2013.

  On May 1, 2014, the Company reached an agreement to divest substantially all of its global Interiors business (the "Interiors Divestiture") pursuant to a Master Purchase Agreement, as subsequently amended (the “Purchase Agreement”). Effective November 1, 2014, the Company closed on the majority of the Interiors Divestiture (the "Master Closing"). Subsequent to the Master Closing, the Company completed the sale of Interiors operations in India ("India Closing") on December 1, 2014 and Thailand ("Thailand Closing") on February 2, 2015. Remaining entities subject to the Interiors Divestiture, located in Argentina and Brazil, are expected to close in 2016 and are subject to various conditions, including regulatory and antitrust approvals, receipt of other third party consents and approvals and other customary closing conditions.

  During the year ended December 31, 2015 the Company recorded total losses of $16 million in connection with the Interiors Divestiture. These losses included an impairment loss of $4 million recorded and additional losses of $12 million related to the Interiors Divestiture during the year ended 2015. Additionally, the Company made cash payments of approximately $15 million, including cash balances transferred, in connection with the Master Closing, the India Closing and the Thailand Closing. The Company expects to record additional losses in connection with the remaining transactions closings subject to the Interiors Divestiture in future periods, which are estimated to be approximately $20 million. Additionally, the transaction closing of the remaining operations subject to the Interiors Divestiture may require cash outflows based on purchase price adjustments at the time of closing.

- Climate Transaction - On June 9, 2015, Visteon completed the sale to Hahn & Co. Auto Holdings Co., Ltd. (“Hahn”) and Hankook Tire Co., Ltd. (“Hankook” and, together with Hahn, the “Purchasers”) of all of its shares of Halla Visteon Climate Control Corporation, a Korean corporation (“HVCC”), for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon (the “Climate Transaction”), pursuant to and in accordance with the Share Purchase Agreement, dated as of December 17, 2014 (the “Purchase Agreement”), among Visteon and the Purchasers. The Company received net cash proceeds of approximately $2.7 billion and recognized a pre-tax gain of approximately $2.3 billion in connection with the closing of the Climate Transaction in June, 2015.

  In connection with the closing of the Climate Transaction, Visteon, HVCC and/or the Purchasers have entered into certain other agreements, including a transition agreement (pursuant to which the parties will provide certain transition services for a specified period following the closing), a remediation agreement (pursuant to which Visteon will provide certain information technology services for a period of time), engineering and support agreements (pursuant to which the parties will support certain operations of the other following the closing), and a letter agreement (pursuant to which Visteon has agreed to repurchase from HVCC certain electronics operations located in India).

- Strengthen the Balance Sheet - On June 12, 2015, the Company utilized Climate Transaction proceeds to pay down $246 million of term loan principal to reduce aggregate principal amount of Term Loans outstanding to $350 million. In connection with the principal reduction, the 0.25% mandatory quarterly prepayment obligation was considered met, therefore Visteon ceased making quarterly amortization payments.

- Enhance Shareholder Returns - In connection with the Climate Transaction, the Company expects to return $2.5 billion-$2.75 billion of cash to shareholders through 2016 via a series of actions including buybacks and special distributions.

  On June 11, 2015, the Company's board of directors authorized an additional $125 million of share repurchase for a total of $500 million available for share repurchase. On June 15, 2015, the Company entered into an accelerated stock buyback ("ASB") program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,712,297 shares of common stock, which is approximately 80% of the total number of shares of the Company’s common stock expected to be repurchased under the ASB Agreement based on the closing price of the Company’s common stock on June 15, 2015. In December 2015, the program concluded and the Company received an additional 1,058,965 shares. The final settlement price for all shares delivered under this 2015 ASB program was $104.79.

  On December 10, 2015, the Company's board of directors authorized $500 million of share repurchase of its shares of common stock through December 31, 2016. On December 16, 2015, the Company entered into a stock repurchase agreement with a third party financial institution to purchase shares of its common stock complying with the provisions of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934 (“10b5-1 Share Repurchase Program”). The new 10b5-1 Share Repurchase Program is open until March 1, 2016 with the maximum purchase amount of $150 million, net of commissions. Under this program, the third-party financial institution will repurchase the Company’s shares at the prevailing market prices pursuant to specified share price and daily volume limits. As of February 19, 2016, the Company has paid $84 million to repurchase 1,307,500 of shares at an average price of $64.06.

  On December 10, 2015, the Company approved a special distribution of $43.40 per share of its common stock outstanding as of January 15, 2016, or approximately $1.75 billion in the aggregate, payable on January 22, 2016 and classified as "Distribution payable" on the Consolidated Balance Sheet as of December 31, 2015. The special cash distribution was funded from Climate Transaction proceeds.

Global Automotive Industry

The Company conducts its business in the automotive industry, which is capital intensive, highly competitive and sensitive to economic conditions. During 2015 the global automotive industry continued to experience modest global growth. Growth in China production outpaced the overall growth rate in 2015 although at a lower rate than in prior years. Europe production also increased based on recovering demand in Western Europe which more than offset continued contraction in the East and decreased exports. South America continues to experience a contraction in demand while production in the remaining regions was mixed due to varying economic, political and social factors.

Light vehicle production levels for 2015 by geographic region are provided below (units in millions):

	Light Vehicle Production		
	2015	2014	Change
Global	88.6	87.4	1.4 %
North America	17.5	17.0	2.9 %
South America	3.0	3.8	(21.1)%
Europe	20.9	20.1	4.0 %
China	23.9	22.9	4.4 %
Japan/Korea	13.2	13.7	(3.6)%
India	3.8	3.6	5.6 %
ASEAN	3.8	4.0	(5.0)%

Source: IHS Automotive

Financial Results Summary

Significant aspects of the Company's financial results for the year ended December 31, 2015 include the following.

- The Company recorded sales of $3,245 million representing an increase of $659 million when compared with the year ended December 31, 2014. The increase was primarily due to the Electronics Acquisition, higher production volumes, and new business, partially offset by unfavorable currency.

- Gross margin was $430 million or 13.3% of sales for the year ended December 31, 2015 compared to $340 million or 13.1% of sales for the same period of 2014. The increase was primarily attributable to the Electronics Acquisition, increased volumes, and improved cost performance, partially offset by unfavorable currency, a non-recurring pension gain and increased warranty costs.

- Net income attributable to Visteon was $2,284 million for the year ended December 31, 2015, which included net income from discontinued operations of $2,286 million including the Climate Transaction gain, a gain on sale of non-consolidated affiliates of $62 million, partially offset by a loss on the Germany Divestiture of $105 million, restructuring expense of $36 million, and other expense, net of $25 million. Net loss attributable to Visteon for the year ended December 31, 2014 was $295 million, which included net loss from discontinued operations of $197 million, restructuring expense of $54 million, loss on debt extinguishment of $23 million and other expense, net of $61 million.

- Total cash and short-term investments, excluding amounts held for sale, were $2,783 million, $2,298 million higher than cash balances of $485 million on December 31, 2014, primarily attributable to the Climate Transaction proceeds. The Company's debt, excluding amounts held for sale, was $384 million, $232 million lower than debt of $616 million at the end of December 31, 2014, primarily attributable to the pay-down of term loan principal. As of December 31, 2015 the Company had $2,399 million of cash and short-term investments in excess of debt.

- Including discontinued operations, the Company generated $338 million of cash from operating activities for the year ended December 31, 2015, $54 million higher than cash from operating activities of $284 million for the year ended December 31, 2014, as a result of lower working capital use, capitalized engineering recoveries and lower restructuring payments.

- Cash provided by investing activities of $2,358 million, inclusive of discontinued operations, for the year ended December 31, 2015 was $3,098 million higher than cash used by investing activities of $740 million for the year ended December 31, 2014. The increase was primarily attributable to proceeds from the Climate Transaction of $2,664 million in 2015 and the non-recurrence of business acquisition impacts of $311 million in 2014.

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Consolidated Results of Operations - 2015 Compared with 2014

The Company's consolidated results of operations for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31		
	2015	2014	Change
	(Dollars in Millions)		
Sales	$ 3,245	$ 2,586	$ 659
Cost of sales	2,815	2,246	569
Gross margin	430	340	90
Selling, general and administrative expenses	245	228	17
Restructuring expense	36	54	(18)
Interest expense	19	25	(6)
Interest income	5	4	1
Loss on debt extinguishment	5	23	(18)
Equity in net income of non-consolidated affiliates	7	2	5
Loss on divestiture	105	—	105
Gain on non-consolidated affiliate transactions	62	2	60
Other expense, net	25	61	(36)
Provision for income taxes	27	32	(5)
Net income (loss) from continuing operations	42	(75)	117
Net income (loss) from discontinued operations, net of tax	2,286	(131)	2,417
Net income (loss)	2,328	(206)	2,534
Net income attributable to non-controlling interests	44	89	(45)
Net income (loss) attributable to Visteon Corporation	$ 2,284	$ (295)	$ 2,579
Adjusted EBITDA*	$ 282	$ 177	$ 105

** Adjusted EBITDA is a Non-GAAP financial measure, as further discussed below.*

Sales

Sales for the year ended December 31, 2015 totaled $3,245 million, which represents an increase of $659 million compared with the same period of 2014. The primary drivers of the sales increase included the Electronics Acquisition effective July 1, 2014 which increased sales by $691 million. Additionally, higher production volumes and new business favorably impacted sales by $199 million. Favorable volumes increased sales in the Electronics segment but this was partially offset by unfavorable volumes in Other, primarily driven by the wind-down of certain South American businesses and the sale of the Germany Interiors facility on December 1, 2015. Currency unfavorably impacted sales by $175 million, primarily attributable to the weakening Euro, Japanese Yen, Brazilian Real, and the Chinese Renminbi. Other reductions of $56 million were associated with customer pricing, net of design savings.

Cost of Sales

Cost of sales increased $569 million for the year ended December 31, 2015 when compared with the same period in 2014. The increase includes $771 million attributable to increased production volumes, including the Electronics Acquisition, as well as changes in product mix, representing the variable nature of material and labor costs. These increases were partially offset by foreign currency which decreased cost of sales by $142 million, attributable to the weakening of the Euro, Japanese Yen, Brazilian Real, and Chinese Renminbi, the non-recurrence of a 2014 pension settlement gain of $25 million and increased warranty costs primarily attributable to three customer actions related to defective supplier parts of $14 million. Additionally, the Company realized $85 million of net efficiencies related to material, design, and usage economics and other costs.

Gross Margin

The Company's gross margin was $430 million or 13.3% of sales for the year ended December 31, 2015 compared to $340 million or 13.1% of sales for the same period of 2014. The $90 million increase in gross margin included $119 million from favorable volumes and mix, including the impacts of the Electronics Acquisition. Gross margin also included favorable net cost performance of $43 million, primarily reflecting material cost efficiencies. These increases were partially offset by $33 million of unfavorable currency, $25 million related to the non-recurrence of a 2014 pension settlement gain and $14 million of increased warranty costs primarily attributable to three customer actions related to defective supplier parts.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses were $245 million, 7.6% of sales, and $228 million, 8.8% of sales, during the years ended December 31, 2015 and 2014, respectively. The increase of $17 million is attributable to the Electronics Acquisition which increased costs $48 million and lower cost recoveries associated with divested businesses which increased costs $10 million. These increases were partially offset by cost efficiencies and foreign currency impacts.

Restructuring Expense

The Company's restructuring reserves and related activity, including amounts attributable to discontinued operations, is summarized below for the year ended December 31, 2015.

	Electronics	Corporate	Other	Total
	(Dollars in Millions)			
December 31, 2014	$ 30	$ —	$ 9	$ 39
Expense	36	4	2	42
Reversals	(4)	—	—	(4)
Utilization	(29)	(2)	(3)	(34)
Business divestiture	—	—	(1)	(1)
Foreign currency	(2)	—	(2)	(4)
December 31, 2015	$ 31	$ 2	$ 5	$ 38

Electronics: In connection with the Electronics Acquisition, the Company commenced a restructuring program designed to achieve annual cost savings through transaction synergies, of approximately $70 million. During the years ended December 31, 2015 and 2014, the Company recorded $20 million and $37 million, respectively, of severance and termination benefits, net of reversals, under this program associated with approximately 1,100 employees. Charges for the program are considered substantially complete. Approximately $19 million remains accrued at December 31, 2015.

During October 2015, the Company announced a restructuring program designed to reduce the workforce at a European Electronics facility. The Company recorded $12 million of severance and termination benefits under this program associated with approximately 100 employees, which remains accrued as of December 31, 2015. The Company expects to record additional restructuring costs related to this program as the underlying plan is finalized.

Corporate: The Company previously announced a restructuring program designed to reduce fixed costs and to improve operational efficiencies by addressing certain under-performing operations. In connection with that program, the Company announced plans to realign its corporate and administrative functions directly to their corresponding operational beneficiary. During the year ended December 31, 2015, the Company recorded $4 million for restructuring expenses, primarily related to severance and termination benefits associated with certain executives. As of December 31, 2015, $2 million remains accrued for this program and charges for the program are considered substantially complete.

Other: Restructuring activities for Other include the following:

- During 2014, the company announced the closure of a Climate facility located in Quilmes, Argentina. In connection with the closure, the Company recorded $13 million of restructuring expenses, primarily related to severance and termination benefits associated with approximately 270 employees. Approximately $1 million remains accrued at December 31, 2015.
-

Discontinued Operations: Restructuring activities for discontinued operations, included in Other, primarily consist of the following:

- The Company recorded and paid cash to settle employee severance and termination benefits of $2 million in 2015 associated with approximately 15 employees at the Company's Climate operations in France, under a previously announced program designed to commonize global business systems and processes across its Climate operations for the purpose of reducing costs.

- During 2014, the Company recorded $5 million of employee severance and termination benefit costs associated with a previously announced plan to restructure three Interiors facilities located in France and made cash payments of approximately $18 million for related employee severance and termination benefits. As of December 31, 2015, approximately $3 million remains accrued for this program.
- During 2014, the Company announced a plan to further reduce the workforce and related processes at an Interiors operation in Brazil and recorded an additional $3 million for employee severance and termination benefits associated with approximately 50 employees. Approximately $1 million remains accrued as of December 31, 2015.

Utilization represents payments for severance and other employee termination benefits and special termination benefits reclassified to pension and other postretirement employee benefit liabilities, where such payments are made from the Company’s benefit plans.

Given the economically sensitive and highly competitive nature of the automotive industry, the Company continues to closely monitor current market factors and industry trends taking action as necessary, including but not limited to, additional restructuring actions. However, there can be no assurance that such actions will be sufficient to fully offset the impact of adverse factors on the Company or its results of operations, financial position and cash flows.

Interest Expense

Interest expense for the year ended December 31, 2015 of $19 million decreased $6 million when compared to $25 million for the same period of 2014. Interest expense for the year ended December 31, 2015 of $19 million is primarily associated with the Company's Term Facility due April 9, 2021 with original principal of $600 million and prepaid down to $350 million following the Climate Transaction in June 2015. During the year ended December 31, 2014, interest expense of $25 million primarily included interest expense of $10 million associated with the Company's 6.75% Senior Notes which were redeemed in April 2014 and interest expense of $13 million associated with the Company's Term Facility at original principal balance of $600 million.

Interest Income

Interest income was $5 million and $4 million for the years ended December 31, 2015 and 2014, respectively. Interest income for 2015 benefited from the investment of Climate Transaction proceeds received in June 2015, while interest income for 2014 benefited from the investment of Yanfeng divestiture proceeds received at the end of 2013.

Loss on Debt Extinguishment

The Company recorded losses on debt extinguishment of $5 million and $23 million during the years ended December 31, 2015 and 2014, respectively. Loss on debt extinguishment of $5 million during the year ended December 31, 2015 related to the $246 million repayment of the Company's Term Facility, reducing the outstanding aggregate principal $350 million, including unamortized original issue discount, debt fees and other debt costs. Loss on debt extinguishment of $23 million during the year ended December 31, 2014 related to the repayment and redemption of the Company's 6.75% senior notes due April 15, 2019 including premium paid on the redemption and unamortized original issue discount, debt fees and other debt issue costs.

Equity in Net Income of Non-Consolidated Affiliates

Equity in net income of non-consolidated affiliates was $7 million and $2 million for the years ended December 31, 2015 and 2014, respectively. The increase was primarily attributable to dividend recognition for a cost basis investment.

Loss on Divestiture

On December 1, 2015, Visteon completed the Germany Interiors Divestiture by contributing cash of approximately $141 million, assets of $27 million, and liabilities of $198 million, including pension related liabilities. The Company will make a final contribution payment of approximately $30 million by November 2016 included in the Company's consolidated balance sheet as "Other current liabilities" as of December 31, 2015. The Company recognized a pre-tax loss on divestiture of $105 million related to foreign currency translation and pension benefit plan amounts previously recorded in accumulated other comprehensive loss.

Gain on Non-Consolidated Affiliates Transactions

During the year ended December 31, 2015, the Company completed the sale of its 12.5% ownership interest in Yanfeng Visteon Jinqiao Automotive Trim Systems Company, Limited, a Chinese automotive interiors supplier, for proceeds of $91 million and recorded a pre-tax gain on sale of $62 million.

During the year ended December 31, 2014, the Company completed the sale of its 50% ownership interest in Duckyang Industry Co., Ltd. ("Duckyang"), a Korean automotive interiors supplier. In connection with the transaction, the Company received total cash of approximately $31 million, including $6 million of dividends. The Company recorded a pre-tax gain of approximately $2 million on this transaction during the year ended December 31, 2014.

Other Expense, Net

Other expense, net consists of the following:

	Year Ended December 31	
	2015	**2014**
	(Dollars in Millions)	
Transformation initiatives	$ 25	$ 22
Integration costs	14	18
Transaction hedging and exchange (gain) loss	(15)	10
Provision for losses on recoverable taxes	—	8
Impairment and loss on asset contribution	1	3
	$ 25	$ 61

The Company recorded transformation costs of $25 million and $22 million for the years ended December 31, 2015 and 2014, respectively, related to financial and advisory services associated with continued execution of its comprehensive shareholder value creation plan and certain severance costs associated with the Electronics Acquisition and the Climate Transaction. Hedging and exchange gains of $15 million and losses of $10 million for the years ended December 31, 2015 and 2014 respectively, relate to the Climate Transaction proceeds and the Germany Interiors Divestiture contribution.

During the years ended December 31, 2015 and 2014, the Company recorded $14 million and $18 million , respectively, of costs to integrate the businesses associated with the Electronics Acquisition. Integration costs incurred were related to re-branding, facility modification, information technology readiness and related professional services.

The Company recorded $8 million during the year ended December 31, 2014 to adjust recoverable value-added taxes to net realizable value attributable to business exit activities. In connection with the closure of the Climate facility located in Quilmes, Argentina in 2014, the Company contributed land and building with a net book value of $3 million to the local municipality for the benefit of former employees.

Income Taxes

The Company's provision for income tax was $27 million for year ended December 31, 2015 and reflects income tax expense related to those countries where the Company is profitable, accrued withholding taxes, ongoing assessments related to the recognition and measurement of uncertain tax benefits, the inability to record a tax benefit for pre-tax losses in the U.S. and certain other jurisdictions due to valuation allowances to the extent not offset by other categories of income, and other non-recurring tax items.

The Company's provision for income taxes decreased $5 million for the year ended December 31, 2015 compared with 2014. The decrease included a $9 million year-over-year reduction in unrecognized tax benefits, including interest and penalties, related primarily to favorable audit developments in Asia during the first quarter of 2015, and statute expirations in Europe during 2015, as well as an $18 million income tax benefit on pre-tax U.S. losses from continuing operations. Although the Company maintains a full valuation allowance against net deferred tax assets in the U.S., the level of other categories of income generated in the U.S. during 2015 (primarily related to discontinued operations) resulted in a charge to discontinued operations income tax expense of $18 million with the offsetting benefit recognized in continuing operations, effectively resulting from a reduction in the valuation allowance against deferred tax assets. Other changes in the Company’s deferred tax asset valuation allowances did not materially impact net tax expense during the years ended December 31, 2015 or 2014. These decreases were partially offset by $12 million attributable to overall changes in the mix of earnings and tax rates between jurisdictions, $8 million related to China tax in connection with the sale of Yanfeng Visteon Jinqiao Automotive Trim Systems Company, Limited and $4 million related to the non-recurrence of a tax benefit related to the partial elimination of valuation allowances in Mexico during 2014.

Visteon's emergence from bankruptcy in 2010 resulted in a change of ownership within the meaning of Internal Revenue Code (“IRC”) Sections 382 and 383, causing the use of Visteon's pre-emergence U.S. federal net operating loss (“NOL”) and various other tax attributes to be limited in the post-emergence period. However, NOLs and other tax attributes generated in the post emergence period are generally not limited by the emergence from bankruptcy, but could be limited if there is a subsequent change of ownership. If the Company were to have another change of ownership within the meaning of IRC Sections 382 and 383, its post-emergence NOL and other tax attributes could be limited to an amount equal to its market capitalization at the time of the subsequent ownership change multiplied by the federal long-term tax exempt rate. The Company cannot provide any assurance that such an ownership change will not occur, in which case the availability of the Company's NOLs and other tax attributes could be significantly limited or possibly eliminated. In order to continue to protect the Company's pre and post-emergence period tax attributes and reduce the likelihood that the Company will experience an additional ownership change, once the Company's market capitalization falls below $1.5 billion Board of Director approval is required should a person or group become a 5-percent shareholder and/or an existing 5-percent shareholder intend to increase its ownership interest.

Discontinued Operations

The operations subject to the Interiors Divestiture and Climate Transaction met conditions required to qualify for discontinued operations reporting. Accordingly, the results of operations for the Interiors and Climate businesses have been reclassified to Net income (loss) from discontinued operations, net of tax in the Consolidated Statements of Operations for the years ended December 31, 2015 and 2014. Discontinued operations are summarized as follows:

	Year Ended December 31	
	2015	**2014**
	(Dollars in Millions)	
Sales	$ 2,199	$ 5,757
Cost of sales	2,039	5,239
Gross margin	160	518
Selling, general and administrative expenses	77	194
Gain on Climate Transaction	2,324	—
Long-lived asset impairments	4	190
Loss on interiors divestiture	12	136
Restructuring expense	2	17
Interest expense, net	2	7
Equity in net income of non-consolidated affiliates	6	13
Other expenses	10	25
Income (loss) from discontinued operations before income taxes	2,383	(38)
Provision for income taxes	97	93
Net income (loss) from discontinued operations, net of tax	$ 2,286	$ (131)

On June 9, 2015, Visteon completed the sale of all its shares in HVCC to the Purchasers. The Climate Transaction closed for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon. The Company received net cash proceeds of approximately $2.7 billion and recognized a pre-tax gain of approximately $2.3 billion in June, 2015.

In connection with the closing of the Climate Transaction, Visteon, HVCC and/or the Purchasers have entered into certain other agreements, including a transition agreement (pursuant to which the parties will provide certain transition services for a specified period following the closing), a remediation agreement (pursuant to which Visteon will provide certain IT services for a period of time), engineering and support agreements (pursuant to which the parties will support certain operations of the other following the closing), and a letter agreement (pursuant to which Visteon has agreed to purchase from HVCC certain electronics operations located in India). Assets and liabilities associated with the Climate Transaction met the "held for sale" criteria during the second quarter ended June 30, 2015 and were classified as such in the Consolidated Balance Sheet.

The gain is summarized below (dollars in millions):

Gross proceeds	(1)	$	3,423
Korea withholding tax	(2)		(377)
Professional fees	(3)		(20)
Korea security transaction tax	(4)		(17)
Divested cash balances	(5)		(345)
Net cash provided from investing activities			2,664
Net assets divested, excluding cash balances	(5)		(565)
Information technology separation and service obligations	(6)		(53)
Employee related charges	(7)		(45)
Electronics business repurchase obligation	(8)		(50)
Professional fees	(3)		(4)
Korea withholding tax recoverable	(2)		377
Net gain on Climate Transaction		$	2,324

(1) Gross proceeds of $3.423 billion were received in connection with the Climate Transaction, translated at a spot rate of 1121.5 KRW to USD on June 9, 2015. Impacts of related hedging activities and exchange on proceeds conversion into USD are included in the Company's consolidated statements of comprehensive income as "Other expense, net" for the years ended December 31, 2015 and 2014.

(2) In connection with the transaction, the Company recorded a tax recoverable of $377 million for Korean capital gains tax withheld by the Purchasers and paid to the Korean government. This amount reduced proceeds classified as net cash provided from investing activities within Company's consolidated statements of cash flows for the year ended December 31, 2015. The Company received the entire amount of the expected capital gains withholding tax in January 2016, amounting to $355 million as adjusted for interest and exchange as the refund was denominated in Korean won. Net exchange and interest impacts are recorded as provision for income taxes within discontinued operations.

(3) Professional fees of $24 million, representing fees paid to financial advisors, were based on a percentage of the gross proceeds, partially offset by previously paid retainer fees of $4 million, for a net payment of $20 million reducing proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015.

(4) Security transaction taxes of $17 million were remitted to the Korean government as of the transaction close, reducing proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015.

(5) Net assets of $910 million, including assets, liabilities, accumulated other comprehensive income and non-controlling interests, were divested in connection with the Climate Transaction. Divested assets included $345 million of cash balances, reflected as a reduction of transaction proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015.

(6) In connection with the Climate Transaction, the Company has entered an agreement pursuant to which Visteon will provide information technology ongoing and separation services for HVCC to fully operate as an independent entity with estimated costs of approximately $53 million. The remaining information technology liability is included in the Company's consolidated balance sheets as "Other current liabilities" as of December 31, 2015.

(7) Employee related charges of $45 million include bonus payments, the Company's assumption of incentive plan liabilities, and impacts of employment change in control provisions. Bonus payments of $30 million are classified in the Company's net cash provided from operating activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015. Amounts remaining to be paid are included in the Company's consolidated balance sheets as "Accrued employee liabilities" as of December 31, 2015.

(8) In connection with the Climate Transaction, the Company has entered an agreement to purchase certain electronics operations located in India, expected to close in 2016 after legal separation and regulatory approvals are met. The Company has recorded

a repurchase obligation of $50 million, representing the estimated purchase price of the subject business. The Company continues to consolidate the business, with net assets of approximately $22 million, based on the Company’s continued controlling financial interest. The Company’s controlling financial interest was evaluated based on continued operating control and obligation to fund losses or benefit from earnings. The business is included in a legal entity currently owned by HVCC and therefore the Electronics business assets are not available for general corporate purposes. The repurchase commitment is included in the Company’s consolidated balance sheets as “Other current liabilities” as of December 31, 2015.

Net Income (Loss)

Net income attributable to Visteon was $2,284 million for the year ended December 31, 2015, representing an increase of $2,579 million when compared with net loss attributable to Visteon of $295 million for the year ended December 31, 2014. Net income attributable to Visteon in 2015 included a gain on the Climate Transaction of $2,324 million and a gain on sale of a non-consolidated affiliate of $62 million, partially offset by a loss on the Germany Divestiture of $105 million. Net loss attributable to Visteon was $295 million for the year ended December 31, 2015, including total losses on the Interiors Divestiture of $326 million. Net income (loss) was also impacted by discontinued operations including the timing of the Climate Transaction effective in June of 2015 and the vast majority of the Interiors Divestiture in November of 2014.

Adjusted EBITDA

Adjusted EBITDA (a non-GAAP financial measure, as defined below) was $282 million for the year ended December 31, 2015, representing an increase of $105 million when compared with Adjusted EBITDA of $177 million for the same period of 2014. The increase in Adjusted EBITDA included $86 million of favorable volume and mix, primarily attributable to the Electronics Acquisition. Currency movements unfavorably impacted Adjusted EBITDA for the year ended December 31, 2015 by $23 million, largely related to the weakening Euro, Japanese Yen, Brazilian Real and Chinese Renminbi. Adjusted EBITDA in 2015 was also impacted by selling, general and administrative cost efficiencies of $16 million and material, manufacturing, which more than offset customary customer pricing productivity by $26 million.

Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, loss on debt extinguishment, equity in net income of non-consolidated affiliates, loss on divestiture, gain on non-consolidated affiliate transactions, other net expense, provision for income taxes, discontinued operations, net income attributable to non-controlling interests, non-cash stock-based compensation expense, pension settlement gains and other non-operating gains and losses. The Company changed its definition of Adjusted EBITDA to exclude net income attributable to non-controlling interests and equity in net income of non-consolidated affiliates as well as the impact of discontinued operations as management believes this measure is most reflective of the operational performance of the Company's operating segments. Accordingly, Adjusted EBITDA for historical periods has been recast in a manner consistent with the Company's new definition.

Adjusted EBITDA is not a recognized term under accounting principles generally accepted in the United States and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses Adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies and (iii) because the Company's credit agreements use measures similar to Adjusted EBITDA to measure compliance with certain covenants. Adjusted EBITDA, as determined and measured by the Company should not be compared to similarly titled measures reported by other companies. The reconciliation of Adjusted EBITDA to net income attributable to Visteon for the years ended December 31, 2015 and 2014 is as follows:

	Year Ended December 31		
	2015	2014	Change
	(Dollars in Millions)		
Adjusted EBITDA	$ 282	$ 177	$ 105
Depreciation and amortization	85	70	15
Restructuring expense	36	54	(18)
Interest expense, net	14	21	(7)
Loss on debt extinguishment	5	23	(18)
Equity in net income of non-consolidated affiliates	(7)	(2)	(5)
Loss on divestiture	105	—	105
Gain on non-consolidated affiliate transactions	(62)	(2)	(60)
Other expense, net	25	61	(36)
Provision for income taxes	27	32	(5)
Net (income) loss from discontinued operations, net of tax	(2,286)	131	(2,417)
Net income attributable to non-controlling interests	44	89	(45)
Non-cash, stock-based compensation expense	8	12	(4)
Pension settlement gain	—	(25)	25
Other	4	8	(4)
Net income (loss) attributable to Visteon Corporation	$ 2,284	$ (295)	$ 2,579

Segment Results of Operations - 2015 compared with 2014

The Company’s chief operating decision making group, comprised of the Chief Executive Officer and Chief Financial Officer, evaluates the performance of the Company’s segments primarily based on net sales, before elimination of inter-company shipments, Adjusted EBITDA (non-GAAP financial measure) and operating assets. During the year ended December 31, 2015, and in connection with the Climate Transaction, the Company classified its previously HVCC owned climate operations as discontinued operations for current and comparable periods. Certain Visteon wholly owned climate facilities with 2015 annual sales of approximately $70 million are subject to future negotiation under the terms of the Share Purchase Agreement and are classified within Other. During the year ended December 31, 2014, operations subject to the Interiors Divestiture met conditions required to qualify for discontinued operations reporting. Certain interiors operations in South America and Europe excluded from the scope of the Interiors Divestiture are classified within Other.

The Company's operating structure is organized into two global product groups - Electronics and Other. These global product groups have financial and operating responsibility over the design, development and manufacture of the Company's product portfolio. Certain functions such as procurement, information technology and other administrative activities are managed on a global basis with regional deployment. The Company's two reportable segments are as follows:

- Electronics - The Company's Electronics segment provides vehicle cockpit electronics products to customers, including audio systems, information displays, instrument clusters, head up displays, infotainment systems, and telematics solutions.
- Other - Other includes entities located in Europe previously associated with the Interiors business but not subject to the Interiors Divestiture. Other also includes entities in South America and South Africa previously associated with the Climate business but not subject to the Climate Transaction.

Sales

	Electronics	Other	Eliminations	Total
	(Dollars in Millions)			
December 31, 2014	$ 2,386	$ 251	$ (51)	$ 2,586
Volume and mix	240	(77)	36	199
Currency	(156)	(19)	—	(175)
Electronics Acquisition	691	—	—	691
Other	(54)	(2)	—	(56)
December 31, 2015	$ 3,107	$ 153	$ (15)	$ 3,245

Electronics sales increased during the year ended December 31, 2015 by $721 million. The largest driver of the sales increase was attributable to the Electronics Acquisition, representing $691 million of the increase. Higher production volumes, primarily in Asia and Europe, increased sales by $240 million. Unfavorable currency, primarily related to the Euro, Japanese Yen, and Chinese Renminbi decreased sales by $156 million. Other changes, totaling $54 million, reflected customer pricing net of design changes.

Other sales decreased during the year ended December 31, 2015 by $98 million, including unfavorable volume and product mix of $77 million primarily reflecting the wind down of certain South America businesses and the sale of the Germany Interiors facility on December 1, 2015. Unfavorable currency, primarily related to the Euro and Brazilian Real, was $19 million.

Cost of Sales

	Electronics	Other	Eliminations	Total
	(Dollars in Millions)			
December 31, 2014	$ 2,062	$ 235	$ (51)	$ 2,246
Material	474	(46)	36	464
Freight and duty	9	(10)	—	(1)
Labor and overhead	28	(24)	—	4
Engineering	40	(1)	—	39
Depreciation and amortization	18	(7)	—	11
Other	35	17	—	52
December 31, 2015	$ 2,666	$ 164	$ (15)	$ 2,815

Substantially all of the increases in Electronics cost of sales are attributable to the Electronic Acquisition effective July 1, 2014.

Net engineering costs are comprised of gross engineering expenses related to forward model program development and advanced engineering activities, partially offset by engineering cost recoveries from customers. Electronics gross engineering expenses were $376 million for the year ended December 31, 2015, an increase of $75 million compared to the same period of 2014. Engineering recoveries were $82 million for the year ended December 31, 2015, an increase of $35 million compared to the same period of 2014. Engineering cost recoveries can fluctuate period to period depending on underlying contractual terms and conditions and achievement of related development milestones.

Other cost of sales decreased year over year, primarily related to a $46 million reduction in material costs, a $10 million reduction in freight costs, and a $24 million reduction in labor and overhead costs, reflecting lower production volumes related to the wind down for certain programs in South America and the sale of the Germany Interiors facility on December 1, 2015. Cost of sales in Other also increased $17 million driven by the non-recurrence of a $12 million tax settlement in Brazil and the non-recurrence of a $7 million pension settlement gain.

Adjusted EBITDA

Adjusted EBITDA by segment for the years ended December 31, 2015 and 2014 is presented in the table below.

	Year Ended December 31		
	2015	2014	Change
	(Dollars in Millions)		
Electronics	$ 348	$ 221	$ 127
Other	(12)	6	(18)
Total segment Adjusted EBITDA	336	227	109
Reconciling Item:			
Corporate	(54)	(50)	(4)
Total consolidated Adjusted EBITDA	$ 282	$ 177	$ 105

Changes in Adjusted EBITDA by segment are presented in the table below.

	Electronics	Other	Total
	(Dollars in Millions)		
December 31, 2014	$ 221	$ 6	$ 227
Volume and mix	93	(7)	86
Currency	(18)	(5)	(23)
Other	52	(6)	46
December 31, 2015	$ 348	$ (12)	336
Reconciling Item:			
Corporate			(54)
Total			$ 282

Electronics Adjusted EBITDA increased $127 million for the year ended December 31, 2015 when compared to the same period of 2014. Higher volumes, including the Electronics Acquisition, new business, and favorable product mix, increased Adjusted EBITDA by $93 million. Currency, largely related to the Euro, Japanese Yen and Chinese Renminbi, had an unfavorable impact of $18 million. Other net cost efficiencies of $52 million include $53 million of material, design, and manufacturing costs, $13 million of selling, general, and administrative cost efficiencies, partially offset by $14 million of one time warranty costs.

Other Adjusted EBITDA for the year ended December 31, 2015 decreased by $18 million compared to the same period of 2014. The decrease was partially explained by the non-recurrence of a $12 million Brazil tax settlement in 2014. The additional decrease is attributable to lower production volumes, the Germany Interiors facility sale on December 1, 2015, and unfavorable currency.

Consolidated Results of Operations - 2014 Compared with 2013

The Company's consolidated results of operations for the years ended December 31, 2014 and 2013 were as follows:

	Year Ended December 31		
	2014	2013	Change
	(Dollars in Millions)		
Sales	$ 2,586	$ 1,724	$ 862
Cost of sales	2,246	1,529	717
Gross margin	340	195	145
Selling, general and administrative expenses	228	175	53
Restructuring expense	54	21	33
Interest expense	25	36	(11)
Interest income	4	1	3
Loss on debt extinguishment	23	2	21
Equity in net income of non-consolidated affiliates	2	202	(200)
Gain on non-consolidated affiliate transactions	2	470	(468)
Other expense, net	61	23	38
Provision for income taxes	32	56	(24)
Net (loss) income from continuing operations	(75)	555	(630)
Net (loss) income from discontinued operations, net of tax	(131)	220	(351)
Net (loss) income	(206)	775	(981)
Net income attributable to non-controlling interests	89	85	4
Net (loss) income attributable to Visteon Corporation	$ (295)	$ 690	$ (985)
Adjusted EBITDA*	$ 177	$ 81	$ 96

** Adjusted EBITDA is a Non-GAAP financial measure, as further discussed below.*

Sales

Sales for the year ended December 31, 2014 totaled $2,586 million, which represents an increase of $862 million compared with the same period of 2013. The primary drivers of the sales increase included the Electronics Acquisition effective July 1, 2014 and the acquisition of a controlling ownership interest in YFVE effective November 7, 2013, which increased sales by $665 million and $291 million, respectively. Additionally, volumes and product mix unfavorably impacted sales by $45 million. Favorable volumes increased sales in the Electronics segment but this was more than offset by unfavorable volumes in Other, primarily driven by the wind-down of certain South American businesses. Currency unfavorably impacted sales by $32 million, primarily attributable to the weakening Indian Rupee, Thai Baht, Argentine Peso and the Brazilian Real. Other reductions of $17 million were associated with customer pricing, net of design savings.

Cost of Sales

Cost of sales increased $717 million for the year ended December 31, 2014 when compared with the same period in 2013. The increase includes $762 million attributable to increased production volumes, including the Electronics Acquisition and the acquisition of a controlling ownership interest in YFVE, as well as changes in product mix, representing the variable nature of material and labor costs. Engineering costs increased $12 million, supporting growth in the Electronics segment. These increases were partially offset by foreign currency which decreased cost of sales by $8 million, attributable to the weakening of the Indian Rupee, Thai Baht, Argentine Peso and the Brazilian Real. Additionally, the Company realized $49 million of net efficiencies related to material, design, and usage economics and other costs, including a pension settlement gain of $25 million.

Gross Margin

The Company's gross margin was $340 million or 13.1% of sales for the year ended December 31, 2014 compared to $195 million or 11.3% of sales for the same period of 2013. The increase in gross margin included $149 million from favorable volumes and mix, including the impacts of the Electronics Acquisition and the acquisition of a controlling ownership interest in YFVE. Gross margin also included favorable net cost performance of $32 million, primarily reflecting material cost efficiencies and a pension settlement gain of $25 million. These increases were partially offset by $24 million of unfavorable currency and $12 million in increased engineering costs to support future growth.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses were $228 million or 8.8% of sales and $175 million or 10.2% of sales during the years ended December 31, 2014 and 2013, respectively. The increase of $53 million is primarily driven by the Electronics Acquisition and the acquisition of a controlling ownership interest in YFVE. Additional increases included $9 million from the non-recurrence of cost recoveries associated with divested businesses, partially offset by cost efficiencies.

Equity in Net Income of Non-Consolidated Affiliates

Equity in net income of non-consolidated affiliates totaled $2 million and $202 million for the years ended December 31, 2014 and 2013, respectively, representing a decrease of $200 million, as a result of the divestiture of Yanfeng. Equity in net income of non-consolidated affiliates for the year ended December 31, 2013 includes $27 million representing Visteon's 50% equity interest in a non-cash gain recorded by Yanfeng. The gain resulted from the deconsolidation of YFVE pursuant to Visteon's November 2013 step acquisition to acquire a controlling 51% ownership interest in YFVE. In connection with the deconsolidation, Yanfeng recorded its retained non-controlling interest in YFVE at fair value, which exceeded the carrying value of net assets deconsolidated.

The following table presents summarized statement of operations data for the Company’s non-consolidated affiliates representing 100% of the results of operations of such non-consolidated affiliates.

	December 31, 2013		
	Net Sales	**Gross Margin**	**Net Income**
	(Dollars in Millions)		
Yanfeng	$ 8,089	$ 1,160	$ 334
All other	864	40	64
	$ 8,953	$ 1,200	$ 398

Yanfeng net income for the year ended December 31, 2013 includes approximately $54 million associated with non-cash gains.

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Restructuring Expense

The Company's restructuring reserves and related activity, including amounts attributable to discontinued operations, are summarized below for the year ended December 31, 2014.

	Electronics	Corporate	Other	Total
	(Dollars in Millions)			
December 31, 2013	$ —	$ 3	$ 26	$ 29
Expenses	37	1	33	71
Utilization	(6)	(4)	(46)	(56)
Business divestiture	—	—	(3)	(3)
Exchange	(1)	—	(1)	(2)
December 31, 2014	$ 30	$ —	$ 9	$ 39

Electronics: In connection with the Electronics Acquisition, the Company commenced a restructuring program designed to achieve cost savings through transaction synergies. During the year ended December 31, 2014, the Company recorded $37 million of severance and termination benefits associated with approximately 600 employees. Approximately $30 million remains accrued at December 31, 2014.

Other: Restructuring activities for Other include the following:

- During 2014, the Company announced the closure of a Climate facility located in Quilmes, Argentina. In connection with the closure, the Company recorded $13 million of restructuring expenses, primarily related to severance and termination benefits associated with approximately 270 employees. Approximately $1 million remains accrued at December 31, 2014.

- During 2014, the Company also announced the closure of a Climate facility located in Port Elizabeth, South Africa. In connection with the closure, the Company recorded and paid $2 million of restructuring expenses, primarily related to severance and termination benefits associated with approximately 90 employees.

Discontinued Operations: Restructuring activities for discontinued operations, included in Other, primarily consist of the following:

- The Company recorded $5 million of employee severance and termination benefit costs associated with a previously announced plan to restructure three Interiors facilities located in France and made cash payments of approximately $18 million for related employee severance and termination benefits. As of December 31, 2014 approximately $5 million remains accrued for this program.
- The Company recorded $6 million of employee severance and termination benefit costs associated with approximately 100 employees at two Interiors facilities located in Spain. The Company made cash payments of $3 million for related employee severance and termination benefits.
- The Company announced a plan to further reduce the workforce and related processes at an Interiors operation in Brazil and recorded an additional $3 million for employee severance and termination benefits associated with approximately 50 employees and this amount remains accrued as of December 31, 2014.
- In connection with the reorganization of the Company's Climate operations in France, the Company recorded and paid cash to settle employee severance and termination benefits of $3 million associated with approximately 20 employees under a previously announced program designed to commonize global business systems and processes across its Climate operations for the purpose of reducing costs.

Utilization represents payments for severance and other employee termination benefits and special termination benefits reclassified to pension and other postretirement employee benefit liabilities, where such payments are made from the Company’s benefit plans.

Given the economically-sensitive and highly competitive nature of the automotive industry, the Company continues to closely monitor current market factors and industry trends taking action as necessary, including but not limited to, additional restructuring actions. However, there can be no assurance that such actions will be sufficient to fully offset the impact of adverse factors on the Company or its results of operations, financial position and cash flows.

Interest Expense

Interest expense for the year ended December 31, 2014 of $25 million decreased $11 million when compared to $36 million for the same period of 2013. The decrease includes $20 million attributable to repayments and ultimate settlement of the Company's 6.75% Senior Notes due April 15, 2019 effective May 9, 2014 and $5 million for lower commitment fees and amortization of debt issuance costs, partially offset by $13 million associated with a new $600 million term facility entered April 9, 2014.

Interest Income

Interest income of $4 million for the year ended December 31, 2014 increased by $3 million when compared to $1 million for the same period of 2013 primarily due to higher average cash balances.

Loss on Debt Extinguishment

The Company recorded losses on debt extinguishment of $23 million and $2 million during the years ended December 31, 2014 and 2013, respectively, related to the repayment and redemption of the Company's 6.75% senior notes due April 15, 2019 including premium paid on the redemption and unamortized original issue discount, debt fees and other debt issue costs.

Gain on Non-Consolidated Affiliate Transactions

In April 2014, the Company completed the sale of its 50% ownership interest in Duckyang, a Korean automotive interiors supplier. In connection with the transaction, the Company received total cash of approximately $31 million, including $6 million of dividends. The Company recorded a pre-tax gain of approximately $2 million on this transaction during the year ended December 31, 2014.

In June 2013, the Company completed the sale of its 20% equity interest in Dongfeng Visteon Automotive Trim Systems Co., Ltd. ("Dongfeng") for proceeds of approximately $20 million and recognized a gain of $5 million during the year ended December 31, 2013.

During the fourth quarter of 2013, Visteon completed some of the transactions contemplated under the Master Agreement including, but not limited to, the subscription to an additional 11% ownership interest in YFVE and the sale of its 50% ownership interest in Yanfeng. The Company recorded gains totaling $465 million, including a gain of $413 million from the sale of its 50% equity interest in Yanfeng and a gain of $52 million from the remeasurement of Visteon's previous 40% equity interest in YFVE to fair value in connection with the 11% step acquisition, which resulted in a 51% controlling ownership interest in YFVE.

Other Expense, Net

Other expense, net consists of the following:

	Year Ended December 31	
	2014	**2013**
	(Dollars in Millions)	
Transformation costs	$ 22	$ 25
Integration costs	18	—
Transaction hedging and exchange loss	10	—
Provision for losses on recoverable taxes	8	—
Loss on asset contribution	3	—
UK Administration recovery	—	(2)
	$ 61	$ 23

The Company recorded transformation costs of $22 million and $25 million for the years ended December 31, 2014 and 2013, respectively, related to financial and advisory services associated with continued execution of its comprehensive shareholder value creation plan, including fees associated with the Electronics Acquisition and the Yanfeng Transactions.

During the year ended December 31, 2014, the Company recorded $18 million of costs to integrate the businesses associated with the Electronics Acquisition. Integration costs incurred were related to re-branding, facility modification, information technology readiness and related professional services.

In connection with the Climate Transaction, the Company entered into a foreign currency option contract with a notional value of $2,229 million ("KRW option contract") to manage foreign currency exposure on anticipated KRW denominated proceeds. During the year ended December 31, 2014, the Company recorded a loss of $10 million to reflect the change in the fair value of the non-designated portion of this KRW option contract.

The Company recorded $8 million during the year ended December 31, 2014 to adjust recoverable value-added taxes to net realizable value attributable to business exit activities. In connection with the closure of the Climate facility located in Quilmes, Argentina in 2014, the Company contributed land and building with a net book value of $3 million to the local municipality for the benefit of former employees.

In September 2013, the Company received a distribution of $2 million under the United Kingdom Insolvency Act of 1986 resulting from the liquidation and recovery process associated with the estate of Visteon UK Limited, a company organized under the laws of England and Wales and a former indirect, wholly-owned subsidiary of the Company. The recovery was primarily related to various trade and loan receivables due from Visteon UK Limited to the Company at the March 2009 date of entry into administration.

Income Taxes

The Company's provision for income tax was $32 million for year ended December 31, 2014 reflects income tax expense related to those countries where the Company is profitable, accrued withholding taxes, ongoing assessments related to the recognition and measurement of uncertain tax benefits, the inability to record a tax benefit for pre-tax losses in the U.S. and certain other jurisdictions due to valuation allowances, and other non-recurring tax items.

The Company's provision for income taxes decreased $24 million for the year ended December 31, 2014 compared with 2013. The decrease included $51 million related to the non-recurrence of China tax associated with the gain on the Yanfeng transactions in 2013, $12 million lower withholding taxes, and $4 million decrease in year-over-year tax benefits resulting from the elimination of valuation allowances. These decreases were partially offset by $34 million attributable to the non-recurrence of tax benefits associated with audit closures in 2013 related to reevaluating transfer pricing exposures in Europe and the United States, $3 million associated with non-recurrence of favorable tax law changes in 2013, and $6 million attributable to overall changes in the mix of earnings and tax rates between jurisdictions. Other changes in the Company’s deferred tax asset valuation allowances did not materially impact net tax expense during the years ended December 31, 2014 or 2013.

Visteon's emergence from bankruptcy in 2010 resulted in a change of ownership within the meaning of IRC Sections 382 and 383, causing the use of Visteon's pre-emergence U.S. federal NOL and various other tax attributes to be limited in the post-emergence period. However, NOLs and other tax attributes generated in the post emergence period are generally not limited by the emergence from bankruptcy, but could be limited if there is a subsequent change of ownership. If the Company were to have another change of ownership within the meaning of IRC Sections 382 and 383, its post-emergence NOL and other tax attributes could be limited to an amount equal to its market capitalization at the time of the subsequent ownership change multiplied by the federal long-term tax exempt rate. The Company cannot provide any assurance that such an ownership change will not occur, in which case the availability of the Company's NOLs and other tax attributes could be significantly limited or possibly eliminated. In order to continue to protect the Company's pre and post-emergence period tax attributes and reduce the likelihood that the Company will experience an additional ownership change, once the Company's market capitalization falls below $1.5 billion Board of Director approval is required should a person or group become a 5-percent shareholder and/or an existing 5-percent shareholder intend to increase its ownership interest.

Discontinued Operations

The operations subject to the Interiors Divestiture and Climate Transaction met conditions required to qualify for discontinued operations reporting. Accordingly, the results of operations for the Interiors and Climate businesses have been reclassified to Net income (loss) from discontinued operations in the Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013. Discontinued operations are summarized as follows:

	Year Ended December 31	
	2014	2013
	(Dollars in Millions)	
Sales	$ 5,757	$ 5,715
Cost of sales	5,239	5,226
Gross margin	518	489
Selling, general and administrative expenses	194	192
Long-lived asset impairments	190	—
Loss on interiors divestiture	136	—
Restructuring expense	17	18
Interest expense, net	7	4
Equity in net income of non-consolidated affiliates	13	11
Other expense	25	15
(Loss) income from discontinued operations before income taxes	(38)	271
Provision for income taxes	93	51
Net (loss) income from discontinued operations, net of tax	$ (131)	$ 220

Net Income (Loss)

Net loss attributable to Visteon was $295 million for the year ended December 31, 2014, including total losses on the Interiors Divestiture of $326 million and equity in net income of non-consolidated affiliates of $2 million, compared to a net income of $690 million for the same period of 2014, including $465 million of gain on the Yanfeng transactions and equity in net income of non-consolidated affiliates of $202 million. Adjusted EBITDA (a non-GAAP financial measure, as defined below) was $177 million for the year ended December 31, 2014, representing an increase of $96 million when compared with Adjusted EBITDA of $81 million for the same period of 2013. The increase in Adjusted EBITDA included $110 million of favorable volume and mix, primarily attributable to the Electronics Acquisition and the acquisition of a controlling ownership interest in YFVE. Currency movements unfavorably impacted Adjusted EBITDA for the year ended December 31, 2014 by $24 million, largely related to the weakening Indian Rupee, Thai Baht, Argentine Peso and the Brazilian Real. Adjusted EBITDA in 2014 was also impacted by higher material, manufacturing and other cost efficiencies, which more than offset customary customer pricing productivity and increased engineering costs to support future growth.

Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, loss on debt extinguishment, equity in net income of non-consolidated affiliates, gain on non-consolidated affiliate transactions, other net expense, provision for income taxes, discontinued operations, net income attributable to non-controlling interests, non-cash stock-based compensation expense, pension settlement gains and other non-operating gains and losses. The Company changed its definition of Adjusted EBITDA to exclude net income attributable to non-controlling interests and equity in net income of non-consolidated affiliates as well as the impact of discontinued operations as management believes this measure is most reflective of the operational performance of the Company's operating segments. Accordingly, Adjusted EBITDA for historical periods has been recast in a manner consistent with the Company's new definition.

Adjusted EBITDA is not a recognized term under accounting principles generally accepted in the United States and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses Adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies and (iii) because the Company's credit agreements use measures similar to Adjusted EBITDA to measure compliance with certain covenants. Adjusted EBITDA, as determined and measured by the Company should not be compared to similarly titled measures reported by other companies. The reconciliation of Adjusted EBITDA to net income attributable to Visteon for the years ended December 31, 2014 and 2013 is as follows:

	Year Ended December 31		
	2014	2013	Change
	(Dollars in Millions)		
Adjusted EBITDA	$ 177	$ 81	$ 96
Depreciation and amortization	70	41	29
Restructuring expense	54	21	33
Interest expense, net	21	35	(14)
Loss on debt extinguishment	23	2	21
Equity in net income of non-consolidated affiliates	(2)	(202)	200
Gain on non-consolidated affiliate transactions	(2)	(470)	468
Other expense, net	61	23	38
Provision for income taxes	32	56	(24)
Net income (loss) from discontinued operations, net of tax	131	(220)	351
Net income attributable to non-controlling interests	89	85	4
Non-cash, stock-based compensation expense	12	16	(4)
Pension settlement gain	(25)	—	(25)
Other	8	4	4
Net (loss) income attributable to Visteon Corporation	$ (295)	$ 690	$ (985)

Segment Results of Operations - 2014 compared with 2013

Sales

	Electronics	Other	Eliminations	Total
	(Dollars in Millions)			
December 31, 2013	$ 1,455	$ 345	$ (76)	$ 1,724
Volume and mix	15	(85)	25	(45)
Currency	(15)	(17)	—	(32)
Electronics Acquisition	665	—	—	665
YFVE consolidation	291	—	—	291
Other	(25)	8	—	(17)
December 31, 2014	$ 2,386	$ 251	$ (51)	$ 2,586

Electronics sales increased during the year ended December 31, 2014 by $931 million. The largest drivers of the sales increase were attributable to the Electronics Acquisition and the acquisition of a controlling interest in YFVE. Higher production volumes, primarily in Asia, increased sales by $15 million. Unfavorable currency, primarily related to the Japanese Yen and Indian Rupee decreased sales by $15 million. Other changes, totaling $25 million, reflected customer pricing net of design changes.

Other sales decreased during the year ended December 31, 2014 by $94 million, including unfavorable volume and product mix of $85 million primarily reflecting the wind down of certain South America businesses. Unfavorable currency, primarily related to the Argentine Peso and Brazilian Real, was $17 million.

Cost of Sales

	Electronics	Other	Eliminations	Total
	(Dollars in Millions)			
December 31, 2013	$ 1,295	$ 310	$ (76)	$ 1,529
Material	532	(38)	25	519
Freight and duty	19	(6)	—	13
Labor and overhead	87	(14)	—	73
Engineering	112	(1)	—	111
Depreciation and amortization	20	3	—	23
Other	(3)	(19)	—	(22)
December 31, 2014	$ 2,062	$ 235	$ (51)	$ 2,246

Substantially all of the increases in Electronics cost of sales are attributable to the Electronic Acquisition effective July 1, 2014 and the acquisition of a controlling interest in YFVE with effect from November 2013.

Other cost of sales decreased year over year, primarily related to a $38 million reduction in material costs, a $6 million reduction in freight costs, and a $14 million reduction in labor and overhead costs, reflecting lower production volumes related to the wind down for certain programs in South America. Cost of sales in Other also decreased $19 million driven by a $12 million tax settlement in Brazil and a pension settlement gain.

Adjusted EBITDA

Adjusted EBITDA by segment for the years ended December 31, 2014 and 2013 is presented in the table below.

	Year Ended December 31		
	2014	2013	Change
	(Dollars in Millions)		
Electronics	$ 221	$ 121	$ 100
Other	6	19	(13)
Total Segment Adjusted EBITDA	227	140	87
Reconciling Item:			
Corporate	(50)	(59)	9
Total consolidated	$ 177	$ 81	$ 96

Changes in Adjusted EBITDA by segment are presented in the table below.

	Electronics	Other	Total
	(Dollars in Millions)		
December 31, 2013	$ 121	$ 19	$ 140
Volume and mix	127	(17)	110
Currency	(11)	(13)	(24)
Other	(16)	17	1
December 31, 2014	$ 221	$ 6	227
Reconciling Item:			
Corporate			(50)
Total			$ 177

Electronics Adjusted EBITDA increased $100 million for the year ended December 31, 2014 when compared to the same period of 2014. Higher volumes, including the Electronics Acquisition, the acquisition of a controlling interest in YFVE, and favorable product mix, increased Adjusted EBITDA by $127 million. Currency, largely related to the Japanese Yen and Brazilian Real, had an unfavorable impact of $11 million. Other reductions of $16 million reflected customer pricing and higher engineering costs to support future growth partially offset by material, design and other cost efficiencies.

Other Adjusted EBITDA for the year ended December 31, 2014 decreased by $13 million compared to the same period of 2014 due to lower production volumes and a weaker Argentine Peso and Brazilian Real. A $12 million tax settlement in Brazil and net cost efficiencies were partial offsets.

Liquidity

Overview

The Company’s primary liquidity needs are related to the funding of general business requirements, including working capital requirements, capital expenditures, debt service, employee retirement benefits and restructuring actions. To the extent the Company generates discretionary cash flow, it will be evaluated for and may be used for optional prepayments of existing indebtedness, strategic acquisitions, additional share repurchases or shareholder distributions, and/or general corporate purposes.

The Company's primary sources of liquidity are cash flows from operations, existing cash balances, asset sales, and borrowings under available credit facilities, if necessary. A portion of the Company's cash flows from operations are generated outside of the U.S. Accordingly, the Company utilizes a combination of cash repatriation strategies, including dividends, royalties, intercompany loan repayments and other distributions and advances to provide the funds necessary to meet obligations globally. The Company’s ability to access funds from its subsidiaries using these repatriation strategies is subject to, among other things, customary regulatory and statutory requirements and contractual arrangements including joint venture agreements and local debt agreements. Additionally, such repatriation strategies may be adjusted or modified as the Company continues to, among other things, rationalize its business portfolio and cost structure.

The Company's ability to fund its liquidity needs is dependent on the level, variability and timing of its customers' worldwide vehicle production, which may be affected by many factors including, but not limited to, general economic conditions, specific industry conditions, financial markets, competitive factors and legislative and regulatory changes. The Company monitors the macroeconomic environment and its impact on vehicle production volumes in relation to the Company's specific cash needs. The Company's intra-year needs are impacted by seasonal effects in the industry, such as mid-year shutdowns, the subsequent ramp-up of new model production and the additional year-end shutdowns by primary customers.

Credit Facilities

On April 9, 2014, the Company entered into a new credit agreement, which provides for (i) delayed draw term loans in an aggregate principal amount of $600 million that mature on April 9, 2021, and (ii) a $200 million revolving credit facility that matures on April 9, 2019. Up to $75 million of the Revolving Facility is available for the issuance of letters of credit, and any such issuance of letters of credit will reduce the amount available for loans under the Revolving Facility. Up to $20 million of the Revolving Facility is available for swing line advances, and any such swing line advances will reduce the amount available for loans under the Revolving Facility. The Company may request increases in the limits under the Term Facility and the Revolving Facility and may request the addition of one or more term loan facilities under the Credit Agreement. The facilities were rated as BB- and B1 by S&P and Moody's, respectively. On June 23, 2014, the Company drew the $600 million term loan. During 2014, the Company made the required mandatory quarterly repayments of 0.25% of the initial term loan totaling $3 million. As of December 31, 2015, $346 million face value was outstanding under the Term Facility, and there were no outstanding borrowings under the Revolving Facility.

The Company executed an Amendment to the Credit Agreement on March 25, 2015. The Amendment, among other things, provides for certain modifications to the Credit Agreement to permit Visteon’s sale of its ownership interest in HVCC and otherwise to update the Credit Agreement to account for HVCC no longer being a subsidiary of Visteon following the Climate Transaction. Under the Amendment, Term Lenders agreed to waive that 100% of the Net Cash Proceeds received by the Borrower or any of its Restricted Subsidiaries from the Climate Transaction be used to prepay the Term Loans so long as such Net Cash Proceeds are used to prepay the Term Loans within five Business Days of the receipt of such Net Cash Proceeds in an amount sufficient to reduce the aggregate principal amount of Term Loans outstanding after giving effect to such prepayment to no more than $350 million. In association with the Amendment, the facilities were upgraded to BB and Ba3 by S&P and Moody's, respectively.

Visteon consummated the Climate Transaction on June 9, 2015 and subsequently paid down $246 million term loan principal on June 12, 2015 to reduce aggregate principal amount of Term Loans outstanding to $350 million. In connection with the principal reduction, the 0.25% mandatory quarterly prepayment obligation was considered met, therefore Visteon ceased making quarterly amortization payments.

Availability under outstanding affiliate credit facilities as of December 31, 2015 is approximately $19 million. Access to additional capital through the debt or equity markets is influenced by the Company's credit ratings. At December 31, 2015, the Company's corporate credit ratings were B1 by Moody's with a stable outlook and B+ by S&P with a positive outlook.

Cash and Short-Term Investment Balances

As of December 31, 2015, the Company had total cash and short-term investments of $2,784 million, including $1 million of cash held for sale and $8 million of restricted cash. Cash balances totaling $285 million, including $1 million of cash held for sale were located in foreign-owned entities. The Company has provided for taxes on a significant portion of this cash as it is not deemed to be permanently reinvested for funding ongoing operations outside of the U.S.

Climate Transaction

On June 9, 2015, Visteon completed the sale of all its shares in HVCC to the Purchasers. The Climate Transaction closed for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon, pursuant to and in accordance with the Purchase Agreement, dated as of December 17, 2014, among Visteon and the Purchasers. The Company received net cash proceeds of approximately $2.7 billion and recognized a pre-tax gain of approximately $2.3 billion in connection with the the closing of the Climate Transaction in June, 2015.

In conjunction with the closing, the Company announced its intention to return a portion of the Climate Transaction proceeds to stockholders, ranging from approximately $2.5 billion to $2.75 billion, through a structured series of actions including repurchases of common stock and/or a special distribution, and intends to use the remaining proceeds from the Climate Transaction for general corporate purposes, which may include investments in restructuring and strategic investments to support the continued expansion of the vehicle cockpit electronics business.

As of December 31, 2015 the remaining Climate Transaction proceeds are invested in a diversified portfolio of cash and cash equivalents, money market funds, commercial paper and time deposits. The recorded value of such accounts approximates fair value based on the nature of the investment.

In connection with the Climate Transaction, the Company entered an agreement to purchase certain electronics operations located in India, expected to close in 2016 after legal separation and regulatory approvals are met. The Company has recorded a repurchase commitment of $50 million, representing the estimated purchase price of the subject business.

The Company recorded a tax receivable of $364 million as of December 31, 2015, adjusted for exchange and interest impacts, for Korean capital gains tax withheld by the Purchasers and paid to the Korean government. The Company received $355 million of the Korean capital gains withholding tax in January 2016, representing the entire amount of the expected Korean capital gains tax refund as received in Korean won, including interest and exchange impacts. Also in connection with the Climate Transaction, the Company withdrew its appeals related to the alleged underpayment of withholding tax on dividends paid from its former Korean affiliates through 2012 and eliminated the various income tax refund claims previously recorded at the Climate legal entities.

The Company recorded anticipated U.S. income tax of $26 million, related to the gain on sale, which represents the net amount of U.S. tax after the utilization of available net operating loss carry-forwards and other tax attributes. Of this amount, $14 million represents the current U.S. income tax liability, expected to be paid in March 2016, and $12 million represents the amount associated with uncertain tax positions for which the Company is unable to make a reasonable estimate for the period in which this amount may become due.

Germany Interiors Divestiture

On December 1, 2015, Visteon completed the Germany Interiors Divestiture by contributing cash of approximately $141 million, assets of $27 million, and liabilities of $198 million, including pension related liabilities. The Company will make a final contribution payment of approximately $30 million by November 2016 included in the Company's consolidated balance sheet as "Other current liabilities" as of December 31, 2015. The Company recognized a pre-tax loss on divestiture of $105 million related to foreign currency translation and pension benefit plan amounts previously recorded in accumulated other comprehensive loss.

Interiors Divestiture

In connection with the Interiors Divestiture and November 1, 2014 Master Closing, the Company agreed to provide a $56 million revolving credit facility to the buyer, which was to be reduced as transactions related to customer purchase order changes were effected increasing the backing of the buyer implemented factoring facility. the seller backed facility was subsequently reduced.

The seller-backed facility obligation can also be reduced if the buyer adds working capital facilities in Russia and Thailand. Draws under this seller-backed facility will only be available if certain of the external credit facilities are fully drawn, and any draws on the seller-backed facility generally must be repaid prior to the repayment of the external credit facilities. The seller-backed facility has a maturity of three years, an interest rate of Libor plus 5% and a default rate of interest for any interest and/or principal payment defaults. As of December 31, 2015, there were no draws on this facility, and the amount of the facility was $39 million.

In connection with the Interiors Divestiture, the Company completed the sale of Interiors operations in Thailand on February 2, 2015. Additionally, the Company expects the Argentina and Brazil portions of the Interiors Divestiture to close during 2016, delayed due to the ability to obtain all regulatory permits. These remaining transactions are subject to various conditions, including regulatory and antitrust approvals, receipt of other third party consents and approvals and other customary closing conditions. The Company expects to record losses in connection with the Argentina and Brazil portions of the Interiors Divestiture in future periods upon closing, which are estimated to be approximately $20 million.

Distribution

On December 9, 2015, the Company approved a special distribution of $43.40 per share of its common stock outstanding as of January 15, 2016, or approximately $1.75 billion in the aggregate, payable on January 22, 2016, consistent with its previously announced plans to return a portion of the Climate Transaction proceeds to stockholders, ranging from approximately $2.5 billion to $2.75 billion, through a structured series of actions including repurchases of common stock and/or a special distribution.

Approximately $1.74 billion of the Company's cash equivalents and short-term investments, including the separately managed accounts, have been liquidated on or about January 19, 2016 to fund the special distribution paid on January 22, 2016.

Share Repurchase Program

On May 8, 2014, the Company announced an ASB program with a third-party financial institution to repurchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,394,157 shares of common stock using a reference price of $92.07, and an additional delivery of 1,129,001 shares of common stock following the conclusion of the hedge period which determined a certain minimum amount of shares guaranteed under a portion of the program that had a maximum per share price of $100.54. On October 15, 2014, the capped portion of the program concluded, and the Company received an additional 112,269 shares. The final settlement price for all shares delivered under the capped portion of the program was $96.19. On May 1, 2015, the uncapped portion of the program concluded, with an additional delivery of 534,214 shares at an volume weighted average price of the uncapped portion less discount was $97.25.

On June 11, 2015, the Company's board of directors authorized an additional $125 million of share repurchase for a total of $500 million available for share repurchase. On June 15, 2015, the Company entered into another ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,712,297 shares of common stock, which is approximately 80% of the total number of shares of the Company’s common stock expected to be repurchased under the ASB Agreement based on the closing price of the Company’s common stock on June 15, 2015. The final number of shares to be repurchased was based on the average of the daily volume-weighted average prices of the Company’s common stock during the term of the transaction, less an agreed discount and subject to adjustments pursuant to the terms and conditions of the ASB Agreement. The final settlement of the transaction under the ASB Agreement occurred on December 31, 2015 with delivery of 1,058,965 shares at average price of $104.79 based on the volume weighted average price less the agreed discount.

On December 9, 2015, the Company's board of directors authorized a share repurchase program to repurchase up to $500 million of its shares of common stock through December 31, 2016. On December 16, 2015, the Company entered into a forward starting 10b5-1 program to purchase stock on the open market between January 26, 2016 and March 1, 2016 based on a pre-determined pricing grid based upon the stock's ex-distribution price and capped at $150 million. As of February 19, 2016, the Company has paid $84 million to repurchase 1,307,500 shares at an average price of $64.06.

The Company anticipates that additional repurchases of common stock, if any, would occur from time to time in open market transactions or in privately negotiated transactions depending on market and economic conditions, share price, trading volume, alternative uses of capital and other factors.

Restructuring

At December 31, 2015, the Company had restructuring accruals totaling $38 million, including amounts associated with discontinued operations, which are expected to be settled in cash during 2016. The Company commenced a restructuring program during 2014 designed to achieve annual cost savings of approximately $70 million by the end of 2016 through synergies associated with the Electronics Acquisition. Approximately $57 million has been recorded under this program through the year ended December 31, 2015. Charges for the program are considered substantially complete and $19 million remains accrued at December 31, 2015.

During October 2015, the Company announced a restructuring program designed to reduce the workforce at a European Electronics facility. The Company recorded $12 million of severance and termination benefits under this program associated with approximately 100 employees, which remains accrued as of December 31, 2015. The Company expects to record additional restructuring costs related to this program as the underlying plan is finalized.

Given the economically-sensitive and highly competitive nature of the automotive industry, the Company continues to closely monitor current market factors and industry trends taking action as necessary, including but not limited to, additional restructuring actions. However, there can be no assurance that such actions will be sufficient to fully offset the impact of adverse factors on the Company or its results of operations, financial position and cash flows.

Other

On January 12, 2016 Visteon entered into a share purchase agreement to acquire all shares of AllGo Systems for consideration of approximately $15 million at close and $7 million of additional contingent consideration, expected to close during the first half of 2016. AllGo Systems is a leading developer of embedded multimedia system solutions to global vehicle manufacturers.

Cash contributions to non-U.S. retirement plans, excluding those held for sale, are expected to be $8 million during 2016 and cash contributions to U.S. retirement plans are expected to be $4 million during 2016. Estimated cash contributions for 2017 through 2019, under current regulations and market assumptions are approximately $39 million.

During 2012, Brazilian tax authorities issued tax assessment notices to Visteon Sistemas Automotivos (“Sistemas”) of approximately $11 million, adjusted for currency impacts, related to the sale of its chassis business to a third party. During 2013, after attempts to reopen an appeal of the administrative decision failed, Sistemas opened a judicial proceeding against the government to address the notice which required a deposit in the amount of the assessment in order to suspend the debt and allow Sistemas to operate regularly before the tax authorities. The Company believes that the risk of a negative outcome is remote once the matter is fully litigated at the highest judicial level. In December 2015, the Portuguese tax authorities refunded $5 million related to an outstanding claim from 2000 representing the entire amount of the claim, including $2 million of interest recorded as income tax benefit from continuing operations. These appeal payments in Brazil, as well as income tax refund claims associated with other jurisdictions, total $12 million as of December 31, 2015, and are included in Other non-current assets on the consolidated balance sheet.

In January, 2016 Visteon loaned a subsidiary of Yanfeng Visteon Electronics (China) Investment Co., Ltd., a non-consolidated affiliate, approximately $8 million, expected to be repaid within five years.

Cash Flows

Operating Activities

Including discontinued operations, the Company generated $338 million of cash from operating activities during the year ended December 31, 2015, compared to $284 million during the same period of 2014 for an increase of $54 million. The increase during the year ended December 31, 2015 is attributable to lower working capital requirements primarily related to an approximate $97 million reduction in HVCC operations, the impact of capitalized engineering recoveries of $17 million and lower restructuring cash payments of $23 million. These increases were partially offset by Climate Transaction related payments of $69 million, primarily labor and incentive payments of $48 million and information technology transition agreements payments of $18 million, interiors divestitures related information technology transition agreement payments of $5 million, and lower dividends from non-consolidated affiliates of $9 million.

The Company generated $284 million of cash from operating activities during the year ended December 31, 2014, compared to $312 million during the same period of 2013 for a decrease of $28 million. During the year ended December 31, 2014, lower cash dividends from non-consolidated affiliates contributed $162 million of the decrease in cash from operating activities. Increase in working capital use of $159 million was impacted by delayed collections of approximately $60 million, increases in unbilled receivables primarily due to the timing of tooling development activity and customer payments of approximately $35 million, higher outflows in the Interiors business driven primarily by the divestiture timing of approximately $30 million, the non-recurrence of changes in receivable terms for certain Asia customers of approximately $16 million, and customer productivity related payment timing impacts of approximately $15 million. These decreases were partially offset by the non-recurrence of approximately $100 million in tax payments during the year ended December 31, 2013 associated with sale of the Company's 50% ownership interest in Yanfeng and Yanfeng entity dividend withholding taxes, net tax refunds received from Korean tax authorities of approximately $10 million compared to Korean and Brazilian tax payments of $38 million in the same period of 2013 resulting in a $48 million year-over-year improvement, and increased recoverable tax collections including incremental value-added taxes of approximately $15 million. The remaining difference was driven by higher collections as compared to payments related to increased profitability from favorable cost performance, volume and mix including the impact of the Electronics Acquisition and the step up acquisition of Yanfeng Visteon Electronics.

Investing Activities

Cash provided from investing activities during the year ended December 31, 2015 totaled $2,358 million, compared to net cash used by investing activities of $740 million for the same period in 2014 for an increase of $3,098 million. Net cash provided from investing activities during the year ended December 31, 2015 included the impacts of divestiture activity including Climate Transaction net proceeds of $2,664 million and non-consolidated affiliate divestiture proceeds of $91 million, partially offset by the Germany Interiors Divestiture contribution of $141 million and other transaction related payments of $15 million. Additional investing activity included capital expenditures of $187 million and short-term net investments of $47 million.

Cash used by investing activities during the year ended December 31, 2014 totaled $740 million, compared to net cash provided from investing activities of $698 million for the same period in 2013. Cash used by investing activities for the year ended December 31, 2014 of $740 million was primarily attributable to acquisition and divestiture activities including the Electronics Acquisition of $264 million, the Thermal Acquisition of $46 million, and the Interiors Divestiture of $147 million, partially offset by non-consolidated divestiture proceeds of $66 million. Cash used by investing activities for the year ended December 31, 2014 also included capital expenditures of $340 million, $153 million higher than capital expenditures of $187 million for the year ended December 31, 2015, directly attributable to divestiture and acquisition activities impacting the underlying businesses.

Cash provided by investing activities during the year ended December 31, 2013 included $977 million of proceeds from asset sales and business divestitures compared to $66 million during the same period of 2014. Cash proceeds from asset sales and business divestitures during the year ended December 31, 2013 included $928 million of proceeds from the sale of the Company's 50% ownership interest in Yanfeng. Cash used by investing activities for the year ended December 31, 2014 also included $340 million for capital expenditures, an increase of $71 million compared to the same period in 2013, representing capital requirements to support continued business growth.

Financing Activities

Cash used by financing activities during the year ended December 31, 2015 totaled $774 million, compared to $359 million for the same period in 2014 for an increase in use of $415 million. Cash used by financing activities during the year ended December 31, 2015 included $500 million in share repurchases, the prepayment on the Company's term facility, including fees, of $250 million, non-controlling interest dividends of $55 million, partially offset by option and warrant exercises of $40 million.

Cash used by financing activities during the year ended December 31, 2014 totaled $359 million compared to $141 million for the same period in 2013 for an increase in use of $218 million. Cash used by financing activities during the year ended December 31, 2014 of $359 million included $500 million in share repurchases, the redemption of $350 million of outstanding 6.75% Senior Notes due 2019 at 105.063% and $50 million at 103% of par, and non-controlling interest dividends of $97 million. This activity was partially offset by $590 million of net proceeds from the draw on the Company's Term Facility, a net increase in other affiliate short-term debt of $39 million to support the Thermal Acquisition and option and warrant exercises of $17 million.

Cash used by financing activities during the year ended December 31, 2013 included $250 million in stock repurchases under accelerated stock buyback programs, $52 million related to the redemption of outstanding 6.75% Senior Notes due April 2019, $22 million of dividends paid to non-controlling interests, and a net decrease in other affiliate debt of $17 million. These financing cash uses were partially offset by $195 million of proceeds related to HVCC unsecured bilateral term loans.

Debt and Capital Structure

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. Information related to the Company’s stockholders’ equity is set forth in Note 17, “Stockholders’ Equity and Non-controlling Interests” to the consolidated financial statements which are included in Item 8 “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

The Company’s short and long-term debt consists of the following:

		Weighted Average Interest Rate		Carrying Value	
	Maturity	2015	2014	2015	2014
				(Dollars in Millions)	
Short-term debt:					
Current portion of long-term debt		4.6%	3.5%	$ 3	$ 8
Short-term borrowings		2.4%	3.6%	34	21
Total short-term debt				$ 37	$ 29
Long-term debt:					
Term facility due April 9, 2021	2021	3.5%	3.5%	$ 346	$ 583
Other	2015-2019	4.1%	4.2%	1	4
Total long-term debt				$ 347	$ 587

Short-Term Borrowings

Short-term borrowings are primarily related to the Company's non-U.S. joint ventures and are payable in Chinese Renminbi, Thai Baht and Russian Ruble. As of December 31, 2015, the Company had short-term borrowings of $34 million.

Term Facility Due April 9, 2021 and Revolving Credit Facility

On April 9, 2014, the Company entered into a new credit agreement (the “Credit Agreement”), by and among the Company as borrower, each lender from time to time party thereto, each letter of credit issuer from time to time party thereto and Citibank, N.A. as administrative agent (the “Administrative Agent”), which provides for (i) delayed draw term loans in an aggregate principal of $600 million (the “Term Facility”) and (ii) a $200 million revolving credit facility (the “Revolving Facility”). The Company and certain of its subsidiaries have granted a security interest in substantially all of their respective property, subject to certain limitations.

At the Company’s option, loans under the Term Facility and Revolving Facility may be maintained from time to time at an interest rate equal to the applicable rate (“Applicable Rate”) plus the applicable domestic rate (“Base Rate”) or the LIBOR-based rate (“Eurodollar Rate”). The Base Rate shall be a fluctuating rate per annum equal to the highest of (i) the rate equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published by the Federal Reserve Bank of New York on the following Business Day, plus 0.50%; (ii) the rate established by the Administrative Agent as its “prime rate” at its principal U.S. office and (iii) the Eurodollar Rate (which, for the purposes of establishing the Base Rate, shall not be less than 0.75%) plus 1%. The Eurodollar Rate shall be equal to the quotient obtained by dividing (a) the ICE Benchmark Administration Limited LIBOR Rate by (b) the difference between 1.00 and the reserve percentage under regulations issued from time to time by the Board of Governors of the Federal Reserve System of the United States for determining the maximum reserve requirement with respect to Eurocurrency funding. The Applicable Rate varies based on certain corporate credit ratings at the time of borrowing, and ranges from 1.00% to 1.75% for Base Rate loans and 2.00% to 2.75% for Eurodollar Rate loans.

Up to $75 million of the Revolving Facility is available for the issuance of letters of credit, and any such issuance of letters of credit will reduce the amount available for loans under the Revolving Facility. Up to $20 million of the Revolving Facility is available for swing line advances, and any such swing line advances will reduce the amount available for loans under the Revolving Facility. The Company may request increases in the limits under the Term Facility and the Revolving Facility and may request the addition of one or more term loan facilities under the Credit Agreement.

The Term Facility shall mature on April 9, 2021 (the "Term Facility Maturity Date"), and the Revolving Facility shall mature on April 9, 2019 (the "Revolving Facility Maturity Date"). Loans made under the Term Facility are due and payable in full on the Term Facility Maturity Date. Loans made under the Revolving Facility are due and payable in full on the Revolving Facility Maturity Date. Outstanding borrowings may be prepaid without penalty (other than borrowings made for the purpose of reducing the effective interest rate margin or weighted average yield of the loans) in $100,000 increments over $500,000 for loans maintained under the Base Rate and in $250,000 increments over $1,000,000 for loans maintained under the Eurodollar Rate. There are mandatory prepayments of principal in connection with: (i) excess cash flow sweeps (in the amount of 50%, with step downs to 25% and 0% of the excess cash flow, depending on the then-applicable leverage), (ii) certain asset sales or other dispositions (including as a result of casualty or condemnation), (iii) certain refinancings of indebtedness and (iv) over-advances under the Revolving Facility.

The Credit Agreement requires the Company and its subsidiaries to comply with customary affirmative and negative covenants, including financial covenants and contains customary events of default. The Term Facility and the Revolving Facility require that, as of the last day of any four consecutive fiscal quarters of the Company last ended (commencing as of June 30, 2014), the Company maintain a total net leverage ratio no greater than 3.00:1.00 (the "Financial Maintenance Covenant"). During any period when the Company's corporate and family ratings meet certain specified ratings, certain of the negative covenants shall be suspended and the Financial Maintenance Covenant shall only be tested with respect to the Revolving Facility. As of December 31, 2015, the Company was in compliance with the Financial Maintenance Covenant.

All obligations under the Credit Agreement and obligations in respect of certain cash management services and swap agreements with the lenders and their affiliates are unconditionally guaranteed by certain of the Company's subsidiaries. In connection with the Credit Agreement, on April 9, 2014, (i) the Company, certain of its subsidiaries and the Administrative Agent entered into a Security Agreement (the "Security Agreement"), (ii) certain subsidiaries of the Company and the Administrative Agent entered into a Guaranty Agreement (the "Guaranty Agreement") and (iii) the Company, certain of its subsidiaries and the Administrative Agent entered into an Intellectual Property Security Agreement (together with the Security Agreement and the Guaranty Agreement, the "Security Documents"). Pursuant to the Security Documents, all obligations under the Credit Agreement are secured by a first-priority perfected lien (subject to certain exceptions) in substantially all of the property of the Company and the subsidiaries party to the Security Agreement, subject to certain limitations.

In connection with signing of the Credit Agreement, on April 9, 2014, the Company terminated its $130 million revolving loan credit agreement dated October 1, 2010. On June 23, 2014, the Company drew the $600 million term loan, net of an original issue discount of $9 million. During 2014, the Company made the required mandatory quarterly repayments of 0.25% of the initial term loan totaling $3 million. As of December 31, 2015, $346 million face value was outstanding under the Term Facility, and there were no outstanding borrowings under the Revolving Facility.

The Company executed an Amendment to the Credit Agreement on March 25, 2015. The Amendment, among other things, provides for certain modifications to the Credit Agreement to permit Visteon's sale of its ownership interest in HVCC and otherwise to update the Credit Agreement to account for HVCC no longer being a subsidiary of Visteon following the Climate Transaction. While certain waivers granted under the Amendment became effective on March 25, 2015, the amendments relating to the Climate Transaction became effective substantially concurrent with the consummation of the Climate Transaction. Under the Amendment, Term Lenders agreed to waive the requirement that 100% of the Net Cash Proceeds received by the Borrower or any of its Restricted Subsidiaries from the Climate Transaction be used to prepay the Term Loans so long as such Net Cash Proceeds are used to prepay the Term Loans within five Business Days of the receipt of such Net Cash Proceeds in an amount sufficient to reduce the aggregate principal amount of Term Loans outstanding after giving effect to such prepayment to no more than $350 million.

Visteon consummated the Climate Transaction on June 9, 2015 and subsequently paid down $246 million term loan principal on June 12, 2015 to reduce aggregate principal amount of Term Loans outstanding to $350 million. In connection with the principal reduction, the 0.25% mandatory quarterly prepayment obligation was considered met, therefore Visteon ceased making quarterly amortization payments.

Other Long-Term Debt

As of December 31, 2015 and 2014, the Company had $1 and $4 million, respectively, of other long-term debt. Other long-term debt includes amounts associated with the Company's information technology software leases.

Stock Warrants

As of December 31, 2015 and 2014, there are 909 warrants outstanding of the stock warrants expiring October 1, 2020 issued to purchase up to 2,355,000 common stock at an exercise price of $9.66 per share. The warrants may be net share settled and are recorded as permanent equity in the Company's consolidated balance sheets. These warrants were valued at $15.00 per share on the October 1, 2010 issue date using the Black-Scholes option pricing model.

Stock warrants to purchase up to 1,552,774 shares of common stock at an exercise price of $58.80 per share all expired on October 15, 2015. There were 806,436 warrants outstanding at December 31, 2014. In 2015, 671,674 warrants were exercised and 134,762 warrants expired on October 15, 2015. The warrants had the option to be net share settled upon exercise, and are recorded as permanent equity in the Company's consolidated balance sheets. These warrants were valued at $3.62 per share on the October 1, 2010 issue date using the Black-Scholes option pricing model.

If the Company pays or declares a dividend or makes a distribution on common stock payable in shares of its common stock, or if the Company pays an extraordinary dividend (as defined in each Warrant Agreement), the number of shares a warrant holder is entitled to receive or the warrant exercise price may be subject to adjustment in accordance with the terms of the respective Warrant Agreement. As such, the exercise price for 909 warrants outstanding at December 31, 2015 may be reduced by distribution equivalent of $43.40 per share upon exercise.

Treasury Stock

At December 31, 2015 and 2014, the Company held approximately 15,180,000 and 10,080,000 shares of common stock in treasury. These shares may be used in satisfying obligations under employee incentive compensation arrangements. The Company values shares of common stock held in treasury at cost.

As of December 31, 2014, the Company's board of directors has authorized a total of $1.175 billion in share repurchases since July 2012. In connection with these authorizations, the Company announced an accelerated share buyback program that contributed 4,635,427 shares to treasury stock in 2014, with an additional 534,214 shares upon completion in May 2015. Two accelerated share buyback programs were also completed during 2013 that contributed 3,885,978 shares to treasury stock in 2013. Also in connection with these authorizations, the Company added a total of 1,005,559 shares to treasury stock in 2012 through open market purchases. As of December 31, 2014, $375 million remained authorized and available for repurchase through December 31, 2015.

Subsequently, on June 11, 2015, the Company's board of directors authorized an additional $125 million of share repurchase for a total of $500 million available for share repurchase. On June 15, 2015, the Company entered a new ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,712,297 shares of common stock, which was approximately 80% of the total number of shares of the Company's common stock expected to be repurchased under the ASB Agreement based on the closing price of the Company's common stock on June 15, 2015. The Company received remaining shares totaling 1,058,965 shares on December 31, 2015 at an average price of $104.79.

Off-Balance Sheet Arrangements

The Company renewed its $15 million Letter of Credit ("LOC") Facility with U.S. Bank National Association for two years on September 30, 2015. Under the terms of the LOC facility, the Company must maintain a collateral account with U.S. Bank equal to 103% of the aggregated stated amount of the issued LOCs (or 110% for non-U.S. currencies) with reimbursement for any draws. As of December 31, 2015, the Company had $6 million of outstanding letters of credit issued under this facility and secured by restricted cash. In addition, the Company had $16 million of locally issued letters of credit to support various customs arrangements and other obligations at its local affiliates of which $1 million are secured by cash collateral.

In connection with the Interiors Divestiture and November 1, 2014 Master Closing, the Company agreed to provide a $56 million revolving credit facility to the buyer. The seller-backed facility has a maturity of three years, an interest rate of Libor plus 5% and a default rate of interest for any interest and/or principal payment defaults. As of July 31, 2015, this revolving credit facility to the buyer was reduced to $39 million as additional receivable financing became available to the buyer. As of December 31, 2015, there were no draws on this facility.

Contractual Obligations

The following table summarizes the Company's contractual obligations existing as of December 31, 2015:

	Total	2016	2017-2018	2019-2020	2021 & After
	(Dollars in Millions)				
Debt, including capital leases	$ 384	$ 37	$ 1	$ —	$ 346
Purchase obligations	108	55	35	17	1
Interest payments on long-term debt	68	12	25	27	4
Operating leases	148	23	33	27	65
Transaction obligations	83	83	—	—	—
Total contractual obligations	$ 791	$ 210	$ 94	$ 71	$ 416

This table excludes amounts related to the Company's income tax liabilities associated with uncertain tax positions impacting the effective rate of $29 million as the Company is unable to make reasonable estimates for the periods in which these liabilities may become due. In February 2016, the Company received, and subsequently paid, tax assessments from the Korean tax authorities in the amount of $7 million related to underpayment of withholding taxes.

The Company also has minimum funding requirements with respect to pension obligations. The Company may elect to make contributions in excess of the minimum funding requirements in response to investment performance or changes in interest rates. The Company expects to make cash contributions to its U.S. defined benefit pension plans of $4 million and $8 million to non-U.S. defined benefit pension plans during 2016. The Company’s expected 2016 contributions may be revised.

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 (“GAAP”). 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 in the financial statements.

Fair Value Measurements

The Company uses fair value measurements in the preparation of its financial statements, utilizing 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.

In accounting for business combinations, the purchase price of an acquired business is allocated to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. Determining the fair values of assets acquired and liabilities assumed requires management's judgment, the utilization of independent appraisal firms and often involves the use of significant estimates and assumptions with respect to the timing and amount of future cash flows, market rate assumptions, actuarial assumptions, and appropriate discount rates, among other items.

Pension Plans

Many of the Company's employees participate in defined benefit pension plans or retirement/termination indemnity plans. The Company has approximately $256 million in unfunded pension liabilities as of December 31, 2015, of which approximately $199 million and $57 million are attributable to U.S. and non-U.S. pension plans, respectively. The determination of the Company's obligations and expense for its pension plans 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 rate of increase in compensation.

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, excluding those held for sale, as of December 31, 2015 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 the expected long-term rate of return on plan assets is designed to approximate actual returns. The expected long-term rate of return for pension assets has been estimated 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 2015, the Company used long-term rates of return on plan assets ranging from 1.5% to 11.7% outside the U.S. and 6.98% in the U.S. The Company has set the assumptions for its 2016 pension expense which range from 1.5% to 11.7% outside the U.S. and 6.98% in the U.S. Actual returns on U.S. pension assets for 2015, 2014 and 2013 were (3.8)%, 14.4% and 9.2%, respectively, compared to the expected rate of return assumption of 7%, 7% and 7% 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. Market-related value was reset to fair value at October 1, 2010.

- Discount rate: The discount rate is used to calculate pension 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 .8% to 12.7% to determine its pension and other benefit obligations as of December 31, 2015, including weighted average discount rates of 4.37% for U.S. pension plans, and 4.6% for non-U.S. pension plans.

2016 Discount Rate for Estimated Service and Interest Cost: Through December 31, 2015, the Company recognized service and interest components of pension expense using a single weighted average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. The single weighted average discount method represents the constant annual rate required to discount all future benefit payments related to past service from the date of expected future payment to the measurement date, such that the aggregate present value equals the obligation. The U.S. and certain non-U.S. frozen plans do not have a service component, as additional benefits are no longer accrued.

During the fourth quarter of 2015, the Company changed the method used to estimate the service and interest components of net periodic benefit cost for pension benefits for its U.S. and certain non-U.S. plans. The Company has elected to utilize an approach that discounts individual expected cash flows underlying interest and service costs using the applicable spot rates derived from the yield curve used to determine the benefit obligation to the relevant projected cash flows. The election and adoption of this method provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and the corresponding spot yield curve rates. The use of disaggregated discount rates results in a different amount of interest cost compared to the traditional single weighted-average discount rate approach because of different weightings given to each subset of payments. The use of disaggregated discount rates affects the amount of service cost because the benefit payments associated with new service credits for active employees tend to be of longer duration than the overall benefit payments associated with the plan's benefit obligation. As a result, the payments would be associated with longer-term spot rates on the yield curve, resulting in lower present values than the calculations using the traditional single weighted-average discount rate.

This change does not affect the measurement of the total benefit obligation, but will result in a decrease in the service and interest components of benefit cost beginning in 2016. Based on current economic conditions, the Company estimates that the service cost and interest cost for the affected plans will be reduced by approximately $7 million in 2016 as a result of the change in method. The Company has accounted for this as a change in accounting estimate that is inseparable from a change in accounting principle, and accordingly has accounted for it on a prospective basis.

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 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 2015 funded status and 2016 pre-tax pension expense.

	Impact on U.S. 2016 Pre-tax Pension Expense	**Impact on U.S. Plan 2015 Funded Status**	**Impact on Non-U.S. 2016 Pre-tax Pension Expense**	**Impact on Non-U.S. Plan 2015 Funded Status**
25 basis point decrease in discount rate (a)(b)	- $1 million	-$25 million	Less than +$1 million	-$11 million
25 basis point increase in discount rate (a)(b)	+ $1 million	+$24 million	Less than -$1 million	+$13 million
25 basis point decrease in expected return on assets (a)	+$1.5 million		Less than +$1 million	
25 basis point increase in expected return on assets (a)	-$1.5 million		Less than -$1 million	

(a) Assumes all other assumptions are held constant.

(b) Excludes impact of assets used to hedge discount rate volatility.

Impairment of Goodwill, Long-Lived Assets and Certain Identifiable Intangibles

The Company performs either a qualitative or quantitative assessment of goodwill for impairment at the reporting unit level on an annual basis. Impairment testing is also required if an event or circumstance indicates that an impairment is more likely than not to have occurred. The qualitative assessment considers several factors at the reporting unit level including the excess of fair value over carrying value as of the last quantitative impairment test, the length of time since the last fair value measurement, the current carrying value, market and industry metrics, actual performance compared to forecast performance, and the current outlook on the business. If the qualitative assessment indicates it is more likely than not that goodwill is impaired, the reporting unit is quantitatively tested for impairment. To quantitatively test goodwill for impairment, the fair value of each reporting unit is determined and compared to its carrying value. If the carrying value exceeds fair value, then impairment may exist and further evaluation is required. Estimated fair values are based on the projected future discounted cash flows. The Company assesses the reasonableness of these estimated fair values using market based multiples of comparable companies. If the carrying value exceeds the fair value, an impairment loss is measured and recognized. Goodwill fair value measurements are classified within Level 3 of the fair value hierarchy, which are generally determined using unobservable inputs. During the year ended December 31, 2015 the Company conducted a qualitative assessment and determined there was a significant excess of fair value over carrying value.

Long-lived assets and intangible assets subject to amortization are required to be 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 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 customer actions to provide remedies as a result of actual or threatened regulatory or court actions or the Company's determination of the potential for such actions. The Company's accrual for recall claims is based on specific facts and circumstances underlying individual claims 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.

Income Taxes

The Company is subject to income taxes in the U.S. and numerous non-U.S. jurisdictions. 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 as it relates to income tax risks and non-income tax risks, where appropriate.

Recent Accounting Pronouncements

See Note 2 “Summary of Significant Accounting Policies” 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:

- 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.
- Changes in the operations (including products, product planning and part sourcing), financial condition, results of operations or market share of Visteon’s customers.
- Changes in vehicle production volume of Visteon’s customers in the markets where it operates, and in particular changes in Ford’s vehicle production volumes and platform mix.
- 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 unprofitable, noncompetitive 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, inquiries by regulatory agencies, product liability, warranty, employee-related, 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.
- 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 quickly and adequately remediate control deficiencies in its internal control over financial reporting.
- 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 mitigation of market risks, including hedging activities. However, derivative 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 non-performance by the counter-party 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.

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, investments in subsidiaries and anticipated foreign currency denominated transaction proceeds. Where possible, the
Company utilizes derivative financial instruments to manage foreign currency exchange rate risks. Forward and option contracts may be utilized to reduce the impact to the Company's cash flow from adverse movements in exchange rates. Foreign currency exposures are reviewed periodically and any natural offsets are considered prior to entering into a derivative financial instrument. The Company’s primary hedged foreign currency exposures include the Euro, Japanese Yen, and Mexican Peso. Where possible, the Company utilizes a strategy of partial coverage for transactions in these currencies. As of December 31, 2015, the net fair value of foreign currency forward and option contracts was an asset of $6 million while at December 31, 2014, the net fair value of forward contracts was a liability of $12 million, maturities of these instruments generally do not exceed eighteen months.

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 $26 million and $238 million for foreign currency derivative financial instruments as of December 31, 2015 and 2014, 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 investments in 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.

In addition to the transactional exposure described above, the Company's operating results are impacted by the translation of its foreign operating income into U.S. dollars. The Company does not enter into foreign exchange contracts to mitigate this exposure.

Interest Rate Risk

The Company is subject to interest rate risk, principally in relation to variable rate debt. The Company may use derivative financial instruments to manage exposure to fluctuations in interest rates.

During 2015, the Company entered into interest rate swaps with a notional amount of $150 million that effectively convert designated cash flows associated with underlying interest payments on the Term Facility from a variable interest rate to a fixed interest rate, the maturities of these swaps will not exceed the underlying Term Facility. The instruments have been designated as cash flow hedges with the effective portion of the gain or loss reported in the Accumulated other comprehensive income component of Stockholders' equity in the Company's consolidated balance sheets and such gains and losses will be reclassified at the time the underlying hedged transactions are realized. 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 comprehensive income. As of December 31, 2015 there was no ineffectiveness associated with these derivatives and the fair value was a liability of $1 million.

The Company significantly reduced interest rate exposure after the swap transactions by reducing variable rate basis of debt to approximately 59% from 99% as of December 31, 2015 and 2014, respectively.

Commodity Risk

The Company's exposures to market risk from changes in the price of production material are managed primarily through negotiations with suppliers and customers, although there can be no assurance that the Company will recover all such costs. The Company continues to evaluate derivatives available in the marketplace and may decide to utilize derivatives in the future to manage select commodity risks if an acceptable hedging instrument is identified for the Company's exposure level at that time, as well as the effectiveness of the financial hedge among other factors.

Item 8. Financial Statements and Supplementary Data

Visteon Corporation and Subsidiaries

Index to Consolidated Financial Statements

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 2013 Framework”) of the Treadway Commission.

Based on the evaluation performed under the COSO 2013 Framework as of December 31, 2015, management has concluded that the Company’s internal control over financial reporting is effective. Additionally, Ernst & Young LLP, an independent registered public accounting firm, has audited the effectiveness of the Company’s internal control over financial reporting as of December 31, 2015, as stated in their report which is included herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Visteon Corporation

We have audited Visteon Corporation and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Visteon Corporation and subsidiaries' management is responsible 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 an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, Visteon Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2015 consolidated financial statements of Visteon Corporation and subsidiaries and our report dated February 25, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Detroit, Michigan
February 25, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Visteon Corporation

We have audited the accompanying consolidated balance sheets of Visteon Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), cash flows and changes in equity for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule included in Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Visteon Corporation and subsidiaries at December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Visteon Corporation and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 25, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Detroit, Michigan
February 25, 2016

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions, Except Per Share Amounts)		
Sales	$ 3,245	$ 2,586	$ 1,724
Cost of sales	2,815	2,246	1,529
Gross margin	430	340	195
Selling, general and administrative expenses	245	228	175
Restructuring expense	36	54	21
Interest expense	19	25	36
Interest income	5	4	1
Loss on debt extinguishment	5	23	2
Equity in net income of non-consolidated affiliates	7	2	202
Loss on divestiture	105	—	—
Gain on non-consolidated affiliate transactions	62	2	470
Other expense, net	25	61	23
Income (loss) before income taxes	69	(43)	611
Provision for income taxes	27	32	56
Net income (loss) from continuing operations	42	(75)	555
Net income (loss) from discontinued operations, net of tax	2,286	(131)	220
Net income (loss)	2,328	(206)	775
Net income attributable to non-controlling interests	44	89	85
Net income (loss) attributable to Visteon Corporation	$ 2,284	$ (295)	$ 690
Basic earnings (loss) per share:			
Continuing operations	$ 0.52	$ (2.14)	$ 11.10
Discontinued operations	53.48	(4.30)	2.70
Basic earnings (loss) per share attributable to Visteon Corporation	$ 54.00	$ (6.44)	$ 13.80
Diluted earnings (loss) per share:			
Continuing operations	$ 0.51	$ (2.14)	$ 10.86
Discontinued operations	52.12	(4.30)	2.64
Diluted earnings (loss) per share attributable to Visteon Corporation	$ 52.63	$ (6.44)	$ 13.50

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31		
	2015	**2014**	**2013**
	(Dollars in Millions)		
Net income (loss)	$ 2,328	$ (206)	$ 775
Other comprehensive income (loss)			
Foreign currency translation adjustments	(33)	(130)	(47)
Benefit plans, net of tax *(a)*	121	(185)	131
Unrealized hedging gains (losses) and other, net of tax *(b)*	8	(8)	(10)
Other comprehensive income (loss), net of tax	96	(323)	74
Comprehensive income (loss)	2,424	(529)	849
Comprehensive income attributable to non-controlling interests	31	53	81
Comprehensive income (loss) attributable to Visteon Corporation	$ 2,393	$ (582)	$ 768

(a) Other comprehensive income (loss) is net of tax expense of $3 million, for the year ended December 31, 2015, and tax benefit of $8 million, and $4 million for the years ended December 31, 2014 and 2013, respectively.

(b) Other comprehensive income (loss) is net of a tax expense of $2 million, for the year ended December 31, 2015, and tax benefit of $2 million and $3 million for the years ended December 31, 2014 and 2013, respectively.

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2015	2014
	(Dollars in Millions)	
ASSETS		
Cash and equivalents	$ 2,728	$ 476
Short-term investments	47	—
Restricted cash	8	9
Accounts receivable, net	502	531
Inventories, net	187	208
Current assets held for sale	17	1,660
Other current assets	564	250
Total current assets	4,053	3,134
Property and equipment, net	351	363
Intangible assets, net	133	156
Investments in non-consolidated affiliates	56	99
Non-current assets held for sale	—	1,426
Other non-current assets	89	145
Total assets	$ 4,682	$ 5,323
LIABILITIES AND EQUITY		
Distribution payable	$ 1,751	$ —
Short-term debt, including current portion of long-term debt	37	29
Accounts payable	482	485
Accrued employee liabilities	132	114
Current liabilities held for sale	9	987
Other current liabilities	361	217
Total current liabilities	2,772	1,832
Long-term debt	347	587
Employee benefits	268	489
Deferred tax liabilities	21	53
Non-current liabilities held for sale	—	432
Other non-current liabilities	75	109
Stockholders' equity:		
Preferred stock (par value $0.01, 50 million shares authorized, none outstanding at December 31, 2015 and 2014)	—	—
Common stock (par value $0.01, 250 million shares authorized, 55 million and 54 million shares issued, 40 million and 44 million shares outstanding at December 31, 2015 and 2014, respectively)	1	1
Stock warrants	—	3
Additional paid-in capital	1,345	1,246
Retained earnings	1,194	661
Accumulated other comprehensive loss	(190)	(299)
Treasury stock	(1,293)	(747)
Total Visteon Corporation stockholders' equity	1,057	865
Non-controlling interests	142	956
Total equity	1,199	1,821
Total liabilities and equity	$ 4,682	$ 5,323

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS[1]

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions)		
Operating Activities			
Net income (loss)	$ 2,328	$ (206)	$ 775
Adjustments to reconcile net income (loss) to net cash provided from operating activities:			

Gain on Climate Transaction	(2,324)	—	—
Gain on non-consolidated affiliate transactions	(62)	(2)	(470)
Depreciation and amortization	169	270	262
Losses on divestitures and impairments	121	326	—
Pension settlement gain	—	(23)	—
Equity in net income of non-consolidated affiliates, net of dividends remitted	1	10	(26)
Non-cash stock-based compensation	8	8	15
Loss on debt extinguishment	5	23	2
Other non-cash items	6	11	4
Changes in assets and liabilities:			
Accounts receivable	1	(121)	(21)
Inventories	(20)	(27)	(49)
Accounts payable	33	22	103
Accrued income taxes	6	14	(54)
Other assets and other liabilities	66	(21)	(229)
Net cash provided from operating activities	338	284	312
Investing Activities			
Capital expenditures	(187)	(340)	(269)
Short-term investments, net	(47)	—	—
Loan to non-consolidated affiliate	(10)	—	—
Net proceeds from Climate Transaction	2,664	—	—
Proceeds from asset sales and business divestitures	91	66	977
Acquisition of businesses, net of cash acquired	(4)	(311)	(10)
Payments associated with business divestitures, net	(156)	(147)	—
Other	7	(8)	—
Net cash provided from (used by) investing activities	2,358	(740)	698
Financing Activities			
Short-term debt, net	2	39	(20)
Proceeds from issuance of debt, net of issuance costs	—	619	204
Principal payments on debt	(250)	(18)	(6)
Repurchase of common stock	(500)	(500)	(250)
Repurchase of long-term notes	—	(419)	(52)
Dividends paid to non-controlling interests	(55)	(97)	(22)
Exercised warrants and stock options	40	17	5
Stock based compensation tax withholding payments	(10)	—	—
Other	(1)	—	—
Net cash used by financing activities	(774)	(359)	(141)
Effect of exchange rate changes on cash and equivalents	(20)	(35)	(17)
Net increase (decrease) in cash and equivalents	1,902	(850)	852
Cash and equivalents at beginning of the year	827	1,677	825
Cash and equivalents at end of the year	$ 2,729	$ 827	$ 1,677
Supplemental Disclosures:			
Cash paid for interest	$ 24	$ 39	$ 43
Cash paid for income taxes, net of refunds	$ 67	$ 130	$ 291

[1] *The Company has combined cash flows from discontinued operations with cash flows from continuing operations within the operating, investing and financing categories. As such, cash and equivalents above include $1 million and $351 million of assets held for sale reflected in Current assets held for sale on the Consolidated Balance Sheets as of December 31, 2015 and 2014, respectively.*

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Total Visteon Corporation Stockholders' Equity								
	Common Stock	Stock Warrants	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Visteon Corporation Stockholders' Equity	Non-Controlling Interests	Total Equity
	(Dollars in Millions)								
December 31, 2012	$ 1	$ 10	$ 1,269	$ 266	$ (90)	$ (71)	$ 1,385	$ 756	$ 2,141
Net income	—	—	—	690	—	—	690	85	775
Other comprehensive income (loss)	—	—	—	—	78	—	78	(4)	74
Stock-based compensation, net	—	—	15	—	—	(1)	14	—	14
Repurchase of shares of common stock	—	—	—	—	—	(250)	(250)	—	(250)
Warrant exercises	—	(4)	7	—	—	—	3	—	3
Cash dividends	—	—	—	—	—	—	—	(22)	(22)
Acquisition of business	—	—	—	—	—	—	—	138	138
December 31, 2013	$ 1	$ 6	$ 1,291	$ 956	$ (12)	$ (322)	$ 1,920	$ 953	$ 2,873
Net (loss) income	—	—	—	(295)	—	—	(295)	89	(206)
Other comprehensive loss	—	—	—	—	(287)	—	(287)	(36)	(323)
Stock-based compensation, net	—	—	9	—	—	12	21	—	21
Repurchase of shares of common stock	—	—	(63)	—	—	(437)	(500)	—	(500)
Warrant exercises	—	(3)	9	—	—	—	6	—	6
Cash dividends	—	—	—	—	—	—	—	(89)	(89)
Acquisition of business	—	—	—	—	—	—	—	48	48
Business divestiture	—	—	—	—	—	—	—	(9)	(9)
December 31, 2014	$ 1	$ 3	$ 1,246	$ 661	$ (299)	$ (747)	$ 865	$ 956	$ 1,821
Net income	—	—	—	2,284	—	—	2,284	44	2,328
Other comprehensive income (loss)	—	—	—	—	109	—	109	(13)	96
Stock-based compensation, net	—	—	(9)	—	—	17	8	—	8
Stock-based compensation tax windfall	—	—	8	—	—	—	8	—	8
Repurchase of shares of common stock	—	—	63	—	—	(563)	(500)	—	(500)
Warrant exercises	—	(3)	37	—	—	—	34	—	34
Distribution payable	—	—	—	(1,751)	—	—	(1,751)	—	(1,751)
Cash dividends	—	—	—	—	—	—	—	(60)	(60)
Business divestiture	—	—	—	—	—	—	—	(785)	(785)
December 31, 2015	$ 1	$ —	$ 1,345	$ 1,194	$ (190)	$ (1,293)	$ 1,057	$ 142	$ 1,199

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. Description of Business

Visteon Corporation (the "Company" or "Visteon") is a global automotive supplier that designs, engineers and manufactures innovative electronics products for nearly every original equipment vehicle manufacturer ("OEM") worldwide including Ford, Nissan, Renault, Mazda, BMW, General Motors and Honda. Visteon is headquartered in Van Buren Township, Michigan and has an international network of manufacturing operations, technical centers and joint venture operations, supported by approximately 11,000 employees, dedicated to the design, development, manufacture and support of its product offerings and its global customers. The Company's manufacturing and engineering footprint is principally located outside of the U.S., with a heavy concentration in low-cost geographic regions. Visteon delivers value for its customers and stockholders through its technology-focused core vehicle cockpit electronics business. The Company's cockpit electronics product portfolio includes audio systems, information displays, instrument clusters, head up displays, infotainment systems, and telematics solutions.The Company's vehicle cockpit electronics business is comprised of and reported under the Electronics segment. In addition to the Electronics segment, the Company has residual operations in South America and Europe previously associated with the former Interiors and Climate businesses, not subject to discontinued operations classification, that comprise Other.

Exit of Climate Business

On June 9, 2015, Visteon completed the sale to Hahn & Co. Auto Holdings Co., Ltd. (“Hahn”) and Hankook Tire Co., Ltd. (“Hankook” and, together with Hahn, the “Purchasers”) of all of its shares of Halla Visteon Climate Control Corporation, a Korean corporation (“HVCC”), for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon, pursuant to and in accordance with the Share Purchase Agreement, dated as of December 17, 2014 (the “HVCC Purchase Agreement”), among Visteon and the Purchasers (the "Climate Transaction"). Visteon recorded a pre-tax gain of $2.3 billion in connection with the sale. See Note 4 "Divestitures" and Note 5 "Discontinued Operations" for additional disclosures.

Exit of Interiors Business

On December 1, 2015, Visteon completed the sale and transfer of its equity ownership in Visteon Deutschland GmbH, which operated the Berlin, Germany interiors plant ("Germany Interiors Divestiture") . The Company contributed cash, of approximately $141 million, assets of $27 million, and liabilities of $198 million including pension related liabilities. The Company will make a final contribution payment of approximately $30 million by November 2016 included in the Company's consolidated balance sheet as "Other current liabilities" as of December 31, 2015. The Company recognized a pre-tax loss on divestiture of $105 million related to foreign currency translation and pension benefit plan amounts previously recorded in accumulated other comprehensive loss.

In May 2014 Visteon reached an agreement to divest substantially all of its global Interiors business (the "Interiors Divestiture") pursuant to a Master Purchase Agreement, as subsequently amended (the “Purchase Agreement”). Effective November 1, 2014, the Company closed on the majority of the Interiors Divestiture (the "Master Closing"). Subsequent to the Master Closing, Visteon completed the sale of interiors operations in India and Thailand on December 1, 2014 and February 2, 2015, respectively. Remaining interiors operations subject to the Interiors Divestiture, which are located in Argentina and Brazil, are expected to close during 2016. See Note 4 "Divestitures" and Note 5 "Discontinued Operations" for additional disclosures.

On August 12, 2013, Visteon entered into a Master Agreement (the “Master Agreement”) with Huayu Automotive Systems Company Limited (“HASCO”), Yanfeng Visteon Automotive Trim Systems Co., Ltd. (“Yanfeng”) and Yanfeng Visteon Automotive Electronics Co., Ltd. (“YFVE”), pursuant to which, among other things, Visteon and HASCO agreed to modify their existing interests in automobile interiors and electronics joint ventures in the People’s Republic of China, including Yanfeng and YFVE. Pursuant to the Master Agreement, among other transactions, (i) Visteon agreed to sell its 50% ownership interest in Yanfeng, (ii) Visteon agreed to sell its ownership interests in other Yanfeng-related interiors joint ventures, and (iii) Visteon agreed to subscribe to an additional 11% ownership interest in YFVE. See Note 6 "Non-Consolidated Affiliates" for additional disclosures.

Electronics Acquisitions

Effective July 1, 2014 Visteon acquired substantially all of the global automotive electronics business of Johnson Controls Inc. (the "Electronics Acquisition"). The Electronics Acquisition is expected to enhance Visteon's competitive position in the fast-growing vehicle cockpit electronics segment by strengthening its global scale, manufacturing and engineering footprint, product portfolio and customer penetration. See Note 3 "Business Acquisitions" for additional disclosures.

On November 7, 2013 and in connection with the Master Agreement, Visteon made a cash payment of $58 million to subscribe to an additional 11% ownership interest in YFVE. This step acquisition increased Visteon's direct ownership interest in YFVE from a non-controlling 40% direct ownership interest to a controlling 51% direct ownership interest. YFVE is based in China with revenues of $356 million and $344 million for the years ended December 31, 2015 and 2014, respectively.

On January 12, 2016 Visteon entered into a share purchase agreement to acquire all shares of AllGo Systems, Inc., USA ("AllGo Systems"), for consideration of approximately $15 million at close and $7 million of additional contingent consideration, expected to close during the first half of 2016. AllGo Systems is a leading developer of embedded multimedia system solutions to global vehicle manufacturers.

NOTE 2. Summary of Significant Accounting Policies

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

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries that are more than 50% owned and over which the Company exercises control. Investments in affiliates of greater than 20% and for which the Company does not exercise control, but does have the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. All other investments in non-consolidated affiliates are accounted for using the cost method.

The Company determines whether joint ventures in which it has invested is a Variable Interest Entity (“VIE”) at the start of each new venture and when a reconsideration event has occurred. An enterprise must consolidate a VIE if it is determined to be the primary beneficiary of the VIE. The primary beneficiary has both the power to direct the activities of the VIE that most significantly impact the entity’s economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported herein. Considerable judgment is involved in making these determinations and the use of different estimates or assumptions could result in significantly different results. Management believes its assumptions and estimates are reasonable and appropriate. However, actual results could differ from those reported herein.

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

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 delivers products 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. 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.

Foreign Currency: Assets and liabilities for most 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 recorded in accumulated other comprehensive income (loss) ("AOCI") in the consolidated balance sheets. The effects of remeasuring assets and liabilities of the Company’s non-U.S. businesses that use the U.S. Dollar as their functional currency are recorded as transaction gains and losses in the consolidated statements of operations. Income and expense accounts 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. Additionally, gains and losses resulting from transactions denominated in a currency other than the functional currency are recorded as transaction gains and losses in the consolidated statements of operations. Net transaction gains and losses, inclusive of amounts associated with discontinued operations, decreased net income by $10 million and $18 million for the years ended December 31, 2015 and 2014, respectively, and increased net income by $4 million for the year ended December 31, 2013.

Restructuring Expense: The Company defines restructuring expense to include costs directly associated with exit or disposal activities. Such costs include employee severance and termination benefits, special termination benefits, contract termination fees and penalties, and other exit or disposal costs. In general, the Company records involuntary employee-related exit and disposal costs when there is a substantive plan for employee severance and related costs are probable and estimable. For one-time termination benefits (i.e no substantive plan) and employee retention costs, expense is recorded when the employees are entitled to receive such benefits and the amount can be reasonably estimated. Contract termination fees and penalties and other exit and disposal costs are generally recorded when incurred.

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

Other Costs within Cost of Goods Sold: 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. Research and development costs were $294 million in 2015, $257 million in 2014, and $148 million in 2013. Shipping and handling costs are recorded in the Company's consolidated statements of operations as "Cost of sales".

Other Expense, Net:

Other expense, net consists of the following:

	Year Ended December 31		
	2015	**2014**	**2013**
	(Dollars in Millions)		
Transformation initiatives	$ 25	$ 22	$ 25
Integration costs	14	18	—
Transaction hedging and exchange (gain) loss	(15)	10	—
Impairments and loss on asset contributions	1	3	—
Provision for losses on recoverable taxes	—	8	—
UK Administration recovery	—	—	(2)
	$ 25	$ 61	$ 23

Other expense, net includes transformation initiatives, integration costs, transaction hedging and exchange impacts, impairments and losses on asset contributions, and other costs. The Company incurred transformation initiative costs of $25 million, $22 million, and $25 million during the years ended December 31, 2015, 2014 and 2013, respectively. Transformation initiatives include financial and advisory fees incurred in connection with the execution of the Company's comprehensive value creation plan and certain severance costs associated with the Electronics Acquisition and the Climate Transaction.

During the years ended December 31, 2015 and 2014, the Company recorded $14 million and $18 million, respectively, of costs to integrate the businesses associated with Electronics Acquisition. Integration costs included re-branding, facility modification, information technology readiness and related professional services.

Hedging and exchange gains of $15 million and losses of $10 million for the years ended December 31, 2015 and 2014 respectively, relate to the Climate Transaction proceeds and the Germany Interiors Divestiture contribution.

In connection with the closure of the Climate facility located in Quilmes, Argentina in 2014, the Company contributed land and building with a net book value of $3 million to the local municipality for the benefit of former employees. The Company also recorded $8 million during the year ended December 31, 2014, to adjust recoverable value-added taxes to net realizable value attributable to business exit activities.

Net Earnings (Loss) Per Share Attributable to Visteon: Basic earnings per share is calculated by dividing net income attributable to Visteon, after deducting undistributed income allocated to participating securities, by the average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income by the average number of common and potential dilutive common shares outstanding after deducting undistributed income allocated to participating securities. Performance based share units are considered contingently issuable shares, and are included in the computation of diluted earnings per share if their conditions have been satisfied as if the reporting date was the end of the contingency period.

Cash and 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. As of December 31, 2015 the Company's cash balances are invested in a diversified portfolio of cash and cash equivalents including money market funds, commercial paper rated A2/P2 and above with maturity under three months, time deposits and other short-term cash investments, which mature under three months with highly rated banking institutions. The cost of such funds approximates fair value based on the nature of the investment.

Short-Term Investments: Short-term investments of $47 million as of December 31, 2015 include corporate bonds, asset backed securities and commercial paper with maturities between three and twelve months held as part of the Company's separately managed accounts. The cost of these Level 1 investments approximates fair value.

Restricted Cash: Restricted cash represents amounts designated for uses other than current operations and includes $6 million related to a Letter of Credit Facility, and $2 million related to cash collateral for other corporate purposes at December 31, 2015.

Accounts Receivable: Accounts receivable are stated at amounts estimated by management to be the realizable value. An allowance for doubtful accounts is recorded when it is probable amounts will not be collected based on specific identification of customer circumstances or age of the receivable. The allowance for doubtful accounts balance was $14 million and $12 million at December 31, 2015 and 2014, respectively. Included in Selling, general and administrative expenses are provisions for estimated uncollectible accounts receivable of $4 million, $1 million and less than $1 million for the years ended December 31, 2015 and 2014, and 2013.

Inventories: Inventories are stated at the lower of cost, determined on a first-in, first-out (“FIFO”) basis, or market. Cost includes the cost of materials, direct labor, in-bound freight and the applicable share of manufacturing overhead. The cost of inventories is reduced for excess and obsolete inventories based on management’s review of on-hand inventories compared to historical and estimated future sales and usage.

Product Tooling: Product tooling includes molds, dies and other tools used in production of a specific part or parts of the same basic design. It is generally required 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. Product tooling owned by the Company is capitalized as property and equipment and is amortized to cost of sales over its estimated economic life, generally not exceeding six years. The Company had receivables of $12 million and $11 million as of December 31, 2015 and 2014, respectively, 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.

Contractually Reimbursable Engineering Costs: Engineering, testing and other costs incurred in the design and development of production parts are expensed as incurred, unless the costs reimbursement is contractually guaranteed in a customer contract for which costs are capitalized as an asset as incurred and subsequently reduced upon lump sum or piece price recoveries.

Property and Equipment: Property and equipment is stated at cost or fair value for impaired assets. Property and equipment is depreciated principally using the straight-line method of depreciation over the related asset's estimated useful life. Generally, buildings and improvements are depreciated over a 40-year estimated useful life, leasehold improvements are depreciated on a straight-line basis over the initial lease term period, and machinery, equipment and other are depreciated over estimated useful lives ranging from 3 to 15 years. Certain costs incurred in the acquisition or development of software for internal use are capitalized. Capitalized software costs are amortized using the straight-line method over estimated useful lives generally ranging from 3 to 8 years. The net book value of capitalized software costs was approximately $8 million and $9 million at December 31, 2015 and 2014, respectively. Related amortization expense was approximately $4 million, $4 million and $5 million for the years ended December 31, 2015, 2014 and 2013, respectively. Amortization expense of approximately $4 million, $2 million, $1 million, and $1 million is expected for the annual periods ended December 31, 2016, 2017, 2018, and 2019 respectively, and less than $1 million is 2020.

Asset impairment charges are recorded for assets held-in-use when events and circumstances indicate that such assets may not be recoverable 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 fair value. The Company classifies assets and liabilities as held for sale when management approves and commits to a formal plan of sale, generally following board of director approval, and it is probable that the sale will be completed within one year. The carrying value of assets and liabilities held for sale is recorded at the lower of carrying value or fair value less cost to sell, and the recording of depreciation is ceased. For impairment purposes, fair value is determined using appraisals, management estimates or discounted cash flow calculations.

Goodwill: The Company performs either a qualitative or quantitative assessment of goodwill for impairment on an annual basis. Goodwill impairment testing is performed at the reporting unit level. The qualitative assessment considers several factors at the reporting unit level including the excess of fair value over carrying value as of the last quantitative impairment test, the length of time since the last fair value measurement, the current carrying value, market and industry metrics, actual performance compared to forecast performance, and the Company's current outlook on the business. If the qualitative assessment indicates it is more likely than not that goodwill is impaired, the reporting unit is quantitatively tested for impairment. To quantitatively test goodwill for impairment, the fair value of each reporting unit is determined and compared to the carrying value. If the carrying value exceeds the fair value, then impairment may exist and further evaluation is required.

Intangible Assets: Definite-lived intangible assets are amortized over their estimated useful lives, and tested for impairment in accordance with the methodology discussed above under "Property and Equipment." Definite-lived intangible assets include:

- Developed technology intangible assets, which are amortized over average, estimated useful lives of approximately 7 years.
- Customer-related intangible assets, which are amortized over average, estimated useful lives of approximately 10 years.

The Company recorded approximately $15 million, $14 million and $5 million of amortization expense related to definite-lived intangible assets for the years ended December 31, 2015, 2014 and 2013, respectively. The Company currently estimates annual amortization expense to be $14 million for 2016, $12 million for 2017, $12 million for 2018, $12 million for 2019 and $12 million for 2020.

Product Warranty: The Company accrues for warranty obligations at the time of sale based on management estimates, with input from 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 warranty liabilities are reviewed on a regular basis and adjusted to reflect actual experience.

Product Recall: The Company accrues for product recall claims related to probable financial participation in customer actions to provide remedies to consumers as a result of actual or threatened regulatory or court actions or the Company’s determination of the potential for such actions. This accrual is based on management's best estimate after consideration of the individual fact patterns associated with specific claims, including input from the Company’s engineering, quality and legal functions.

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.

Value Added Taxes: The Company follows a net basis policy with regard to value added taxes collected from customers and remitted to government authorities, which excludes them from both net sales and expenses.

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.

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. The Company's policy specifically prohibits the use of derivatives for speculative or trading purposes.

Business Combinations: In accounting for business combinations, the purchase price of an acquired business is allocated to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. Determining the fair values of assets acquired and liabilities assumed requires management's judgment, the utilization of independent appraisal firms and often involves the use of significant estimates and assumptions with respect to the timing and amount of future cash flows, market rate assumptions, actuarial assumptions, and appropriate discount rates, among other items.

Discontinued Operations: The Company reports operating results for discontinued operations separately from continuing operations to distinguish the financial impact of disposal transactions from ongoing operations. Through December 31, 2014, the Company reported discontinued operations when the operations and cash flows of a component of the Company had been eliminated from ongoing operations. For a component to be disposed of by sale, financial results were classified as discontinued only when held for sale criteria were met. For a component to be disposed of other than by sale, financial results were not classified as discontinued until abandonment, distribution, or exchange occurred, depending on the manner of disposal. The operating results of the operations associated with the 2014 Interiors Divestiture are presented as discontinued operations.

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-8, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity". This ASU changes the requirements for reporting discontinued operations to disposals of components of an entity that represent strategic shifts that have a major effect on an entity’s operations and financial results and does not prohibit continuing involvement. The standard also expands the disclosures for discontinued operations and requires new disclosures related to individually material disposals that do not qualify for discontinued operations reporting. The guidance was effective for interim and annual periods beginning after December 15, 2014, and should be applied prospectively. The Company adopted this standard effective January 1, 2015. In June 2015, the Company completed the sale of all of its shares of HVCC to the Purchasers for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon as further described in Note 4 "Divestitures" and Note 5 "Discontinued Operations". Accordingly, the vast majority of assets and liabilities and operating results for the previously reported Climate Segment are presented as discontinued operations. Previously reported assets and liabilities associated with the Interiors Divestiture are presented as held for sale to conform with the Climate Transaction presentation.

Recently Issued Accounting Pronouncements: In May 2014, the FASB issued ASU No. 2014-9, "Revenue from Contracts with Customers", which is the new comprehensive revenue recognition standard that will supersede existing revenue recognition guidance under U.S. GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to a customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. To achieve this principle, an entity identifies the contract with a customer, identifies the separate performance obligations in the contract, determines the transaction price, allocates the transaction price to the separate performance obligations and recognizes revenue when each separate performance obligation is satisfied. This ASU allows for both retrospective and prospective methods of adoption. In July 2015, the FASB approved a one-year deferral of the effective date of the standard. As such, the new standard will become effective for annual and interim periods beginning after December 15, 2017 with early adoption on the original effective date permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-2, "Consolidation (Topic 810)—Amendments to the Consolidation Analysis", which provides guidance on evaluating whether a reporting entity should consolidate certain legal entities. Specifically, the amendments modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities ("VIEs") or voting interest entities. Further, the amendments eliminate the presumption that a general partner should consolidate a limited partnership, as well as affect the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. A reporting entity may apply the amendments using a modified retrospective approach or a full retrospective application. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-3, "Simplifying the Presentation of Debt Issuance Cost". The ASU requires debt issuance costs associated with a recognized debt liability to be presented on the balance sheet as a direct deduction from the carrying amount of the corresponding debt liability. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. An entity should apply the new guidance on a retrospective basis. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In May 2015, the FASB issued ASU 2015-7, “Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)”. This amendment removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. A reporting entity should apply the amendments retrospectively to all periods presented. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes". The amendments require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments. The amendments may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption permitted. The Company early adopted the guidance on a prospective basis as of December 31, 2015.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities". The amendments require all investments in equity securities to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). The amendments also require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. In addition the amendments eliminate the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet. This new guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

NOTE 3. Business Acquisitions

Electronics Acquisition

On July 1, 2014, the Company completed the acquisition of substantially all of the global automotive electronics business of Johnson Controls Inc. for an aggregate purchase price of $299 million, including $31 million of cash and equivalents at the acquired business. The operating results for the business acquired have been included in the Electronics segment from the date of acquisition. Reflected in the Company's results of operation for the year ended December 31, 2014, are sales of $665 million and gross margin of $103 million related to the Electronics Acquisition. Additionally, through the year ended December 31, 2014, the Company incurred acquisition-related costs of approximately $10 million, which were recorded as incurred and have been classified as "Other expense, net" within the Consolidated Statements of Operations.

Pro forma financial information is presented in the following table for the years ended December 31, 2014 and 2013, as if the Electronics Acquisition had occurred on January 1, 2013. The pro forma financial information is unaudited, is provided for informational purposes only and does not purport to be indicative of the results which would have actually been attained had the acquisition occurred on January 1, 2013, or that may be attained in the future.

	Year Ended December 31	
	2014	**2013**
	(Dollars in Millions, Unaudited)	
Sales	$ 3,282	$ 3,028
Gross margin	$ 408	$ 337
(Loss) income from continuing operations before income taxes	$ (29)	$ 639

The Electronics Acquisition was accounted for as a business combination, with the purchase price allocated on a preliminary basis as of July 2014 and finalized during 2015 with no significant changes. Assets acquired and liabilities assumed were recorded at estimated fair values based on management's estimates, available information, and reasonable and supportable assumptions. Additionally, the Company utilized a third-party to assist with certain estimates of fair values. Fair value measurements are classified within level 3 of the fair value hierarchy and were based on the following methodologies and approaches.

- Fair value estimates for property and equipment were based on appraised values utilizing cost and market approaches.

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- Fair value estimates for contractually reimbursable engineering costs were based on discounted cash flows, which is an income model.
- Fair values for intangible assets were based on a combination of market and income approaches, including the relief from royalty method.

		(Dollars in Millions)
Purchase price	$	299
Cash acquired		(31)
Purchase price net of cash acquired	$	268

Assets Acquired:		
Accounts receivable	$	210
Inventories		100
Property and equipment		132
Contractually reimbursable engineering costs		77
Intangible assets		16
Other assets acquired		31
Total assets acquired		566
Liabilities Assumed:		
Accounts payable		176
Other liabilities assumed		81
Total liabilities assumed		257
Non-controlling interests		41
Total purchase price allocation	$	268

Climate Acquisitions

On September 1, 2014, HVCC completed the acquisition of a controlling 51% equity interest in Japan Climate Systems - Nanjing ("JCS-Nanjing") for $7 million. The Company commenced consolidation of JCS-Nanjing from the September 1, 2014, acquisition date. This acquisition was accounted for as a business combination, with the purchase price allocated on a preliminary basis as of September 2014. In connection with the preliminary purchase price allocation, HVCC recorded goodwill of $2 million.

In August 2014, HVCC acquired the automotive thermal and emissions business of Cooper-Standard Automotive Inc., a subsidiary of Cooper-Standard Holdings Inc. (the "Thermal Acquisition"), for cash of $46 million. The Thermal Acquisition is expected to expand the thermal energy management product portfolio of HVCC and further diversify its customer base. Net sales for the acquired business were approximately $66 million for the annual period ended December 31, 2013. The operating results for the business acquired are classified as discontinued operations within the Consolidated Statements of Operations. In the year ended December 31, 2014, the Company incurred acquisition-related costs of approximately $1 million. These amounts were recorded as incurred and have been classified as discontinued operations.

The Thermal Acquisition was accounted for as a business combination, with the purchase price allocated on a preliminary basis as of August 2014. Assets acquired and liabilities assumed were recorded at estimated fair values based on management's estimates, available information, and reasonable and supportable assumptions. Additionally, the Company utilized a third-party to assist with certain estimates of fair values. Fair value measurements are classified within level 3 of the fair value hierarchy and were based on the following methodologies and approaches:

- Fair value estimates for property and equipment were based on appraised values utilizing cost and market approaches.
- Fair value estimates for contractually reimbursable engineering costs were based on discounted cash flows, which is an income model.
- Fair values for intangible assets were based on a combination of market and income approaches, including the relief from royalty method.

The purchase price allocation is shown below (dollars in millions):

Purchase Price	$	46
Property and Equipment	$	30
Intangible Assets		8
Goodwill		8
Total purchase price allocation	$	46

NOTE 4. Divestitures

Climate Transaction

On June 9, 2015, Visteon completed the sale of all its shares in HVCC to the Purchasers. The Climate Transaction closed for approximately $3.4 billion, or KRW 52,000 per share after adjusting for the 2014 dividend paid by HVCC to Visteon. The Company received net cash proceeds of approximately $2.7 billion and recognized a pre-tax gain of approximately $2.3 billion in June, 2015.

In connection with the closing of the Climate Transaction, Visteon, HVCC and/or the Purchasers have entered into certain other agreements, including a transition agreement (pursuant to which the parties will provide certain transition services for a specified period following the closing), a remediation agreement (pursuant to which Visteon will provide certain IT services for a period of time), engineering and support agreements (pursuant to which the parties will support certain operations of the other following the closing), and a letter agreement (pursuant to which Visteon has agreed to purchase from HVCC certain electronics operations located in India). Assets and liabilities associated with the Climate Transaction met the "held for sale" criteria during the second quarter ended June 30, 2015 and were reclassified as such in the December 31, 2014, Consolidated Balance Sheet.

The gain is summarized below (dollars in millions):

Gross proceeds	(1)	$	3,423
Korea withholding tax	(2)		(377)
Professional fees	(3)		(20)
Korea security transaction tax	(4)		(17)
Divested cash balances	(5)		(345)
Net cash provided from investing activities			2,664
Net assets divested, excluding cash balances	(5)		(565)
Information technology separation and service obligations	(6)		(53)
Employee related charges	(7)		(45)
Electronics business repurchase obligation	(8)		(50)
Professional fees	(3)		(4)
Korea withholding tax recoverable	(2)		377
Net gain on Climate Transaction		$	2,324

(1) Gross proceeds of $3.423 billion were received in connection with the Climate Transaction, translated at a spot rate of 1121.5 KRW to USD on June 9, 2015. Impacts of related hedging activities and exchange on proceeds conversion into USD are included in the Company's consolidated statements of comprehensive income as "Other expense, net" for the years ended December 31, 2015 and 2014.

(2) In connection with the transaction, the Company recorded a tax recoverable of $377 million for Korean capital gains tax withheld by the Purchasers and paid to the Korean government. This amount reduced proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015. The Company received the entire amount of the expected capital gains withholding tax in January 2016, amounting to $355 million as adjusted for interest and exchange as the refund was denominated in Korean won. Net exchange and interest impacts are recorded as provision for income taxes within discontinued operations.

(3) Professional fees of $24 million, representing fees paid to financial advisors, were based on a percentage of the gross proceeds, partially offset by previously paid retainer fees of $4 million, for a net payment of $20 million reducing proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015.

(4) Security transaction taxes of $17 million were remitted to the Korean government as of the transaction close, reducing proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015.

(5) Net assets of $910 million, including assets, liabilities, accumulated other comprehensive income and non-controlling interests, were divested in connection with the Climate Transaction. Divested assets included $345 million of cash balances, reflected as a reduction of transaction proceeds classified as net cash provided from investing activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015.

(6) In connection with the Climate Transaction, the Company has entered an agreement pursuant to which Visteon will provide information technology ongoing and separation services for HVCC to fully operate as an independent entity with estimated costs of approximately $53 million. The remaining information technology liability is included in the Company's consolidated balance sheets as "Other current liabilities" as of December 31, 2015.

(7) Employee related charges of $45 million include bonus payments, the Company's assumption of incentive plan liabilities, and impacts of employment change in control provisions. Bonus payments of $30 million are classified in the Company's net cash provided from operating activities within the Company's consolidated statements of cash flows for the year ended December 31, 2015. Amounts remaining to be paid are included in the Company's consolidated balance sheets as "Accrued employee liabilities" as of December 31, 2015.

(8) In connection with the Climate Transaction, the Company has entered an agreement to purchase certain electronics operations located in India, expected to close in 2016 after legal separation and regulatory approvals are met. The Company has recorded a repurchase obligation of $50 million, representing the estimated purchase price of the subject business. The Company continues to consolidate the business, with net assets of approximately $22 million, based on the Company’s continued controlling financial interest. The Company’s controlling financial interest was evaluated based on continued operating control and obligation to fund losses or benefit from earnings. The business is included in a legal entity currently owned by HVCC and therefore the Electronics business assets are not available for general corporate purposes. The repurchase commitment is included in the Company’s consolidated balance sheets as “Other current liabilities” as of December 31, 2015.

Interiors Transactions

Germany Interiors Divestiture

On December 1, 2015, Visteon completed the Germany Interiors Divestiture. The Company contributed cash, of approximately $141 million, assets of $27 million, and liabilities of $198 million including pension related liabilities. The Company will make a final contribution payment of approximately $30 million by November 2016 included in the Company's consolidated balance sheet as "Other current liabilities" as of December 31, 2015. The Company recognized a pre-tax loss on divestiture of $105 million related to foreign currency translation and pension benefit plan amounts previously recorded in accumulated other comprehensive loss.

Although the Germany Interiors Divestiture represents a continuation of the Company’s exit from the Interiors business, the divestiture is not considered a strategic shift given the size of the operations representing $86 million in 2015 sales. Therefore, the operations do not qualify for discontinued operations presentation and operating results prior to the sale are classified within Other as continuing operations.

Interiors Divestiture

In May 2014, pursuant to a Master Purchase Agreement as subsequently amended, Visteon agreed to divest substantially all of its global Interiors business in exchange for the assumption of certain liabilities related to the Company's Interiors business and the payment of nominal cash consideration. Effective November 1, 2014, the Company closed on the majority of the Interiors Divestiture. Subsequent to the Master Closing, Visteon completed the sale of Interiors operations in India and Thailand on December 1, 2014 and February 2, 2015, respectively. The Company recorded losses of $16 million and $326 million during the years ended December 31, 2015 and 2014, respectively, in connection with the divestitures. Remaining operations subject to the Interiors Divestiture are located in Argentina and Brazil and are expected to close during 2016, due to delays in third party consents and approvals and other customary closing conditions. The Company expects to record losses in connection with the Argentina and Brazil portions of the Interiors Divestiture in future periods upon closing, which are estimated to be approximately $20 million. Assets and liabilities associated with the Argentina and Brazil Interiors operations met the "held for sale" criteria beginning in the second quarter of 2014 and are classified as "Current assets held for sale" or "Current liabilities held for sale" in the Consolidated Balance Sheets. The Interior Divestiture also met the conditions for discontinued operations treatment in May 2014, and its operations are presented as such in the statement of operations.

The Company also provided a $56 million revolving credit facility in connection with the Master Closing, representing the shortfall to the targeted amount of $90 million in external financing. The seller-backed facility was reduced as buyer credit facilities ramped up and the seller-backed facility will be reduced further if the buyer adds working capital facilities in Russia and Thailand. Draws under the seller-backed facility are only available to the extent buyer external credit facilities are fully drawn and any draws on the seller-backed facility must be repaid prior to amounts outstanding on any external credit facilities. The seller-backed facility has a maturity of three years, an interest rate of Libor plus 5% and a default rate of interest for any interest and/or principal payment defaults. As of December 31, 2015, there were no draws on this facility, and the amount available to the buyer under the facility was $39 million.

NOTE 5. Discontinued Operations

The operations subject to the Interiors Divestiture and Climate Transaction met conditions required to qualify for discontinued operations reporting. Accordingly, the results of operations for the Interiors and Climate businesses have been reclassified to Net income (loss) from discontinued operations in the Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013.

Discontinued operations are summarized as follows:

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions)		
Sales	$ 2,199	$ 5,757	$ 5,715
Cost of sales	2,039	5,239	5,226
Gross margin	160	518	489
Selling, general and administrative expenses	77	194	192
Gain on Climate Transaction	2,324	—	—
Long-lived asset impairment	4	190	—
Loss on interiors divestiture	12	136	—
Restructuring expense	2	17	18
Interest expense, net	2	7	4
Equity in net income of non-consolidated affiliates	6	13	11
Other expense	10	25	15
Income (loss) from discontinued operations before income taxes	2,383	(38)	271
Provision for income taxes	97	93	51
Net income (loss) from discontinued operations	2,286	(131)	220
Net income attributable to non-controlling interests	24	66	85
Net income (loss) from discontinued operations attributable to Visteon	$ 2,262	$ (197)	$ 135

As of December 31, 2015, held for sale balances include assets and liabilities associated with operations subject to the Interiors Divestiture located in Argentina and Brazil. As of December 31, 2014, assets and liabilities related to the Interiors and Climate businesses were reclassified as held for sale in the consolidated balance sheets.

Held for sale balances are summarized as follows:

	December 31	
	2015	2014
	(Dollars in Millions)	
ASSETS HELD FOR SALE		
Cash and equivalents	$ 1	$ 351
Accounts receivable, net	9	845
Inventories, net	4	334
Other current assets	3	130
Total current assets held for sale	17	1,660
Property and equipment, net	—	1,077
Intangible assets, net	—	251
Investments in non-consolidated affiliates	—	66
Other non-current assets	—	32
Total non-current assets held for sale	—	1,426
Total assets held for sale	$ 17	$ 3,086
LIABILITIES HELD FOR SALE		
Short-term debt, including current portion of long-term debt	$ —	$ 113
Accounts payable	6	718
Employee benefits	2	66
Other current liabilities	1	90
Total current liabilities held for sale	9	987
Long-term debt	—	252
Employee benefits	—	77
Deferred tax liabilities	—	67
Other non-current liabilities	—	36
Total non-current liabilities held for sale	—	432
Total liabilities held for sale	$ 9	$ 1,419

The Company has combined cash flows from discontinued operations with cash flows from continuing operations within the operating, investing and financing categories within the consolidated statement of cash flows. Cash and non-cash items for certain operating and investing activities related to discontinued operations for the years ended December 31, 2015, 2014 and 2013 are as follows:

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions)		
Depreciation and amortization	$ 84	$ 200	$ 222
Asset impairments and losses on divestitures	$ 16	$ 326	$ —
Capital expenditures	$ 81	$ 244	$ 213

NOTE 6. Non-Consolidated Affiliates

Yanfeng Transactions

On August 12, 2013, Visteon entered into a Master Agreement with Huayu Automotive Systems Company Limited (“HASCO”), Yanfeng Visteon Automotive Trim Systems Co., Ltd. and Yanfeng Visteon Automotive Electronics Co., Ltd. (“YFVE”), pursuant to which, among other things, Visteon and HASCO agreed to modify their existing interests in automobile interiors and electronics joint ventures in the People’s Republic of China, including Yanfeng and YFVE. Pursuant to the Master Agreement, among other transactions, (i) Visteon agreed to sell its 50% ownership interest in Yanfeng for cash of approximately $928 million, (ii) Visteon agreed to sell its ownership interests in other Yanfeng-related interiors joint ventures for additional aggregate cash of approximately $96 million, and (iii) Visteon agreed to subscribe to an additional 11% ownership interest in YFVE for cash of approximately $58 million.

During the fourth quarter of 2013, Visteon completed some of the transactions contemplated under the Master Agreement including, but not limited to, the subscription to an additional 11% ownership interest in YFVE and the sale of its 50% ownership interest in Yanfeng. The Company recorded gains on the transactions completed during the year ended December 31, 2013, totaling $465 million.

As of December 31, 2014, and in accordance with the Master Agreement, YFVE completed the sale of its ownership interests in certain joint ventures to Yanfeng Visteon Electronics (China) Investment Co., Ltd. ("YFVIC") for cash proceeds of $37 million. No gains or losses were recorded on these transactions by YFVE due to the Company's 50% ownership interest in YFVIC. Differences between carrying value and proceeds on these investments, if any, have been deferred as a basis adjustment to the Company's investment in YFVIC. In October 2014, YFVIC completed the purchase of Yanfeng’s 49% direct ownership in YFVE pursuant to the Master Agreement. The purchase by YFVIC was financed through a shareholder loan from Yanfeng and external borrowings of approximately $40 million which were guaranteed by Visteon. The guarantee contains standard non-payment provisions to cover the borrowers in event of non-payment of principal, accrued interest, and other fees for its five year tenor.

In June 2015, the Company completed the sale of its 12.5% ownership interest in Yangfeng Visteon Jinqiao Automotive Trim Systems Co., Ltd. ("Jinqiao"), a Chinese automotive supplier, as contemplated under the Master Agreement, for proceeds of approximately $91 million and recorded a pre-tax gain of $62 million during the year ended December 31, 2015.

Restructuring of YFVE Electronics Investments

On November 7, 2013, Visteon made a cash payment of $58 million to subscribe to an additional 11% ownership interest in YFVE. This step acquisition increased Visteon's direct ownership interest in YFVE from a non-controlling 40% direct ownership interest to a controlling 51% direct ownership interest. Accordingly, from the date of step acquisition, the financial position, results of operations and cash flows of YFVE are consolidated into the Visteon financial statements as part of the Electronics business unit. Prior to the step acquisition Visteon accounted for YFVE as a non-consolidated affiliate under the equity method. Visteon applied business combination accounting and consolidated YFVE from November 1, 2013, forward, as activity between that date and the closing date of the acquisition was not material. Visteon determined the fair value of YFVE to be $293 million, representing the aggregate of the consideration transferred to acquire the additional 11% ownership interest in YFVE, the estimated fair value of Visteon's previous 40% equity interest in YFVE, and the estimated fair value of the 49% non-controlling interest in YFVE, as follows:

	November 1, 2013	
	(Dollars in Millions)	
Cash paid for additional 11% interest in YFVE	$	58
Fair value of Visteon's previous 40% equity interest in YFVE		97
Fair value of 49% non-controlling interest in YFVE		138
Total YFVE purchase price	$	293

The Company remeasured its previously held 40% equity interest in YFVE to fair value, resulting in a gain of $52 million inclusive of approximately $3 million related to foreign currency translation reclassified from AOCI. Visteon also recorded 100% of the identifiable assets and liabilities of YFVE and a non-controlling interest in YFVE, all at respective fair values.

Sale of 50% Ownership Interest in Yanfeng

On December 17, 2013, Visteon completed the sale of its 50% ownership interest in Yanfeng for cash proceeds of $928 million (before applicable taxes). In connection with the sale, Visteon recorded a gain of $413 million inclusive of approximately $31 million related to foreign currency translation reclassified from AOCI. Cash received from the sale of the Company's 50% investment in Yanfeng has been classified as net cash provided from investing activities on the Consolidated Statement of Cash Flows for the year ended December 31, 2013.

Equity in Net Income in Non-Consolidated Affiliates

The Company recorded equity in the net income of non-consolidated affiliates of $7 million for the year ended December 31, 2015, $2 million for the year ended December 31, 2014, and $202 million for the year ended December 31, 2013, respectively.

Equity in net income of non-consolidated affiliates for the year ended December 31, 2013, includes Yanfeng prior to its sale and $27 million representing Visteon's 50% equity interest in a non-cash gain recorded by Yanfeng. The gain resulted from the deconsolidation of YFVE pursuant to Visteon's November 2013, step acquisition to acquire a controlling 51% ownership interest in YFVE.

The Company monitors its investments in affiliates for indicators of other-than-temporary declines in value on an ongoing basis. If the Company determines that an “other-than-temporary” decline in value has occurred, an impairment loss will be recorded, which is measured as the difference between the recorded book value and the fair value of the investment. Included in the Company’s retained earnings is undistributed income of non-consolidated affiliates accounted for under the equity method of approximately $8 million at December 31, 2014.

Investments in Non-Consolidated Affiliates

Investments in non-consolidated affiliates were $56 million and $99 million at December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, non-consolidated affiliates accounted for under the equity method totaled $45 million and $56 million while non-consolidated affiliates accounted for under the cost method totaled $11 million and $43 million, respectively.

A summary of the Company's investments in non-consolidated affiliates is provided below.

	December 31	
	2015	**2014**
	(Dollars in Millions)	
Yanfeng Visteon Electronics (China) Investment Co., Ltd. (50%)	$ 23	$ 33
Chongqing Changan Visteon Engine Control Systems Co., Ltd. (50%)	13	16
Changchun FAWAY Auto Electronics Co., Ltd. (50%)	7	6
OpenSynergy GMBH (18.5%)	6	7
Yanfeng Visteon Jinqiao Automotive Trim Systems Co., Ltd.	—	31
Others	7	6
Total investments in non-consolidated affiliates	$ 56	$ 99

In April 2014, the Company completed the sale of its 50% ownership interest in Duckyang Industry Co., Ltd., a Korean automotive interiors supplier. In connection with the transaction, the Company received total cash of approximately $31 million, including $6 million of dividends, and recorded a pre-tax gain of approximately $2 million.

The Company determined that Yanfeng Visteon Electronics (China) Investment Co., Ltd. (YFVIC), is a variable interest entity (VIE). The Company holds a variable interest in YFVIC primarily related to its ownership interests and subordinated financial support. The Company and Yanfeng each own 50% of YFVIC, therefore YFVIC is not consolidated since the Company is not the primary beneficiary of YFVIC.

At December 31, 2015, the Company has receivables due from YFVIC, including trade receivables and other advances of $36 million, a subordinated loan receivable of $10 million and payables due to YFVIC of $17 million. At December 31, 2014, the Company has trade receivables and other advances of $41 million and payables of $22 million related to YFVIC.

At December 31, 2015, the Company’s maximum exposure to loss in YFVIC is $100 million, which includes assets previously described and a $31 million loan guarantee.

A summary of transactions with affiliates is shown below:

	Year Ended December 31	
	2015	2014
	(Dollars in Millions)	
Sales to affiliates	$ 44	$ 50
Purchases from affiliates	$ 51	$ 46

In January, 2016 Visteon loaned a subsidiary of YFVIC approximately $8 million, expected to be repaid within five years.

NOTE 7. **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. The Company expects to finance restructuring programs through cash on hand, cash generated from operations, reimbursements pursuant to customer accommodation and support agreements or through cash available under its existing debt agreements, subject to the terms of applicable covenants. Restructuring costs are recorded as elements of a plan are finalized and the timing of activities and the amount of related costs are not likely to change. However, such costs are estimated based on information available at the time such charges are recorded. In general, management anticipates that restructuring activities will be completed within a time frame 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.

Including amounts associated with discontinued operations, the Company recorded restructuring expenses of $42 million, $71 million, and $41 million during the years ended December 31, 2015, 2014 and 2013, respectively. Significant restructuring programs are summarized below by product group.

Electronics

In connection with the Electronics Acquisition, the Company commenced a restructuring program designed to achieve cost savings through transaction synergies. During the years ended December 31, 2015 and 2014, the Company recorded $20 million, net of reversals, and $37 million, respectively, of severance and termination benefits under this program associated with approximately 1,100 employees. Charges for the program are considered substantially complete and approximately $19 million remains accrued at December 31, 2015.

During October 2015, the Company announced a restructuring program designed to reduce the workforce at a European Electronics facility. The Company recorded $12 million of severance and termination benefits under this program associated with approximately 100 employees, which remains accrued as of December 31, 2015. The Company expects to record additional restructuring costs related to this program as the underlying plan is finalized.

Corporate

During 2012, the Company announced a program designed to realign its corporate and administrative functions directly to their corresponding operational beneficiary and to reduce corporate administrative costs. During the years ended December 31, 2015, 2014 and 2013 the Company recorded expenses for severance and termination benefit costs under this program of $4 million, $1 million, and $9 million, respectively. During the years ended December 31, 2015, 2014 and 2013, the Company paid cash to settle the employee severance and termination benefits of $2 million, $4 million, and $9 million, respectively. As of December 31, 2015, $2 million remains accrued for this program and charges are considered substantially complete.

Other

During 2014, the Company announced the closure of a Climate facility located in Quilmes, Argentina. In connection with the closure, the Company recorded $13 million of restructuring expenses, primarily related to severance and termination benefits associated with approximately 270 employees. Approximately $1 million remains accrued at December 31, 2015. The Company also announced the closure of a Climate facility located in Port Elizabeth, South Africa in 2014. In connection with the closure, the Company recorded and paid $2 million of restructuring expenses, primarily related to severance and termination benefits associated with approximately 90 employees.

Additionally, during 2014, the Company recorded $6 million of employee severance and termination benefit costs associated with approximately 100 employees at two European Interior facilities located in Spain. The Company made cash payments of approximately $3 million related to employee severance and termination benefits and approximately $3 million was divested as a result of the Interiors Divestiture.

During 2013, the Company announced a plan to restructure the workforce and related processes at an Interiors operation in Brazil. The Company recorded employee severance and termination benefit costs of $8 million associated with approximately 255 employees. The Company made cash payments of approximately $4 million and $4 million for related employee severance and termination benefits during the years ended December 31, 2014 and 2013, respectively. During 2014, the Company announced a plan to further reduce the workforce at an Interiors operation in Brazil and recorded $3 million for employee severance and termination benefits associated with approximately 50 employees. As of December 31, 2015, $1 million remains accrued for this program.

During 2012, the Company announced a plan to restructure three European Interiors facilities located in France and recorded approximately $30 million for employee severance and termination benefits associated with approximately 230 employees. During the years ended December 31, 2014 and 2013, the Company recorded an additional $5 million and $4 million, respectively, of employee severance and termination benefit costs associated with this program and made cash payments of approximately $16 million and $18 million, respectively, for related employee severance and termination benefits. As of December 31, 2015, approximately $3 million remains accrued for this program.

In connection with the reorganization of the Company's Climate operations in France, the Company recorded and paid cash to settle employee severance and termination benefits of $2 million, $3 million, and $14 million, respectively, for the years ended December 31, 2015, 2014 and 2013, associated with approximately 135 employees. Additionally, during 2013, the Company recorded and paid cash to settle employee severance and termination benefits of $4 million at a facility in Argentina.

Restructuring costs associated with entities subject to the Interiors Divestiture and Climate Transaction have been classified within discontinued operations on the Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013.

Restructuring Reserves

Restructuring reserve balances of $38 million and $39 million at December 31, 2015 and 2014, 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, 2015 will be substantially completed by the end of 2016. The Company’s consolidated restructuring reserves and related activity are summarized below including amounts associated with discontinued operations.

	Electronics	Corporate	Other	Total
	(Dollars in Millions)			
December 31, 2012	$ 1	$ 3	$ 35	$ 39
Expense	—	9	32	41
Reversals	(1)	—	(1)	(2)
Utilization	—	(9)	(40)	(49)
December 31, 2013	—	3	26	29
Expense	37	1	33	71
Utilization	(6)	(4)	(46)	(56)
Business divestiture	—	—	(3)	(3)
Foreign currency	(1)	—	(1)	(2)
December 31, 2014	30	—	9	39
Expense	36	4	2	42
Reversals	(4)	—	—	(4)
Utilization	(29)	(2)	(3)	(34)
Business divestiture	—	—	(1)	(1)
Foreign currency	(2)	—	(2)	(4)
December 31, 2015	$ 31	$ 2	$ 5	$ 38

Given the economically-sensitive and highly competitive nature of the automotive industry, the Company continues to closely monitor current market factors and industry trends taking action as necessary, including but not limited to, additional restructuring actions. However, there can be no assurance that any such actions will be sufficient to fully offset the impact of adverse factors on the Company or its results of operations, financial position and cash flows.

NOTE 8. Inventories

Inventories consist of the following components:

	December 31			
	2015		2014	
	(Dollars in Millions)			
Raw materials	$	90	$	103
Work-in-process		53		43
Finished products		44		62
	$	187	$	208

Effective July 1, 2014, the Company recorded $100 million of inventory at fair value in connection with the Electronics Acquisition. The fair value of inventory was based on management's estimate, available information, and reasonable and supportable assumptions, resulting in an increase of $2 million over the acquiree's historical cost. This amount was subsequently expensed in Cost of sales on the Company’s Consolidated Statements of Operation during the year ended December 31, 2014.

NOTE 9. Other Assets

Other current assets are comprised of the following components:

	December 31			
	2015		2014	
	(Dollars in Millions)			
Recoverable taxes	$	425	$	78
Joint venture receivables		44		52
Contractually reimbursable engineering costs		34		36
Prepaid assets and deposits		28		30
Notes receivable		21		—
Deferred tax assets		—		20
Non-trade receivables		—		28
Other		12		6
	$	564	$	250

Recoverable taxes include Korean capital gains tax withheld by the Purchasers and paid to the Korean government in connection with the Climate Transaction of $364 million adjusted for currency and interest impacts. The Company recovered the Korean capital gains withholding tax in January 2016.

Notes receivable represent bank notes generally maturing within six months. Non-trade receivables represent accounts receivable that the Company invoiced on behalf of the buyer of the Interiors business until the underlying contractual customer agreements were transferred or otherwise modified.

Other non-current assets are comprised of the following components:

	December 31	
	2015	2014
	(Dollars in Millions)	
Deferred tax assets	$ 34	$ 23
Recoverable taxes	20	58
Contractually reimbursable engineering costs	4	31
Long term notes receivable	13	7
Other	18	26
	$ 89	$ 145

Current and non-current contractually reimbursable engineering costs of $34 million and $4 million, respectively, at December 31, 2015, are related to pre-production design and development costs incurred pursuant to long-term supply arrangements that are contractually guaranteed for reimbursement by customers. The Company expects to receive cash reimbursement payments of approximately $34 million in 2016, $3 million in 2017 and $1 million in 2018.

NOTE 10. Property and Equipment

Property and equipment, net consists of the following:

	December 31	
	2015	2014
	(Dollars in Millions)	
Land	$ 15	$ 17
Buildings and improvements	64	66
Machinery, equipment and other	353	337
Construction in progress	75	64
Total property and equipment	507	484
Accumulated depreciation	(170)	(136)
	337	348
Product tooling, net of amortization	14	15
Property and equipment, net	$ 351	$ 363

Depreciation and amortization expenses for property and equipment, excluding discontinued operations, are summarized as follows:

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions)		
Depreciation	$ 66	$ 54	$ 32
Amortization	4	2	3
	$ 70	$ 56	$ 35

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NOTE 11. Intangible Assets

Intangible assets at December 31, 2015 and 2014, were as follows:

		December 31, 2015			December 31, 2014		
	Estimated Weighted Average Useful Life (years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
				(Dollars in Millions)			
Definite-Lived:							
Developed technology	7	$ 39	$ 20	$ 19	$ 39	$ 13	$ 26
Customer related	10	84	17	67	87	10	77
Other	32	8	1	7	8	1	7
Subtotal		131	38	93	134	24	110
Indefinite-Lived:							
Goodwill		40	—	40	46	—	46
Total		$ 171	$ 38	$ 133	$ 180	$ 24	$ 156

A roll-forward of the net carrying amounts of intangible assets, by product group is presented below:

	Definite-lived intangibles			Indefinite-lived intangibles	
	Developed Technology	Customer Related	Other	Goodwill	Total
			(Dollars in Millions)		
Electronics:					
December 31, 2013	$ 14	$ 89	$ 8	$ 51	$ 162
Additions	16	—	—	—	16
Foreign currency	3	(5)	(1)	(1)	(4)
Amortization	(7)	(7)	—	—	(14)
YFVE purchase adjustment	—	—	—	(4)	(4)
December 31, 2014	$ 26	$ 77	$ 7	$ 46	$ 156
Foreign currency	—	(2)	—	(4)	(6)
Amortization	(7)	(8)	—	—	(15)
Other	—	—	—	(2)	(2)
December 31, 2015	$ 19	$ 67	$ 7	$ 40	$ 133

NOTE 12. Other Liabilities

Other current liabilities are summarized as follows:

	December 31	
	2015	2014
	(Dollars in Millions)	
Income taxes payable	$ 63	$ 11
Electronics operations repurchase commitment	50	—
Restructuring reserves	38	39
Information technology separation and service obligations	36	10
Rent and royalties	33	24
Contribution payable	33	—
Product warranty and recall accruals	26	11
Non-income taxes payable	20	13
Joint venture payables	18	22
Deferred income	11	14
Foreign currency hedges	—	15
Deferred income taxes	—	3
Non-trade payables	—	24
Other	33	31
	$ 361	$ 217

In connection with the Climate Transaction, the Company entered an agreement to purchase certain electronics operations located in India, expected to close in 2016 after legal separation and regulatory approvals are met. The Company has recorded a repurchase commitment of $50 million, representing the estimated purchase price of the subject business.

Information technology separation and service obligations were established in connection with the Climate Transaction and Interiors Divestiture, representing ongoing and separation services for the divested businesses to operate as independent entities. As of December 31, 2015 and 2014, remaining obligations totaled $36 million and $10 million, respectively.

In connection with the Germany Interiors Divestiture, the Company will make a final contribution payment by November, 2016. See Note 4 "Divestitures" for additional disclosures.

Non-trade payables represent accounts payable for purchases the Company made on behalf of the buyer of the Interiors business. In connection with the Interiors Divestiture, the Company agreed to continue to pay supplier on behalf of the buyer until underlying contractual supplier agreements were transferred or otherwise modified.

Other non-current liabilities are summarized as follows:

	December 31	
	2015	2014
	(Dollars in Millions)	
Income tax reserves	$ 25	$ 45
Deferred income	15	20
Product warranty and recall accruals	12	10
Non-income tax reserves	10	19
Other	13	15
	$ 75	$ 109

NOTE 13. Debt

The Company’s short and long-term debt consists of the following:

	Maturity	Weighted Average Interest Rate 2015	Weighted Average Interest Rate 2014	Carrying Value 2015	Carrying Value 2014
				(Dollars in Millions)	
Short-Term Debt:					
Current portion of long-term debt		4.6%	3.5%	$ 3	$ 8
Short-term borrowings		2.4%	3.6%	34	21
				$ 37	$ 29
Long-Term Debt:					
Term facility due April 9, 2021	2021	3.5%	3.5%	$ 346	$ 583
Other	2015-2018	4.1%	4.2%	1	4
				$ 347	$ 587

Short-Term Debt

Short-term borrowings are primarily related to the Company's non-U.S. joint venture and are payable in Chinese Renminbi and Thai Baht. As of December 31, 2015 and 2014, the Company had short-term borrowings of $34 million and $21 million, respectively. Short-term borrowings increased in 2015 primarily to support working capital needs.

Available borrowings on outstanding affiliate credit facilities as of December 31, 2015, is approximately $19 million and certain of these facilities have pledged assets as security.
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Long-Term Debt

On April 9, 2014, the Company entered into a credit agreement (the “Credit Agreement”), by and among the Company as borrower, each lender from time to time party thereto, each letter of credit issuer from time to time party thereto and Citibank, N.A. as administrative agent (the “Administrative Agent”), which provides for (i) delayed draw term loans in an aggregate principal of $600 million (the “Term Facility”) and (ii) a $200 million revolving credit facility (the “Revolving Facility”). The Company and certain of its subsidiaries have granted a security interest in substantially all of their respective property, subject to certain limitations.

At the Company’s option, loans under the Term Facility and Revolving Facility may be maintained from time to time at an interest rate equal to the applicable rate (“Applicable Rate”) plus the applicable domestic rate (“Base Rate”) or the LIBOR-based rate (“Eurodollar Rate”). The Base Rate shall be a fluctuating rate per annum equal to the highest of (i) the rate equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published by the Federal Reserve Bank of New York on the following Business Day, plus 0.50%; (ii) the rate established by the Administrative Agent as its “prime rate” at its principal U.S. office and (iii) the Eurodollar Rate (which, for the purposes of establishing the Base Rate, shall not be less than 0.75%) plus 1%. The Eurodollar Rate shall be equal to the quotient obtained by dividing (a) the ICE Benchmark Administration Limited LIBOR Rate by (b) the difference between 1.00 and the reserve percentage under regulations issued from time to time by the Board of Governors of the Federal Reserve System of the United States for determining the maximum reserve requirement with respect to Eurocurrency funding. The Applicable Rate varies based on certain corporate credit ratings at the time of borrowing, and ranges from 1.00% to 1.75% for Base Rate loans and 2.00% to 2.75% for Eurodollar Rate loans.

Up to $75 million of the Revolving Facility is available for the issuance of letters of credit, and any such issuance of letters of credit will reduce the amount available for loans under the Revolving Facility. Up to $20 million of the Revolving Facility is available for swing line advances, and any such swing line advances will reduce the amount available for loans under the Revolving Facility. The Company may request increases in the limits under the Term Facility and the Revolving Facility and may request the addition of one or more term loan facilities under the Credit Agreement.

The Term Facility matures on April 9, 2021 (the “Term Facility Maturity Date”), and the Revolving Facility shall mature on April 9, 2019 (the “Revolving Facility Maturity Date”). Loans made under the Term Facility are due and payable in full on the Term Facility Maturity Date. Loans made under the Revolving Facility are due and payable in full on the Revolving Facility Maturity Date. Outstanding borrowings may be prepaid without penalty (other than borrowings made for the purpose of reducing the effective interest rate margin or weighted average yield of the loans) in $100,000 increments over $500,000 for loans maintained under the Base Rate and in $250,000 increments over $1,000,000 for loans maintained under the Eurodollar Rate. There are mandatory prepayments of principal in connection with: (i) excess cash flow sweeps (in the amount of 50%, with step downs to 25% and 0% of the excess cash flow, depending on the then-applicable leverage), (ii) certain asset sales or other dispositions (including as a result of casualty or condemnation), (iii) certain refinancings of indebtedness and (iv) over-advances under the Revolving Facility. The Company was also required to repay quarterly 0.25% of the initial term loan drawn.

The Credit Agreement requires the Company and its subsidiaries to comply with customary affirmative and negative covenants, including financial covenants and contains customary events of default. The Term Facility and the Revolving Facility require that, as of the last day of any four consecutive fiscal quarters of the Company last ended (commencing as of June 30, 2014), the Company maintain a total net leverage ratio no greater than 3.00:1.00 (the “Financial Maintenance Covenant”). During any period when the Company’s corporate and family ratings meet certain specified ratings, certain of the negative covenants shall be suspended and the Financial Maintenance Covenant shall only be tested with respect to the Revolving Facility. As of December 31, 2015, the Company was in compliance with the Financial Maintenance Covenant.

All obligations under the Credit Agreement and obligations in respect of certain cash management services and swap agreements with the lenders and their affiliates are unconditionally guaranteed by certain of the Company’s subsidiaries. In connection with the Credit Agreement, on April 9, 2014, (i) the Company, certain of its subsidiaries and the Administrative Agent entered into a Security Agreement (the “Security Agreement”), (ii) certain subsidiaries of the Company and the Administrative Agent entered into a Guaranty Agreement (the “Guaranty Agreement”) and (iii) the Company, certain of its subsidiaries and the Administrative Agent entered into an Intellectual Property Security Agreement (together with the Security Agreement and the Guaranty Agreement, the “Security Documents”). Pursuant to the Security Documents, all obligations under the Credit Agreement are secured by a first-priority perfected lien (subject to certain exceptions) in substantially all of the property of the Company and the subsidiaries party to the Security Agreement, subject to certain limitations.

In connection with signing of the Credit Agreement, on April 9, 2014, the Company terminated its $130 million revolving loan credit agreement dated October 1, 2010. On June 23, 2014, the Company drew the $600 million term loan, net of an original issue discount of $9 million. During 2014, the Company made the required mandatory quarterly repayments of 0.25% of the initial term loan totaling $3 million. As of December 31, 2015, $346 million face value was outstanding under the Term Facility, and there were no outstanding borrowings under the Revolving Facility, after the June 2015 paydown noted below.

The Company executed an Amendment to the Credit Agreement on March 25, 2015. The Amendment, among other things, provides for certain modifications to the Credit Agreement to permit Visteon’s sale of its ownership interest in HVCC and otherwise to update the Credit Agreement to account for HVCC no longer being a subsidiary of Visteon following the Climate Transaction. While certain waivers granted under the Amendment became effective on March 25, 2015, the amendments relating to the Climate Transaction became effective substantially concurrent with the consummation of the Climate Transaction. Under the Amendment, Term Lenders agree to waive the requirement that 100% of the Net Cash Proceeds received by the Borrower or any of its Restricted Subsidiaries from the Climate Transaction be used to prepay the Term Loans so long as such Net Cash Proceeds are used to prepay the Term Loans within five Business Days of the receipt of such Net Cash Proceeds in an amount sufficient to reduce the aggregate principal amount of Term Loans outstanding after giving effect to such prepayment to no more than $350 million.

Visteon consummated the Climate Transaction on June 9, 2015 and subsequently paid down $246 million term loan principal on June 12, 2015 to reduce aggregate principal amount of Term Loans outstanding to $350 million. In connection with the principal reduction, the 0.25% mandatory quarterly prepayment obligation was considered met, therefore Visteon ceased making quarterly amortization payments. During the year ended December 31, 2015, the Company recorded $5 million of Loss on Debt Extinguishment costs, representing unamortized original issue discount, debt fees and amendment fees associated with the pay-down.

The Company's 6.75% senior notes due April 15, 2019 (the "Senior Notes") were issued under an Indenture (the "Indenture") among the Company, the subsidiary guarantors named therein, and the Bank of New York Mellon Trust Company, N.A., as trustee. The Indenture and the form of Senior Notes provided, among other things, that prior to April 15, 2014, the Company had the option to redeem up to 10% of the Senior Notes during any 12-month period from issue date until April 15, 2014 for a 103% redemption price, plus accrued and unpaid interest to the redemption date. The Company exercised this right in December 2013 and April 2014 to repurchase $50 million (10% of its Senior Notes aggregating $150 million of repurchases). Additionally, the Company had the option to redeem a portion or all of the Senior Notes beginning on April 15, 2014 for a 105.063% redemption price, plus accrued and unpaid interest to the redemption date. On April 9, 2014, the Company exercised this right and issued a call notice and redeemed the remaining $350 million of its Senior Notes on May 9, 2014. The Company recorded a $23 million loss on extinguishment of debt in the year ended December 31, 2014, related to the premium paid on the debt redemption and unamortized original issue discount, debt fees and other debt issue costs associated with the Senior Notes.

Other Long-Term Debt

As of December 31, 2015 and December 31, 2014, the Company had $1 million and $4 million, respectively, of other long-term debt outstanding. The amount outstanding on December 31, 2015 is primarily related to information technology software leases.

Debt Obligations

Debt obligations are primarily related to term loan amortization and lease obligations. As of December 31, 2015, debt obligations included maturities as follows: 2016 — $37 million; 2017 — $1 million; thereafter — $346 million. There are no debt obligations due during 2018, 2019 and 2020.

Other

The Company has a $15 million letter of credit facility. In connection with the facility, the Company must maintain a collateral account equal to 103% of the aggregate stated amount of issued letters of credit (or 110% for non-U.S. currencies) and must reimburse any amounts drawn under issued letters of credit. The Company had $6 million and $7 million of outstanding letters of credit issued under this facility secured by restricted cash, as of December 31, 2015 and 2014 respectively.

Additionally, the Company had $16 million of locally issued letters of credit at December 31, 2015 and 2014 to support various customs arrangements and other obligations at its local affiliates, of which $2 million is secured by cash collateral for the years ended December 31, 2015 and 2014. Of the locally issued letters of credit, $11 million were related to discontinued operations on December 31, 2014. Letters of credit for remaining operations of $16 million and $5 million at December 31, 2015 and 2014 respectively, are primarily related to customs, tax appeals and customer funded tooling.

Discontinued Operations

Short-Term Debt Held for Sale: As of December 31, 2014, short-term debt related to business reclassified as held for sale was $113 million, including international affiliate short-term borrowings of $111 million.

Long-Term Debt Held for Sale: As of December 31, 2014, long-term debt related to business reclassified as held for sale was $252 million.

During the first quarter of 2013, HVCC entered into and fully drew on two unsecured bilateral term loan credit agreements with aggregate available borrowings of approximately $195 million. As of December 31, 2014 and 2013 the USD equivalent of these agreements was $191 million and $195 million, respectively.

Included in other long-term debt at December 31, 2014 is approximately $16 million, attributable to a sale-leaseback arrangement for land and buildings located in Chihuahua, Mexico. In connection with the transaction in December 2012, the Company received proceeds of $19 million and entered into an agreement to lease the land and buildings back over a 5 year period. This sale-leaseback was accounted for as a direct financing arrangement, and the cash proceeds have been recorded as debt. The lease requires annual rental payments that are allocated between the reduction of indebtedness and interest expense using an incremental borrowing rate of 9.5%.

Other long-term debt related to business reclassified as held for sale was $45 million as of December 31, 2014. All debt classified as held for sale at December 31, 2014 has been sold in connection with the Climate Transaction.

NOTE 14. Employee Benefit Plans

Defined Benefit Plans

The Company sponsors pay related benefit plans for employees in the U.S., UK, Germany, Brazil, France, Mexico, Japan, India, and Canada. Employees in the U.S. are no longer accruing benefits under the Company's defined benefit plans as these plans were frozen. The Company’s defined benefit plans are partially funded with the exception of certain supplemental benefit plans for executives and certain non-U.S. plans, primarily in Germany, which are unfunded.

On July 22, 2014, the Company purchased a non-participating annuity contract from Prudential Insurance Company of America ("Prudential") for certain participants under the U.S. defined benefit pension plan (the "Plan"). The annuity purchase covered approximately 3,900 participants and resulted in the use of approximately $350 million of plan assets for the settlement of approximately $350 million of the outstanding pension benefit obligation ("PBO"). In connection with the annuity purchase, the Company recorded a settlement gain of $25 million during the year ended December 31, 2014. This gain is the pro-rata portion of the existing unamortized gain in AOCI and was calculated based on the percentage of the Plan's PBO that was settled as part of the annuity purchase. Prudential has unconditionally and irrevocably guaranteed the full payment of benefits to plan participants associated with the annuity purchase and benefits payment will be in the same form that was in effect under the Plan. Prudential has also assumed all investment risk associated with the assets that were delivered as annuity contract premiums.

The Company's expense for all defined benefit pension plans, including discontinued operations, is as follows:

	U.S. Plans			Non-U.S. Plans		
	Year Ended December 31			Year Ended December 31		
	2015	2014	2013	2015	2014	2013
	(Dollars in Millions)					
Costs Recognized in Income:						
Service cost	$ —	$ —	$ —	$ 14	$ 25	$ 23
Interest cost	34	43	47	19	31	27
Expected return on plan assets	(42)	(54)	(62)	(17)	(22)	(18)
Amortization of losses and other	1	—	—	8	3	3
Settlements and curtailments	—	(23)	—	—	(2)	(1)
Net pension (income) expense	$ (7)	$ (34)	$ (15)	$ 24	$ 35	$ 34
Weighted Average Assumptions:						
Discount rate	4.00%	4.75%	3.95%	3.17%	4.30%	4.10%
Compensation increase	N/A	N/A	N/A	3.49%	3.55%	3.45%
Long-term return on assets	7.00%	7.00%	7.00%	4.87%	5.10%	4.75%

In addition the Company recorded U.S. retirement benefit related restructuring expenses of $1 million during 2015.

The Company's obligation for all defined benefit pension plans, is as follows:

	U.S. Plans		Non-U.S. Plans	
	Year Ended December 31		Year Ended December 31	
	2015	2014	2015	2014
	(Dollars in Millions)			
Change in Benefit Obligation:				
Benefit obligation — beginning	$ 864	$ 1,081	$ 617	$ 701
Service cost	—	—	14	25
Interest cost	34	43	19	31
Actuarial (gain) loss	(51)	152	(11)	136
Settlements and curtailments	—	(354)	(2)	(4)
Foreign exchange translation	—	—	(79)	(83)
Divestitures	—	—	(312)	(3)
Benefits paid and other	(44)	(58)	(15)	(21)
Benefit obligation including amounts held for sale — ending	803	864	231	782
Less: Amounts held for sale	—	—	—	165
Benefit obligation — ending	$ 803	$ 864	$ 231	$ 617
Change in Plan Assets:				
Plan assets — beginning	$ 676	$ 960	$ 351	$ 434
Actual return on plan assets	(28)	127	9	45
Sponsor contributions	—	2	22	43
Settlements	—	(354)	—	—
Foreign exchange translation	—	—	(45)	(44)
Divestitures	—	—	(148)	(1)
Benefits paid and other	(44)	(59)	(15)	(21)
Plan assets including amounts held for sale — ending	604	676	174	456
Less: Amounts held for sale	—	—	—	105
Plan assets — ending	$ 604	$ 676	$ 174	$ 351
Total funded status at end of period, continuing operations	$ (199)	$ (188)	$ (57)	$ (266)
Balance Sheet Classification:				
Other non-current assets	$ —	$ —	$ 2	$ 2
Accrued employee liabilities	(3)	—	(1)	(3)
Employee benefits	(196)	(188)	(58)	(265)
Non-current liabilities held for sale	—	—	—	(60)
Accumulated other comprehensive loss:				
Actuarial loss	22	4	23	182
Tax effects/other		(1)	(9)	(29)
	$ 22	$ 3	$ 14	$ 153

The accumulated benefit obligation for all defined benefit pension plans, excluding those held for sale, was $1.00 billion and $1.42 billion at December 31, 2015 and 2014, respectively. 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, excluding those held for sale, were $0.86 billion, $0.85 billion, and $0.62 billion, respectively, at December 31, 2015 and $1.28 billion, $1.24 billion and $0.85 billion, respectively, at December 31, 2014.

Assumptions used by the Company in determining its defined benefit pension obligations, excluding those held for sale, as of December 31, 2015 and 2014 are summarized in the following table:

	U.S. Plans		Non-U.S. Plans	
Weighted Average Assumptions	2015	2014	2015	2014
Discount rate	4.37%	4.00%	4.60%	3.20%
Expected rate of return on assets	7.00%	7.00%	4.87%	4.70%
Rate of increase in compensation	N/A	N/A	3.70%	3.30%

Components of the net change in AOCI related to all defined benefit pension plans, exclusive of amounts attributable to non-controlling interests on the Company’s Consolidated Statements of Changes in Equity for the year ended December 31, 2015 and 2014, are as follows:

	U.S. Plans		Non-U.S. Plans	
	2015	2014	2015	2014
	(Dollars in Millions)			
Actuarial loss (gain)	$ 18	$ 79	$ (4)	$ 113
Prior service credit	—	1	—	—
Deferred taxes	—	—	3	(8)
Currency/other	1	—	(18)	(24)
Reclassification to net income	—	23	(7)	(3)
Divestitures	—	—	(113)	—
	$ 19	$ 103	$ (139)	$ 78

Actuarial losses for the year ended December 31, 2015 are primarily related to lower than expected return on plan assets. Actuarial losses of $1 million for the non-U.S. retirement plans, excluding those held for sale, are expected to be amortized to income during 2016.

Benefit payments, which reflect expected future service, are expected to be paid by the Company plans, excluding those held for sale, as follows:

	U.S. Plans	Non-U.S. Plans
	(Dollars in Millions)	
2016	$ 48	$ 9
2017	44	5
2018	45	5
2019	45	6
2020	45	7
Years 2021 - 2025	208	50

During the year ended December 31, 2015, cash contributions to the Company's U.S. and non-U.S. defined benefit pension plans, excluding those held for sale, were $22 million. Additionally, the Company expects to make cash contributions to its U.S. defined benefit pension plans of $4 million in 2016. Contributions to non-U.S. defined benefit pension plans, excluding those held for sale, are expected to be $8 million during 2016. The Company’s expected 2016 contributions may be revised.

Substantially all of the Company’s defined benefit pension plan assets are managed by external investment managers and held in trust by third-party custodians. The selection and oversight of these external 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. 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. External investment managers are prohibited from investing in any debt or equity securities related to the Company or its affiliates. Investments in the Company's equity is permitted when it is the result of a corporate contribution to the plan.

The primary objective of the pension funds is to pay the plans’ benefit and expense obligations when due. Given the relatively long time 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, excluding those held for sale, at December 31, 2015 and 2014 and target allocation for 2016 are as follows:

	Target Allocation		Percentage of Plan Assets			
	U.S.	Non-U.S.	U.S.		Non-U.S.	
	2016	2016	2015	2014	2015	2014
Equity securities	33%	23%	33%	34%	34%	21%
Fixed income	22%	61%	22%	21%	55%	67%
Alternative strategies	45%	9%	44%	44%	8%	8%
Cash	—%	7%	1%	1%	3%	4%
	100%	100%	100%	100%	100%	100%

The expected long-term rate of return for defined benefit pension plan 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. Pension plan assets are valued at fair value using various inputs and valuation techniques. A description of the inputs and valuation techniques used to measure the fair value for each class of plan assets is included in Note 19 Fair Value Measurements.

2016 Discount Rate for Estimated Service and Interest Cost: Through December 31, 2015, the Company recognized service and interest cost components of pension expense using a single weighted average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. The single weighted average discount method represents the constant annual rate required to discount all future benefit payments related to past service from the date of expected future payment to the measurement date, such that the aggregate present value equals the obligation. The U.S. and certain non-U.S. frozen plans do not have a service component, as additional benefits are no longer accrued.

During the fourth quarter of 2015, the Company changed the method used to estimate the service and interest components of net periodic benefit cost for pension benefits for its U.S. and certain non-U.S. plans. The Company has elected to utilize an approach that discounts individual expected cash flows underlying interest and service costs using the applicable spot rates derived from the yield curve used to determine the benefit obligation to the relevant projected cash flows. The election and adoption of this method provides a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and the corresponding spot yield curve rates. The use of disaggregated discount rates results in a different amount of interest cost compared to the traditional single weighted-average discount rate approach because of different weightings given to each subset of payments. The use of disaggregated discount rates affects the amount of service cost because the benefit payments associated with new service credits for active employees tend to be of longer duration than the overall benefit payments associated with the plan’s benefit obligation. As a result, the payments would be associated with longer-term spot rates on the yield curve, resulting in lower present values than the calculations using the traditional single weighted-average discount rate.

This change does not affect the measurement of the total benefit obligation, but will result in a decrease in the service and interest components of benefit cost beginning in 2016. Based on current economic conditions, the Company estimates that the service cost and interest cost for the affected plans will be reduced by approximately $7 million in 2016 as a result of the change in method. The Company has accounted for this as a change in accounting estimate that is inseparable from a change in accounting principle, and accordingly has accounted for it on a prospective basis.

Defined Contribution Plans

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 for the U.S. defined contribution plan are 100% on the first 6% of pay contributed. The expense related to all matching contributions was approximately $10 million in 2015, $13 million in 2014, and $11 million in 2013.

Other Postretirement Employee Benefit Plans

In the U.S. and Canada, the Company has a financial obligation for the cost of providing other postretirement health care and life insurance benefits to certain of 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. Other postretirement benefit obligations were $2 million and $6 million at December 31, 2015 and 2014, respectively.

NOTE 15. Stock-Based Compensation

The Visteon Corporation 2010 Incentive Plan (the "2010 Incentive Plan") provides for the grant of up to 5.6 million shares of common stock for restricted stock awards ("RSAs"), restricted stock units ("RSUs"), non-qualified stock options ("Stock Options"), stock appreciation rights ("SARs"), performance based share units ("PSUs"), and other stock based awards. The Company's stock-based compensation instruments are accounted for as equity awards or liability awards based on settlement intention as follows.

- For equity settled stock-based compensation instruments, compensation cost is measured based on grant date fair value of the award and is recognized over the applicable service period. For equity settled stock-based compensation instruments, the delivery of Company shares may be on a gross settlement basis or on a net settlement basis, as determined by the recipient. The Company's policy is to deliver such shares using treasury shares or issuing new shares.
- Cash settled stock-based compensation instruments are subject to liability accounting. At the end of each reporting period, the vested portion of the obligation for cash settled stock-based compensation instruments is adjusted to fair value based on the period-ending market prices of the Company's common stock. Related compensation expense is recognized based on changes to the fair value over the applicable service period.

Generally, the Company's stock-based compensation instruments are subject to graded vesting and recognized on an accelerated basis. The settlement intention of the awards is at the discretion of the Organization and Compensation Committee of the Company's Board of Directors. These stock-based compensation awards generally provide for accelerated vesting upon a change-in-control, which is defined in the 2010 Incentive Plan and requires a double-trigger. Accordingly, the Company may be required to accelerate recognition of related expenses in future periods in connection with the change-in-control events and subsequent changes in employee responsibilities, if any.

On December 9, 2015, the Company approved a special cash distribution in the amount of $43.40 per share with a record date of January 15, 2016 and a payment date of January 22, 2016. Additionally, the Company recognized an incremental distribution payable of $15 million representing the distribution equivalent payments to be made to certain RSU and PSU holders upon vesting pursuant to the terms of the 2010 Incentive Plan and related RSU and PSU Agreements. In total, the Company recorded approximately $1.75 billion of Distribution payable on the Consolidated Balance Sheets as of December 31, 2015. Subsequent to this special cash distribution in January 2016, the Company modified exercise prices for outstanding stock options and SARs in accordance with the anti-dilution provision in the 2010 Incentive Plan and no incremental compensation expense is expected to be recognized.

The total recognized and unrecognized stock-based compensation expense, including discontinued operations, was as follows:

	Year Ended December 31			Unrecognized Stock-Based Compensation Expense
	2015	2014	2013	December 31, 2015
	(Dollars in Millions)			
Performance based share units	$ 12	$ 14	$ 13	$ 4
Restricted stock units	4	6	12	4
Stock options	1	—	—	1
Restricted stock awards	—	—	3	—
Stock appreciation rights	—	1	1	—
Total stock-based compensation expense	$ 17	$ 21	$ 29	$ 9

Performance Based Share Units

PSUs that are expected to be settled in shares of the Company's common stock are recorded as equity awards. PSUs that are expected to be settled in cash are accounted for as liability awards. PSUs granted during the first and fourth quarter of 2012 vested during 2015 and were settled during the first quarter of 2015 and 2016, respectively. The Company's Compensation Committee determined a final payout of 56% and 100%, respectively, based on the Company's achievement of a pre-established relative total shareholder return goal compared to its peer group of automotive companies and a total shareholder return metric over a three year period. During 2015 and 2014, the Company granted approximately 44,000 and 30,000 PSUs, respectively. The number of such PSUs that will vest is based on the Company's achievement of a pre-established relative total shareholder return goal compared to its peer group over a three year period, which may range from 0% to 150% of the target award. These PSUs will vest on January 31, 2018 and 2017, respectively. A portion of each grant is expected to be settled in stock and cash.

For PSUs expected to be settled in shares of the Company's common stock, the grant date fair value was determined using the Monte Carlo valuation model. Unrecognized compensation expense at December 31, 2015 was $3 million for the non-vested portion of these awards and will be recognized over the remaining vesting period of approximately 1.7 years. For PSUs expected to be settled in cash, the period ending fair value of the obligation for these awards was determined using the Monte Carlo valuation model. The Company made cash settlement payments of $6 million during the year ended December 31, 2015. At December 31, 2015 and 2014, respectively, $8 million and $2 million were recorded under Accrued employee liabilities relating to PSUs while $1 million and $9 million were recorded under Employee benefits relating to PSUs. Unrecognized compensation expense at December 31, 2015 was $1 million for the non-vested portion of these awards and will be recognized over the remaining vesting period of approximately 1.8 years.

The Monte Carlo valuation model requires management to make various assumptions including the expected volatility, risk free interest rate and dividend yield. Expected volatility was calculated based on a rolling average of the daily stock closing prices of a peer group of companies with a period equal to the expected life of the award. The peer group of companies was used due to the relatively short history of the Company's common stock since its emergence from bankruptcy and due to the significant Company transformation between 2012 and 2015. The peer group was established using the criteria of similar industry (utilizing product mix), size (measured by market capitalization), leverage (measured using debt to equity ratio) and length of history. The risk-free rate was based on the U.S. Treasury yield curve in relation to the contractual life of the stock-based compensation instrument. The dividend yield was based on historical patterns and future expectations for Company dividends.

Weighted average assumptions used to estimate the fair value of PSUs granted during the years ended as of December 31, 2015 and 2014 are as follows:

	Year Ended December 31	
	2015	2014
Expected volatility	33.0%	39.6%
Risk-free rate	0.95%	0.79%
Expected dividend yield	—%	—%

A summary of activity for PSUs, including award grants, vesting and forfeitures is provided below.

	PSUs	Weighted Average Grant Date Fair Value
	(In Thousands)	
Non-vested at December 31, 2012	1,254	$ 33.32
Forfeited	(265)	32.33
Non-vested at December 31, 2013	989	33.59
Granted	30	90.45
Forfeited	(25)	35.92
Non-vested at December 31, 2014	994	35.25
Granted	44	104.81
Vested	(255)	36.57
Forfeited	(121)	43.21
Non-vested at December 31, 2015	662	$ 37.92

Restricted Stock Awards and Restricted Stock Units

RSAs and RSUs expected to be settled in shares of the Company's common stock are recorded as equity awards. Grant date fair value is measured as the average of the high and low market price of the Company's common stock as traded on the New York Stock Exchange on the date of grant. All RSAs have been fully vested and settled and there is no unrecognized compensation expense at December 31, 2015. The Company granted 50,000, 12,000 and 17,500 RSUs, expected to be settled in shares, during the year ended December 31, 2015, 2014 and December 31, 2013, respectively, at a weighted average grant date fair value of $103.89, $84.67 and $75.69 per share, respectively. These awards generally vest in one-third increments on the grant date anniversary over a three year vesting period. Unrecognized compensation expense at December 31, 2015 was $4 million for non-vested RSUs and will be recognized over the remaining vesting period of approximately 1.7 years.

RSUs expected to be settled in cash are accounted for as liability awards. The Company granted 6,000, 4,000 and 1,000 RSUs, expected to be settled in cash, during the years ended December 31, 2015, 2014 and 2013, respectively, at weighted average grant date fair values $101.66, $84.34 and $59.34 per share, respectively. The Company made cash settlement payments of $7 million, $1 million and $8 million during the years ended December 31, 2015, 2014 and 2013, respectively. At December 31, 2015 and 2014, less than $1 million and $1 million , respectively, were recorded under Accrued employee liabilities relating to RSUs while $1 million and $6 million, respectively, were recorded under Employee benefits relating to RSUs. These awards generally vest in one-third increments on the grant date anniversary over a three year vesting period. Unrecognized compensation expense at December 31, 2015 was less than $1 million for non-vested RSUs and will be recognized on a weighted average basis over the remaining vesting period of approximately 1.5 years. Additionally, as of December 31, 2015, the Company has 1,000 outstanding RSUs awarded at a weighted average grant date fair value of $108.41 under the Non-Employee Director Stock Unit Plan which vest immediately but are not cash settled until the participant terminates service.

A summary of activity for RSAs and RSUs, including grants, vesting and forfeitures is provided below.

	RSAs	RSUs	Weighted Average Grant Date Fair Value
	(In Thousands)		
Non-vested at December 31, 2012	228	403	$ 51.20
Granted	—	19	74.55
Vested	(199)	(200)	54.76
Forfeited	(10)	(61)	44.88
Non-vested at December 31, 2013	19	161	48.26
Granted	—	16	84.58
Vested	(10)	(80)	53.68
Forfeited	—	(6)	52.49
Non-vested at December 31, 2014	9	91	54.64
Granted	—	55	103.66
Vested	(9)	(50)	54.47
Forfeited	—	(10)	71.33
Non-vested at December 31, 2015	—	86	$ 84.26

Stock Options and Stock Appreciation Rights

Stock Options expected to be settled in shares of the Company's common stock are recorded as equity awards with an exercise price equal to the average of the high and low market price at which the Company's common stock was traded on the New York Stock Exchange on the date of grant. The grant date fair value of these awards is measured using the the Black-Scholes option pricing model. The Company granted 54,000 and 32,000 Stock Options during the years ended December 31, 2015 and 2014, respectively. The weighted average grant date fair value of Stock Options granted during the years ended December 31, 2015 and 2014 was $36.68 and $33.98 per share, respectively. Stock Options generally vest in one-third increments on the grant date anniversary over a three year vesting period and have an expiration date 7 or 10 years from the date of grant. The Company received payments of $6 million, $13 million and $2 million related to the exercise of 71,494, 160,408 and 36,599 stock options with total intrinsic value of options exercised of $3 million, $4 million and less than $1 million during the years ended December 31, 2015, 2014 and 2013, respectively. Unrecognized compensation expense for non-vested Stock Options at December 31, 2015 was approximately $1 million and is expected to be recognized over a weighted average period of one year.

SARs expected to be settled in cash and are accounted for as liability awards with an exercise price equal to the average of the high and low market price at which the Company's common stock was traded on the New York Stock Exchange on the date of grant. The Company granted 9,000 SARs with a weighted average fair value of $36.63 in the year ended December 31, 2015 and 11,000 SARs with a weighted average fair value of $33.98 in the year ended December 31, 2014. The fair value of SARs is determined at each period-end using the Black-Scholes option pricing model. At December 31, 2015 and 2014, respectively, less than $1 million and $1 million were recorded under Accrued employee liabilities and less than $1 million and $1 million were recorded under Employee benefits. SARs generally vest in one-third increments on the grant date anniversary over a three year vesting period and have an expiration date 7 or 10 years from the date of grant. Unrecognized compensation expense at December 31, 2015 was less than $1 million for non-vested SARs and will be recognized on a weighted average basis over the remaining vesting period of 1.5 years.

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 granted awards 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 calculated based on a rolling average of the daily stock closing prices of a peer group of companies with a period equal to the expected life of the award. The peer group of companies was used due to the relatively short history of the Company's common stock since its emergence from bankruptcy and due to the significant Company transformation between 2012 and 2015. The peer group was established using the criteria of similar industry (utilizing product mix), size (measured by market capitalization), leverage (measured using debt to equity ratio) and length of history. 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 is based on historical patterns and future expectations for Company dividends.

Weighted average assumptions used to estimate the fair value of awards granted during the years ended December 31, 2015, 2014 and 2013 are as follows:

	Stock Options			SARs		
	2015	2014	2013	2015	2014	2013
Expected term (in years)	5.00	5.00	N/A	4.41	5.00	4.45
Expected volatility	38.19%	43.61%	N/A	37.19%	43.61%	42.14%
Risk-free interest rate	1.60%	1.72%	N/A	1.63%	1.72%	1.51%
Expected dividend yield	—%	—%	N/A	—%	—%	—%

A summary of activity for Stock Options and SARs, including award grants, vesting and forfeitures is provided below.

	Stock Options (In Thousands)	Weighted Average Exercise Price	SARs (In Thousands)	Weighted Average Exercise Price
December 31, 2012	362	$ 67.13	98	$ 68.36
Granted	—	—	—	—
Exercised	(36)	55.88	(3)	61.42
Forfeited or expired	(120)	67.81	(19)	66.80
December 31, 2013	206	68.74	76	69.06
Granted	32	84.67	11	84.67
Exercised	(160)	70.88	(40)	71.15
Forfeited or expired	(4)	66.75	(1)	76.28
December 31, 2014	74	71.22	46	70.46
Granted	54	102.59	9	101.58
Exercised	(71)	71.12	(38)	69.81
Forfeited or expired	(9)	101.58	(2)	98.46
December 31, 2015	48	101.40	15	$ 86.35
Exercisable at December 31, 2015	2	$ 74.29	8	$ 72.76

	Stock Options and SARs Outstanding		
Exercise Price	Number Outstanding (In Thousands)	Weighted Average Remaining Life (In Years)	Weighted Average Exercise Price
$50.01 - $70.00	2	6.17	$ 53.57
$70.01 - $90.00	8	5.20	$ 77.99
$90.01 - $110.00	53	6.37	$ 102.62
	63		

NOTE 16. Income Taxes

Income Tax Provision

Details of the Company's income tax provision from continuing operations are provided in the table below:

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions)		
Income (Loss) Before Income Taxes: *(a)*			
U.S	$ (69)	$ (76)	$ (98)
Non-U.S	131	31	507
Total income before income taxes	$ 62	$ (45)	$ 409
Current Tax Provision:			
U.S. federal	$ (18)	$ —	$ —
Non-U.S	71	45	96
U.S. state and local	—	—	—
Total current tax provision	53	45	96
Deferred Tax Provision (Benefit):			
U.S. federal	—	—	—
Non-U.S	(26)	(13)	(40)
Total deferred tax provision (benefit)	(26)	(13)	(40)
Provision for income taxes	$ 27	$ 32	$ 56

(a) Income (loss) before income taxes excludes equity in net income of non-consolidated affiliates.

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		
	2015	2014	2013
	(Dollars in Millions)		
Income before income taxes, excluding equity in net income of non-consolidated affiliates, at U.S. statutory rate of 35%	$ 22	$ (16)	$ 143
Impact of foreign operations	32	36	(14)
State and local income taxes	1	11	(1)
Tax reserve adjustments	(9)	8	(38)
Change in valuation allowance	(53)	(8)	52
Germany interiors divestiture	48	—	—
Impact of tax law change	2	—	(29)
Yanfeng transactions	1	—	(58)
Tax benefits allocated to loss from continuing operations	(18)	—	—
Other	1	1	1
Provision for income taxes	$ 27	$ 32	$ 56

The Company’s provision for income tax for continuing operations was $27 million for year ended December 31, 2015. The unfavorable impact of foreign operations of $32 million includes a $35 million favorable variance due to income taxes on foreign earnings taxed at rates lower than the U.S. statutory rate. These amounts were more than offset by $9 million of non-U.S. withholding taxes, $27 million U.S. and non-U.S. income taxes related to the repatriation of earnings, and $31 million represents foreign tax credit adjustments primarily related to electing to deduct expiring credits. The U.S. income tax consequences of these items approximate $58 million and were entirely offset by the U.S. valuation allowance. Tax reserve adjustments of $9 million primarily related to favorable audit developments in Asia during the first quarter of 2015, and statue expirations in Europe during the fourth quarter of 2015. The unfavorable $48 million variance related to the German interiors divestiture primarily reflects the inability to recognize the loss for German tax purposes, partially offset by a loss recognized for U.S. tax purposes and other adjustments which were fully offset by the U.S. valuation allowance.

In connection with various investment arrangements, the Company was granted "holidays" from income taxes in various foreign jurisdictions the most significant holidays associated with the Company's China operations. In total, the arrangements reduced income tax expense by approximately $10 million and $7 million in 2015 and 2014, respectively, and are included with the impact of foreign operations in the effective tax rates reconciliation. There was no significant reduction in income tax expense in 2013.

Accounting for income taxes 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 discontinued operations and other comprehensive income. However, an exception to the general rule is provided when there is a pre-tax loss from continuing operations and aggregate 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 discontinued operations and other comprehensive income, are considered when determining whether sufficient future taxable income exists to realize the deferred tax assets.

Prior to considering the effects of income taxes, the Company’s operations in the U.S. reported losses from continuing operations primarily as a result of the Germany Interiors Divestiture completed during the fourth quarter of 2015. Also in 2015, the Company reported net pre-tax income from other categories of income or loss, in particular, U.S. pre-tax income from discontinued operations attributable to the Climate Divestiture. The exception described in the preceding paragraph resulted in a charge to discontinued operations of $18 million. An offsetting tax benefit was recognized in continuing operations, effectively resulting from a reduction in the valuation allowance against deferred tax assets.

The Company’s provision for income tax for continuing operations was $32 million for year ended December 31, 2014. The unfavorable impact of foreign operations of $36 million includes a $3 million favorable variance due to income taxes on foreign earnings taxed at rates lower than the U.S. statutory rate. These amounts were more than offset by $9 million of non-U.S. withholding taxes, $8 million U.S. and non-U.S. income taxes related to the repatriation of earnings, and $22 million represents foreign tax credit adjustments primarily related to electing to deduct expiring credits. The U.S. income tax consequences of these items approximate $30 million and were entirely offset by the U.S. valuation allowance. The $11 million impact of state and local income taxes primarily reflects the elimination of state net operating loss carryforwards resulting from formally exiting certain states during 2014 and was entirely offset by the U.S. valuation allowance. Tax reserve adjustments of $8 million primarily related to changes in uncertain tax benefits in connection with the Internal Revenue Service completing its audit during the fourth quarter of 2014 which was fully offset by the U.S. valuation allowance.

The Company's provision for income tax for continuing operations was $56 million for the year ended December 31, 2013. The favorable impact of foreign operations of $14 million includes a $1 million favorable variance due to income taxes on foreign earnings taxed at rates lower than the U.S. statutory rate and $57 million represents primarily U.S. foreign tax credit adjustments. These amounts were partially offset by $22 million of non-U.S. withholding taxes and $22 million of U.S. and non-U.S. income taxes related to the repatriation of earnings. The U.S. income tax consequences of these items approximate $35 million and were entirely offset by the U.S. valuation allowance. Tax reserve adjustments of $38 million primarily relate to reevaluating transfer pricing-related exposures in Europe and the United States due to audit closures during 2013. The $29 million impact of tax law changes is primarily attributable to tax reform in Mexico resulting in restoration of deferred tax assets, including net operating loss carryforwards, which were partially offset by a related valuation allowance of $26 million. The favorable $58 million variance related to the Yanfeng transactions primarily reflects the tax benefit associated with available foreign tax credits. The U.S. income tax consequences associated with the Yanfeng transactions approximate $54 million and were fully offset by the U.S. valuation allowance.

Deferred Income Taxes and 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. The Company recorded deferred tax liabilities, net of valuation allowances and excluding amounts held for sale, for U.S. and non-U.S. income taxes and non-U.S. withholding taxes of approximately $14 million and $27 million as of December 31, 2015 and 2014, respectively, on the undistributed earnings of certain consolidated and unconsolidated foreign affiliates as such earnings are intended to be repatriated in the foreseeable future. The amount the Company expects to repatriate is based upon a variety of factors including current year earnings of the foreign affiliates, foreign investment needs and the cash flow needs the Company has in the U.S. With the completion of the Company's business plan in December 2015, the Company reassessed the amount of foreign earnings determined to be permanently reinvested and concluded that the remaining amount will be repatriated to the U.S. in the foreseeable future. As such, the Company has recorded a deferred tax liability of $155 million which is fully offset against the U.S. valuation allowance as the Company anticipates the planned timing of future repatriations should be sheltered against existing U.S. tax attributes without jeopardizing anticipated U.S. cash flow needs. The Company has not provided for deferred income taxes or foreign withholding taxes on the remainder of undistributed earnings from consolidated foreign affiliates because such earnings are considered to be permanently reinvested. It is not practicable to determine the amount of deferred tax liability on such earnings as the actual tax liability, if any, is dependent on circumstances existing when remittance occurs.

Deferred tax assets are required to 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. In making this assessment, management considers evidence including, historical and projected financial performance, as well as the nature, frequency and severity of recent losses along with any other pertinent information.

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, including Germany and France, until sufficient positive evidence exists to reduce or eliminate the valuation allowances. While the Company believes it is more likely than not that its deferred tax assets will be realized, failure to achieve taxable income targets which considers, among other sources, future reversals of existing taxable temporary differences, would likely result in an increase in the valuation allowance in the applicable period.

The components of deferred income tax assets and liabilities, including amounts held for sale, are as follows:

	December 31	
	2015	**2014**
	(Dollars in Millions)	
Deferred Tax Assets:		
Employee benefit plans	$ 96	$ 130
Capitalized expenditures for tax reporting	26	36
Net operating losses and credit carryforwards	1,422	1,385
Fixed assets and intangibles	17	3
All other	140	230
Valuation allowance	(1,498)	(1,687)
Total deferred tax assets	$ 203	$ 97
Deferred Tax Liabilities:		
Fixed assets and intangibles	$ 24	$ 84
Investment in foreign affiliates, including withholding tax	159	36
All other	7	21
Total deferred tax liabilities	$ 190	$ 141
Net deferred tax assets (liabilities)	$ 13	$ (44)
Consolidated Balance Sheet Classification:		
Other current assets	$ —	$ 20
Other current assets held for sale	—	21
Other non-current assets	34	23
Other non-current assets held for sale	—	17
Other current liabilities	—	3
Other current liabilities held for sale	—	2
Deferred tax liabilities non-current	21	53
Deferred tax liabilities non-current held for sale	—	67
Net deferred tax assets (liabilities)	$ 13	$ (44)

At December 31, 2015, the Company had available non-U.S. net operating loss carryforwards and capital loss carryforwards of $1.3 billion and $4 million, respectively, which have carryforward periods ranging from 5 years to indefinite. The Company had available U.S. federal net operating loss carryforwards of $1.8 billion at December 31, 2015, which will expire at various dates between 2027 and 2030. U.S. foreign tax credit carryforwards are $396 million at December 31, 2015. These credits will begin to expire in 2020. The Company had available tax-effected U.S. state operating loss carryforwards of $21 million at December 31, 2015, which will expire at various dates between 2020 and 2035.

In connection with the Company's emergence from bankruptcy and resulting change in ownership on the Effective Date, an annual limitation was imposed on the utilization of U.S. net operating losses, U.S. credit carryforwards and certain U.S. built-in losses (collectively referred to as "tax attributes") under Internal Revenue Code ("IRC") Sections 382 and 383. The collective limitation is approximately $120 million per year on tax attributes in existence at the date of change in ownership. Additionally, the Company has approximately $396 million of U.S. foreign tax credits that are not subject to any current limitation since they were realized after the Effective Date.

If the Company were to have another change in ownership within the meaning of IRC Sections 382 and 383, its tax attributes could be further limited to an amount equal to its market capitalization at the time of the subsequent ownership change multiplied by the federal long-term tax exempt rate. The Company cannot provide any assurance that such an ownership change will not occur, in which case the availability of the Company's tax attributes could be significantly limited or possibly eliminated. In order to continue to protect the Company's pre and post-emergence period tax attributes and reduce the likelihood that the Company will experience an additional ownership change our second amended and restated certificate of incorporation provides, among other things, that any attempted transfer of the Company's securities during a Restricted Period shall be prohibited and void ab initio insofar as it purports to transfer ownership or rights in respect of such stock to the purported transferee to the extent that, as a result of such transfer, either any person or group of persons shall become a "5-percent shareholder" of Visteon pursuant to Treasury Regulation § 1.382-2T(g), other than a "direct public group" as defined in such regulation (a "Five-Percent Shareholder"), or the percentage stock ownership interest in Visteon of any Five-Percent Shareholder shall be increased.

The foregoing restriction does not apply to transfers if either the transferor or transferee gives written notice to the Board of Directors and obtains their approval. A Restricted Period means any period beginning when the Company's market capitalization falls below $1.5 billion (or such other level determined by the Board of Directors not more frequently than annually) and ending when such market capitalization has been above such threshold for 30 consecutive calendar days. These restrictions could prohibit or delay the accomplishment of an ownership change with respect to Visteon by (i) discouraging any person or group from being a Five-Percent Shareholder and (ii) discouraging any existing Five-Percent Shareholder from acquiring more than a minimal number of additional shares of Visteon's stock.

As of the end of 2015, valuation allowances totaling $1.5 billion have been recorded against the Company's deferred tax assets. Of this amount, $1.1 billion relates to the Company's deferred tax assets in the U.S. and $405 million relates to deferred tax assets in certain foreign jurisdictions, primarily Germany and France.

Unrecognized Tax Benefits, Inclusive of Discontinued Operations

The Company operates in multiple jurisdictions throughout the world and the income tax returns of its subsidiaries in various tax jurisdictions are subject to periodic examination by respective tax authorities. The Company regularly assesses the status of these examinations and the potential for adverse and/or favorable outcomes to determine the adequacy of its provision for income taxes. The Company believes that it has adequately provided for tax adjustments that it believes are more likely than not to be realized as a result of any ongoing or future examination. Accounting estimates associated with uncertain tax positions require the Company to make judgments regarding the sustainability of each uncertain tax position based on its technical merits. If the Company determines it is more likely than not a tax position will be sustained based on its technical merits, the Company records the largest amount that is greater than 50% likely of being realized upon ultimate settlement. These estimates are updated at each reporting date based on the facts, circumstances and information available. Due to the complexity of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the liabilities recorded.

Gross unrecognized tax benefits at December 31, 2015 and 2014 including amounts held for sale were $37 million and $60 million, respectively. Of these amounts approximately $29 million and $40 million, respectively, represent the amount of unrecognized benefits that, if recognized, would impact the effective tax rate. 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 should not impact the effective tax rate in current or future periods. The Company records interest and penalties related to uncertain tax positions as a component of income tax expense and related amounts accrued at December 31, 2015 and 2014 were $3 million and $27 million, respectively.

There were several items that impacted the Company’s unrecognized tax benefits resulting in a $13 million net reduction in income tax expense, inclusive of interest and penalties, as of December 31, 2015, of which $9 million and $4 million of income tax benefits were reflected in continuing operations and discontinued operations, respectively. During the first quarter of 2015, the Company received a favorable order from the Joint Commissioner of Income Tax in India related to numerous appeals in connection with assessments initiated over seven years ago associated with the transfer price used to value certain share transactions. During the first and second quarters of 2015, the Internal Revenue Service ("IRS") completed consecutive audits of the Company's U.S. climate affiliate for the 2011 through 2013 tax years. In connection with the Climate Transaction, the Company eliminated substantially all of the unrecognized tax benefits associated with the climate legal entities by $21 million. Also in connection with this transaction, the amount of unrecognized tax benefits that impact the rate increased by $12 million to reflect the anticipated U.S. income tax related to the 2015 tax year after utilizing available tax attributes. As described further below, as a consequence of the Company abandoning its pursuit of further appeals related to the alleged underpayment of withholding tax on dividends paid from its Korean affiliates, the Company recorded $7 million of income tax expense related to dividends paid from its former Korean affiliates in 2013 and 2014. In February 2016, the Company received, and subsequently paid, tax assessments from the Korean tax authorities in the amount of $7 million related to underpayment of withholding taxes.

During the fourth quarter of 2014, the IRS completed the audit of the Company's U.S. tax returns for the 2010 and 2011 tax years. The closing of the audit did not have a material impact on the Company's effective tax rate due to the valuation allowances maintained against the Company's U.S. tax attributes resulting in a decrease in unrecognized tax benefits of $25 million offset by $31 million related to adjustments not previously recognized. During 2014, the Company increased its gross unrecognized tax benefits to reflect the remeasurement of prior year uncertain tax positions as a result of completed reviews with updated financial and other measurement criteria in connection with certain incentives received by the Company's affiliates in Asia.

With few exceptions, the Company is no longer subject to U.S. federal tax examinations for years before 2012 or state and local, or non-U.S. income tax examinations for years before 2003 although U.S. net operating losses carried forward into open tax years technically remain open to adjustment. During the third quarter of 2015, the IRS contacted the Company to begin the examination process of the Company's U.S. tax returns for the 2012 and 2013 tax years. Although it is not possible to predict the timing of the resolution of all ongoing tax audits with accuracy, it is reasonably possible that certain tax proceedings in Europe and Asia (exclusive of the Korean withholding tax settlement described above) could conclude within the next twelve months and result in a significant increase or decrease in the balance of gross unrecognized tax benefits. 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. The long-term portion of uncertain income tax positions (including interest) in the amount of $25 million, is included in Other non-current liabilities, while the current portion in the amount of $7 million, is included in Other current liabilities on the consolidated balance sheet.

A reconciliation of the beginning and ending amount of unrecognized tax benefits including amounts attributable to discontinued operations is as follows:

	Year Ended December 31	
	2015	**2014**
	(Dollars in Millions)	
Beginning balance	$ 60	$ 73
Tax positions related to current period		
Additions	3	8
Tax positions related to prior periods		
Additions	12	8
Reductions	(35)	(25)
Settlements with tax authorities	(1)	(1)
Lapses in statute of limitations	(2)	(2)
Effect of exchange rate changes	—	(1)
Ending balance	$ 37	$ 60

In connection with the Climate Transaction, $377 million of Korean capital gains tax was withheld by the Purchasers and paid to the Korean government. As of December 31, 2015 the Company recorded $364 million related to the tax withheld, reflecting adverse exchange impacts of $17 million, partially offset by interest income of $4 million, both of which were reflected as discontinued operations income tax expense. The Company received $355 million of the Korean capital gains withholding tax in January 2016, representing the entire amount of the expected Korean capital gains tax refund as received in Korean won, including interest and adverse exchange impacts of $9 million. Also in connection with the Climate Transaction, the Company withdrew its appeals related to the alleged underpayment of withholding tax on dividends paid from its former Korean affiliates through 2012 and eliminated the various income tax refund claims previously recorded at the Climate legal entities.

During 2012, Brazilian tax authorities issued tax assessment notices to Visteon Sistemas Automotivos (“Sistemas”) of approximately $11 million, adjusted for currency impacts, related to the sale of its chassis business to a third party. During 2013, after attempts to reopen an appeal of the administrative decision failed, Sistemas opened a judicial proceeding against the government to address the notice, which required a deposit in the amount of the assessment to suspend the debt and allow Sistemas to operate regularly before the tax authorities. The Company believes that the risk of a negative outcome is remote once the matter is fully litigated at the highest judicial level.

In December 2015, the Portuguese tax authorities refunded $5 million related to an outstanding claim from 2000 representing the entire amount of the claim, including $2 million of interest recorded as income tax benefit from continuing operations. Appeal payments in Korea and Brazil, as well as income tax refund claims associated with other jurisdictions, total $376 million as of December 31, 2015, of which $364 million is included in Other current assets, while $12 million is included in Other non-current assets on the consolidated balance sheet.

NOTE 17. Stockholders’ Equity and Non-controlling Interests

Share Repurchase Program

In July 2012, the board of directors authorized the repurchase of up to $100 million of the Company's common stock. During 2012, the Company repurchased 1,005,559 shares of its outstanding common stock at an weighted average price of $49.72 per share, excluding commissions, for the aggregate purchase price of $50 million. In January 2013, the board of directors authorized an increase of share repurchase amount by an additional $200 million and brought the total share repurchase authorization to $300 million. In March 2013, the Company entered into an accelerated stock buyback ("ASB") program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. The program concluded in April 2013 and the Company received 2,209,078 shares in total. The final settlement price for all shares delivered under the program was $56.58.

In August 2013, the Company's board of directors raised the authorization of its remaining share repurchase program from $125 million to $1 billion over the next two years. The Company entered into another ASB program in August 2013 with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. This program concluded in December 2013 and the Company received 1,676,900 shares in total. The final settlement price for all shares delivered under the program was $74.54.

In May 2014, the Company announced another ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,394,157 shares of common stock using a reference price of $92.07, and an additional delivery of 1,129,001 shares of common stock following the conclusion of the hedge period which determined a certain minimum amount of shares guaranteed under a portion of the program that had a maximum per share price of $100.54. On October 15, 2014, the capped portion of the program concluded, and the Company received an additional 112,269 shares. The final settlement price for all shares delivered under the capped portion of the program was $96.19. On May 1, 2015, the uncapped portion of the program concluded, and the Company received an additional 534,214 shares. The final settlement price for all shares delivered under the uncapped portion of the program was $97.25.

On June 11, 2015, the Company's board of directors authorized an additional $125 million of share repurchase for a total of $500 million available for share repurchase. On June 15, 2015, the Company entered into another ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under the program, the Company paid the financial institution $500 million and received an initial delivery of 3,712,297 shares of common stock, which was approximately 80% of the total number of shares of the Company’s common stock expected to be repurchased under the ASB Agreement based on the closing price of the Company’s common stock on June 15, 2015. In December 2015, the program concluded and the Company received an additional 1,058,965 shares. The final settlement price for all shares delivered under this 2015 ASB program was $104.79.

On December 9, 2015, the Company's board of directors authorized $500 million of share repurchase of its shares of common stock through December 31, 2016. On December 16, 2015, the Company entered into a stock repurchase agreement with a third party financial institution to purchase shares of its common stock complying with the provisions of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934 (“10b5-1 Share Repurchase Program”). The new 10b5-1 Share Repurchase Program is open until March 1, 2016 with the maximum purchase amount of $150 million, net of commissions. Under this program, the third-party financial institution will repurchase the Company's shares at the prevailing market prices pursuant to specified share price and daily volume limits. Through February 19, 2016, the Company has purchased a total of approximately 1,307,500 shares with an weighted average price of $64.06 under this 10b5-1 Share Repurchase Program.

Distribution

On December 9, 2015, the Company declared a special distribution of $43.40 per share of its common stock outstanding as of January 15, 2016, or approximately $1.75 billion in the aggregate, payable on January 22, 2016 and classified as "Distribution payable" on the Consolidated Balance Sheet as of December 31, 2015. The special cash distribution is funded from Climate Transaction proceeds.

Treasury Stock

As of December 31, 2015, the Company's board of directors has authorized a total of $1.8 billion in share repurchases since July of 2012. As a result of the execution of the share repurchase program, the Company's treasury stock has increased. In 2012, open market repurchases under the share repurchase program contributed a total of 1,005,559 shares to treasury stock. The $125 million ASB that completed on April 17, 2013, contributed a total of 2,209,078 shares to treasury stock in 2013. The $125 million ASB that completed on December 20, 2013, contributed a total of 1,676,900 shares to treasury stock in 2013. The $500 million ASB program entered into on May 8, 2014, contributed a total of 4,635,427 shares to treasury stock in 2014. The $500 million ASB program entered into on June 16, 2015 contributed a total of 4,771,262 shares to treasury stock in 2015. At December 31, 2015 and 2014, the Company held approximately 15,180,000 and 10,080,000 shares of common stock in treasury for use in satisfying obligations under employee incentive compensation arrangements. The Company values shares of common stock held in treasury at cost.

Non-Controlling Interests

Non-controlling interests in the Visteon Corporation economic entity are as follows:

	December 31	
	2015	2014
	(Dollars in Millions)	
HVCC	$ —	$ 798
YFVE	100	118
SVAE	41	39
Other	1	1
Total non-controlling interests	$ 142	$ 956

In connection with the Electronics Acquisition, the Company acquired a controlling 60% interest in Shanghai Visteon Automotive Electronics Co., Ltd. ("SVAE"). In connection with the preliminary purchase price allocation, the non-controlling interest in SVAE was recorded at estimated fair value based on management's estimates, available information, and reasonable and supportable assumptions as of the July 1, 2014, transaction closing date. Additionally, the Company utilized a third-party to assist with the estimation of fair value. The estimated fair value of the non-controlling interest in SVAE was based on the discounted cash flows method, which is an income approach. This fair value measurement is classified within level 3 of the fair value hierarchy.

Warrants

The warrants to purchase up to 2,355,000 shares of common stock at an exercise price of $9.66 per share, which expire ten years from issuance ("Ten Year Warrants") may be net share settled and are recorded as permanent equity in the Company's consolidated balance sheets with 909 warrants outstanding at December 31, 2015 and 2014. The Ten Year Warrants were valued at $15.00 per share on October 1, 2010 using the Black-Scholes option pricing model. Significant assumptions used in determining the fair value of such warrants at issuance included share price volatility and risk-free rate of return. The volatility assumption was based on the implied volatility and historical realized volatility for comparable companies. The risk-free rate assumption was based on U.S. Treasury bond yields.

The warrants to purchase up to 1,552,774 shares of common stock at an exercise price of $58.80 per share with expiration of five years from issuance ("Five Year Warrants") may be net share settled and are recorded as permanent equity in the Company's consolidated balance sheets. The Five Year Warrants were valued at $3.62 per share on October 1, 2010 using the Black-Scholes option pricing model. Significant assumptions used in determining the fair value of such warrants at issuance included share price volatility and risk-free rate of return. The volatility assumption was based on the implied volatility and historical realized volatility for comparable companies. The risk-free rate assumption was based on U.S. Treasury bond yields. There were 806,436 Five Year Warrants outstanding at December 31, 2014. In 2015, 671,674 warrants were exercised and 134,762 warrants expired on October 15, 2015.

If the Company pays or declares a dividend or makes a distribution on common stock payable in shares of its common stock, the number of shares of common stock or other shares of common stock for which a Warrant (the Five Year Warrants and Ten Year Warrants, collectively) is exercisable shall be adjusted so that the holder of each Warrant shall be entitled upon exercise to receive the number of shares of common stock that such warrant holder would have owned or have been entitled to receive after the happening of any of the events described above, had such Warrant been exercised immediately prior to the happening of such event. In addition, if the Company pays an extraordinary dividend (as defined in each Warrant Agreement) to common share holders, then the exercise price shall be decreased effective immediately after the effective date of such extraordinary dividend, dollar-for-dollar by the fair market value of any securities or other assets paid or distributed on each share of common stock.

Accumulated Other Comprehensive Income (Loss)

Changes in AOCI and reclassifications out of AOCI by component includes:

	Year Ended December 31	
	2015	2014
	(Dollars in Millions)	
Changes in AOCI:		
Beginning balance	$ (299)	$ (12)
Other comprehensive loss before reclassification, net of tax	(73)	(247)
Amounts reclassified from AOCI	(10)	(40)
Divestitures	192	—
Ending balance	$ (190)	$ (299)
Changes in AOCI by component:		
Foreign currency translation adjustments		
Beginning balance	$ (138)	$ (37)
Other comprehensive loss before reclassification, net of tax (a)	(96)	(100)
Amounts reclassified from AOCI	(1)	(1)
Divestitures (b)	80	—
Ending balance	(155)	(138)
Benefit plans		
Beginning balance	(156)	25
Other comprehensive income (loss) before reclassification, net of tax (a)	—	(161)
Amounts reclassified from AOCI (c)	7	(20)
Divestitures (b)	113	—
Ending balance	(36)	(156)
Unrealized hedging gain (loss)		
Beginning balance	(5)	—
Other comprehensive income before reclassification, net of tax (d)	23	14
Amounts reclassified from AOCI (e)	(16)	(19)
Divestitures (b)	(1)	—
Ending balance	1	(5)
AOCI ending balance	$ (190)	$ (299)

(a) There were no income tax effects for either period due to the recording of valuation allowance.
(b) Amounts are included in Loss on Divestiture and Net income from discontinued operations, net of tax, on the Consolidated Statements of Operations.
(c) Amount included in the computation of net periodic pension cost. (See Note 14 Employee benefit plans for additional details.) Net tax expense of $3 million and net tax benefit of $8 million related to benefit plans for the years ended December 31, 2015 and 2014, respectively.

(d) Net tax expense of $2 million and benefit of $2 million are related to unrealized hedging gain (loss) for the year ended December 31, 2015 and 2014, respectively.
(e) Amount is included in Cost of sales in Consolidated Statement of Comprehensive Income.

Restricted Net Assets

Restricted net assets related to the Company's non-consolidated affiliates were approximately $56 million and $165 million, respectively, as of December 31, 2015 and 2014. Restricted net assets related to the Company's consolidated subsidiaries were approximately $156 million and $392 million, respectively as of December 31, 2015 and 2014. 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 18. Earnings (Loss) Per Share

A summary of information used to compute basic and diluted earnings (loss) per share attributable to Visteon is as follows:

	Year Ended December 31		
	2015	2014	2013
	(In Millions, Except Per Share Amounts)		
Numerator:			
Net income (loss) from continuing operations attributable to Visteon	$ 22	$ (98)	$ 555
Net income (loss) from discontinued operations attributable to Visteon	2,262	(197)	135
Net income (loss) attributable to Visteon	$ 2,284	$ (295)	$ 690
Denominator:			
Average common stock outstanding - basic	42.3	45.8	50.0
Dilutive effect of warrants and PSUs	1.1	—	1.1
Diluted shares	43.4	45.8	51.1
Basic and Diluted Per Share Data:			
Basic earnings (loss) per share attributable to Visteon:			
Continuing operations	$ 0.52	$ (2.14)	$ 11.10
Discontinued operations	53.48	(4.30)	2.70
	$ 54.00	$ (6.44)	$ 13.80
Diluted earnings (loss) per share attributable to Visteon:			
Continuing operations	$ 0.51	$ (2.14)	$ 10.86
Discontinued operations	52.12	(4.30)	2.64
	$ 52.63	$ (6.44)	$ 13.50

The potentially dilutive impact of common stock and certain common stock equivalents including warrants, performance-based share units, and stock options were excluded from the computation of weighted average diluted shares outstanding as inclusion of such items would be anti-dilutive. All common stock equivalents including warrants, performance-based share units, and stock options were dilutive and included in the computation of weighted average diluted shares outstanding for the year ended December 31, 2015, for the years ended December 31, 2014 and 2013 such anti-dilutive items are summarized as follows:

	Year Ended December 31	
	2014	2013
	(In Millions, Except Per Share Amounts)	
Number of warrants	1.3	—
Exercise price	$ 58.80	$ —
Number of performance stock units	1.0	0.1
Number of stock options	0.1	0.2
Exercise price	$ 53.48 - $ 84.67	$ 44.55 - $ 74.08

NOTE 19. Fair Value Measurements

Fair Value Hierarchy

The Company uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. 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.

- 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 fair value hierarchy for assets and liabilities measured at fair value on a recurring basis, excluding those held for sale, are as follows.

	December 31, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(Dollars in Millions)			
Asset Category:				
Retirement plan assets	$ 270	$ 377	$ 131	$ 778
Foreign currency instruments	—	7	—	7
Liability Category:				
Foreign currency instruments	$ —	$ 1	$ —	$ 1
Interest rate swaps	—	1	—	1

	December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(Dollars in Millions)			
Asset Category:				
Retirement plan assets	$ 304	$ 423	$ 300	$ 1,027
Foreign currency instruments	—	3	—	3
Liability Category:				
Foreign currency instruments	$ —	$ 15	$ —	$ 15

Foreign currency 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 due to their relatively short-term maturities.

Retirement Plan Assets

Retirement plan assets consist of the following:

- Cash and cash equivalents represent assets that are immediately available or are highly liquid and not subject to significant market risk. These assets are comprised of short-term sovereign debt or high credit-quality money market securities held directly by the plan or via a registered investment fund and are categorized as Level 1. Cash and cash equivalent assets denominated in currencies other than the U.S. dollar are reflected in U.S. dollar terms at the exchange rate prevailing at the balance sheet dates.
- Registered investment companies are mutual funds that are registered with the Securities and Exchange Commission. Mutual funds may invest in various types of securities or combinations thereof including equities, fixed income securities, and other assets that are subject to varying levels of market risk and are categorized as Level 1. The share prices for mutual funds are published at the close of each business day.
- Treasury and government securities consist of debt securities issued by the U.S. and non-U.S. sovereign governments and agencies, thereof. Assets with a high degree of liquidity and frequent trading activity are categorized as Level 1 while others are valued by independent valuation firms that employ standard methodologies associated with valuing fixed-income securities and are categorized as Level 2.
- Corporate debt securities consist of fixed income securities issued by corporations. Assets with a high degree of liquidity and frequent trading activity are categorized as Level 1 while others are valued by independent valuation firms that employ standard methodologies associated with valuing fixed-income securities and are categorized as Level 2.
- Common trust funds are comprised of shares or units in commingled funds that are not publicly traded. The underlying assets in these funds, including equities and fixed income securities, are generally publicly traded in regulated markets that provide readily available market prices and are categorized as Level 1. Funds for which the underlying assets do not have readily available market prices and are categorized as Level 2.
- Liability Driven Investing (“LDI”) is an investment strategy that utilizes interest-rate swaps and other financial derivative instruments intended to hedge the changes in pension liabilities associated with changes in the actuarial discount rate as applied to the plan’s liabilities. The valuation methodology of the financial derivative instruments contained in this category of assets utilizes standard pricing models associated with fixed income derivative instruments and are categorized as Level 2.
- Other investments include miscellaneous assets and liabilities and are primarily comprised of pending transactions and collateral settlements and are categorized as Level 2.
- Global tactical asset allocation funds (“GTAA”) are common trust funds that are not publicly traded. GTAA investment managers have broad discretion to vary the funds allocation over time across many conventional as well as alternative asset classes in an attempt to exploit short-term mis-pricings among a global set of assets within specific strategy guidelines. The underlying assets in these funds may include equities or fixed-income securities transacted in active markets as well as other assets that have values less readily observable and may require valuation techniques that require inputs that not readily observable. Generally, monthly notice is required to redeem these funds. These assets are categorized as Level 3 and are generally valued based on their respective net asset values (or equivalent) as a practical expedient to estimate fair value due to the absence of readily available market prices.
- Limited partnership is an asset category intended to represent investments in hedge funds of funds (“HFF”). A fund of hedge funds is an investment vehicle that consists of a portfolio invested in multiple hedge funds. Due to the private nature of the partnership investments, pricing inputs are not readily observable. Asset valuations are developed by the general partners that manage the partnerships. Generally, monthly or quarterly notice is required to redeem these funds. These assets are categorized as Level 3 and are generally valued based on their respective net asset values (or equivalent) as a practical expedient to estimate fair value due to the absence of readily available market prices.
- Insurance contracts are reported at cash surrender value and have significant unobservable inputs and are categorized as Level 3.

The fair values of the Company’s U.S. retirement plan assets are as follows:

Asset Category	December 31, 2015 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(Dollars in Millions)			
Registered investment companies	$ 152	$ —	$ —	$ 152
Common trust funds	—	258	—	258
LDI	—	85	—	85
Limited partnerships	—	—	107	107
Short-term investments	—	2	—	2
Total	$ 152	$ 345	$ 107	$ 604

Asset Category	December 31, 2014 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(Dollars in Millions)			
Registered investment companies	$ 167	$ —	$ —	$ 167
Common trust funds	—	294	—	294
LDI	—	89	—	89
Limited partnerships	—	—	120	120
Short-term investments	—	6	—	6
Total	$ 167	$ 389	$ 120	$ 676

The fair value measurements which used significant unobservable inputs are as follows:

Actual Return on Plan Assets	GTAA	Limited Partnerships	Insurance Contracts
	(Dollars in Millions)		
December 31, 2012	$ 140	$ 139	$ 8
Relating to assets still held at the reporting date	(16)	15	—
Purchases, sales and settlements	(54)	93	—
December 31, 2013	$ 70	$ 247	$ 8
Relating to assets still held at the reporting date	—	4	—
Purchases, sales and settlements	(70)	(62)	(8)
Transfer to Level 2	—	(69)	—
December 31, 2014	$ —	$ 120	$ —
Return on assets held at the reporting date	—	(3)	—
Purchases, sales and settlements	—	(10)	—
Transfer out	—	—	—
December 31, 2015	$ —	$ 107	$ —

The transfer from Level 3 to Level 2 is due to the increase in the availability of observable inputs in determining the fair value of this investment. The Company's policy is that such transfers occur at the beginning of the reporting period.

The fair values of the Company's Non-U.S. retirement plan assets, excluding those held for sale, are as follows:

Asset Category	December 31, 2015 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(Dollars in Millions)			
Registered investment companies	$ 84	$ —	$ —	$ 84
Treasury and government securities	24	25	—	49
Cash and cash equivalents	4	—	—	4
Corporate debt securities	4	5	—	9
Common and preferred stock	2	—	—	2
Common trust funds	—	4	—	4
Limited partnerships	—	—	14	14
Insurance contracts	—	—	10	10
Other	—	(2)	—	(2)
Total	$ 118	$ 32	$ 24	$ 174

Asset Category	December 31, 2014 Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(Dollars in Millions)			
Registered investment companies	$ 83	$ —	$ —	$ 83
Treasury and government securities	26	21	—	47
Cash and cash equivalents	9	—	—	9
Corporate debt securities	7	3	—	10
Common and preferred stock	3	—	—	3
Common trust funds	9	5	—	14
Limited Partnerships	—	—	11	11
Insurance contracts	—	—	169	169
Other	—	5	—	5
Total	$ 137	$ 34	$ 180	$ 351

Fair value measurements which used significant unobservable inputs are as follows:

Actual Return on Plan Assets	Insurance Contracts	Limited Partnership
	(Dollars in Millions)	
December 31, 2012	$ 190	$ 14
Return on assets held at the reporting date	11	1
Purchases, sales and settlements	(16)	(5)
December 31, 2013	$ 185	$ 10
Return on assets held at the reporting date	(14)	1
Purchases, sales and settlements	(2)	—
December 31, 2014	$ 169	$ 11
Return on assets held at the reporting date	—	(1)
Purchases, sales and settlements	—	4
Divestitures	(159)	—
December 31, 2015	$ 10	$ 14

Items Measured at Fair Value on a Non-recurring Basis

In addition to items that are measured at fair value on a recurring basis, the Company measures certain assets and liabilities at fair value on a non-recurring basis, which are not included in the table above. As these non-recurring fair value measurements are generally determined using unobservable inputs, these fair value measurements are classified within Level 3 of the fair value hierarchy. As further described in Note 3, "Business Acquisitions", the Company utilized a third party to assist in the fair value determination of the preliminary purchase price allocation for the Electronics Acquisition. Management's allocation of fair values to asset and liabilities was completed through a combination of cost, market and income approaches. These fair value measurements are classified within Level 3 of the fair value hierarchy. As further described in Note 4, "Divestitures", the fair value of the assets and liabilities subject to the Interiors Divestiture was less than the carrying value. As a result, the long-lived assets were reduced to zero and impairment loss of $4 million and $190 million was recorded in the years ended December 31, 2015 and 2014, respectively. As the impairment was determined using other observable inputs, the fair value measurements are classified within Level 2 of the fair value hierarchy. Other assets considered "held for sale" may be impaired in comparing the purchase price, considered fair value, to the carrying value. The Company recorded $1 million of asset impairment associated with assets held for sale for the year ended December 31, 2015 classified as "Other expense, net" in the Consolidated Statements of Operations.

Fair Value of Debt

The fair value of debt, excluding amounts classified as held for sale, was approximately $385 million and $613 million at December 31, 2015 and December 31, 2014, respectively. Fair value estimates were based on quoted market prices or current rates for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. Accordingly, the Company's debt is classified as Level 1, "Market Prices" and Level 2, "Other Observable Inputs" in the fair value hierarchy, respectively.

NOTE 20. Financial Instruments

The Company is exposed to various market risks including, but not limited to, changes in foreign currency exchange rates and market interest rates. The Company manages these risks, in part, through the use of derivative financial instruments. The maximum length of time over which the Company hedges the variability in the future cash flows for forecast transactions excluding those forecast transactions related to the payment of variable interest on existing debt is up to eighteen months from the date of the forecast transaction. The maximum length of time over which the Company hedges forecast transactions related to the payment of variable interest on existing debt is the term of the underlying debt. The use of derivative financial instruments creates exposure to credit loss in the event of nonperformance by the counter-party to the derivative financial instruments. The Company limits this exposure by entering into agreements including master netting arrangements directly with a variety of major financial institutions with high credit standards that are expected to fully satisfy their obligations under the contracts. Additionally, the Company's ability to utilize derivatives to manage risks is dependent on credit and market conditions.

Accounting for Derivative Financial Instruments

Derivative financial instruments are recorded as 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 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 transaction, including designation of the instrument as a fair value hedge, a cash flow hedge or a hedge of a net investment in a foreign operation. Additionally, at inception and at least quarterly thereafter, the Company formally assesses 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.

For a designated cash flow hedge, the effective portion of the change in the fair value of the derivative instrument is recorded in AOCI in the consolidated balance sheet. When the underlying hedged transaction is realized, the gain or loss included in AOCI is recorded in earnings and reflected in the consolidated statement of operations on the same line as the gain or loss on the hedged item attributable to the hedged risk. Any ineffective portion of a financial instrument's change in fair value is immediately recognized in operating results. For a designated fair value hedge, both the effective and ineffective portions of the change in the fair value of the derivative instrument are recorded in earnings and reflected in the consolidated statement of operations on the same line as the gain or loss on the hedged item attributable to the hedged risk. For a designated net investment hedge, the effective portion of the change in the fair value of the derivative instrument is recorded as a cumulative translation adjustment in AOCI in the consolidated balance sheet. Cash flows associated with designated hedges are reported in the same category as the underlying hedged item. Derivatives not designated as a hedge are adjusted to fair value through operating results. Cash flows associated with derivatives are reported in Net cash provided from operating activities in the Company’s consolidated statements of cash flows.

Foreign Currency Exchange Rate Risk

Foreign Exchange Risk: The Company’s net cash inflows and outflows exposed to the risk of changes in foreign currency 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, investments in subsidiaries and anticipated foreign currency denominated transactions. The Company utilizes derivative financial instruments, including forward and option contracts, to reduce impact to the Company’s cash flow from changes in exchange rates. Foreign currency exposures are reviewed periodically and any natural offsets are considered prior to entering into a derivative financial instrument. The Company’s current primary hedged foreign currency exposures include the Euro, Japanese Yen and Mexican Peso. Where possible, the Company utilizes a strategy of partial coverage for transactions in these currencies.

As of December 31, 2015 and 2014, the Company had derivative instruments that consisted primarily of option and forward contracts to hedge changes in foreign currency exchange rates with notional amounts of approximately $264 million and $2,379 million, respectively. Fair value estimates of these contracts are based on quoted market prices and other observable inputs. The December 31, 2015 instruments have been designated as cash flow hedges with the effective portion of the gain or loss reported in the AOCI component of Stockholders’ equity in the Company’s consolidated balance sheet.

During 2015, the Company entered into currency exchange derivatives with a notional amounts to manage foreign currency exposure on certain non-U.S. denominated foreign entities. These derivatives have been designated as hedges of the Company's net investments in European affiliates with the effective portion of the gain or loss reported in the "Accumulated other comprehensive loss" component of Stockholder's equity in the Company's consolidated balance sheet. There was no ineffectiveness associated with these derivatives as of December 31, 2015 and the fair value of such derivatives was an asset of $4 million.

During the year ended December 31, 2014, the Company entered into a foreign currency option contract with a notional value of $2,229 million to manage foreign currency exposure on anticipated KRW denominated proceeds in connection with the Climate Transaction. Approximately $660 million of this option contract was designated as a hedge of the Company's net investment in HVCC with the effective portion of the gain or loss reported in the AOCI component of Stockholders’ equity in the Company’s consolidated balance sheets. The gain or loss from the non-designated portion of this foreign currency option contract is recorded as "Other expense, net" in the Company’s consolidated statement of operations. Final settlement of these hedges occurred during the second quarter of 2015 in connection with the closing of the Climate Transaction.

Interest Rate Risk: The Company is subject to interest rate risk principally in relation to variable-rate debt. The Company uses derivative financial instruments to manage exposure to fluctuations in interest rates in connection with its risk management policies.

During 2015, the Company entered into interest rate swaps with a notional amount of $150 million that effectively convert designated cash flows associated with underlying interest payments on the Term Facility from a variable interest rate to a fixed interest rate, the maturities of these swaps will not exceed the underlying Term Facility. The instruments have been designated as cash flow hedges with the effective portion of the gain or loss reported in "Accumulated other comprehensive loss" component of Stockholders' equity in the Company's consolidated balance sheets and such gains and losses will be reclassified at the time the underlying hedged transactions are realized. 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 comprehensive income. As of December 31, 2015 there was no ineffectiveness associated with these derivatives and the fair value was a liability of $1 million.

The interest rate swaps 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. Accordingly, the Company's interest rate swaps are classified as Level 2, "Other Observable Inputs" in the fair value hierarchy.

Financial Statement Presentation

The Company presents its derivative positions and any related material collateral under master netting agreements on a net basis. Derivative financial instruments designated and non-designated as hedging instruments are included in the Company’s consolidated balance sheets at December 31, 2015 and 2014 as follows:

	Assets			Liabilities		
Risk Hedged	**Classification**	**2015**	**2014**	**Classification**	**2015**	**2014**
			(Dollars in Millions)			
Designated:						
Foreign currency	Other current assets	$ 7	$ 5	Other current assets	$ 1	$ 2
Foreign currency	Other current liabilities	—	1	Other current liabilities	—	6
Interest Rate Swaps	Other current liabilities	—	—	Other current liabilities	1	—
Non-designated:						
Foreign currency	Other current liabilities	—	—	Other current liabilities	—	10
		$ 7	$ 6		$ 2	$ 18

Foreign Currency Derivatives and Interest Rate Swaps	Gross Amount Recognized December 31		Gross Amounts Offset in the Statement of Financial Position December 31		Net Amounts Presented in the Statement of Financial Position December 31	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
			(Dollars in Millions)			
Assets:						
Designated	$ 7	$ 5	$ 1	$ 2	$ 6	$ 3
	$ 7	$ 5	$ 1	$ 2	$ 6	$ 3
Liabilities:						
Designated	$ 1	$ 6	$ —	$ 1	$ 1	$ 5
Non-designated	—	10	—	—	—	10
	$ 1	$ 16	$ —	$ 1	$ 1	$ 15

Gains and losses on derivative financial instruments, which includes both continuing and discontinued operations, for the year ended December 31, 2015 and 2014 are as follows:

	Amount of Gain (Loss)					
	Recorded in AOCI, net of tax		Reclassified from AOCI into Income		Recorded in Income	
	2015	2014	2015	2014	2015	2014
	(Dollars in Millions)					
Foreign currency risk – Cost of sales:						
Cash flow hedges	$ 33	$ (4)	$ 8	$ 19	$ —	$ —
Non-designated cash flow hedges	—	—	—	—	(3)	1
Foreign currency risk – Other expense:						
KRW option and forward contracts	(4)	(5)	8	—	3	(10)
Non-designated cash flow hedges	—	—	—	—	(4)	—
	$ 29	$ (9)	$ 16	$ 19	$ (4)	$ (9)

Commodity Risk

The Company's exposures to market risk from changes in the price of production material are managed primarily through negotiations with suppliers and customers, although there can be no assurance that the Company will recover all such costs. While the Company periodically evaluates derivatives available in the marketplace, currently no such derivatives are utilized to manage or hedge the Company's commodity risks.

Concentrations of Credit Risk

Financial instruments including cash equivalents, derivative contracts, and accounts receivable, expose the Company to counter-party credit risk for non-performance. The Company's counterparties for cash equivalents 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 substantially 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 counter-party and through monitoring counter-party credit risks. The Company's concentration of credit risk related to derivative contracts at December 31, 2015 and 2014 is not material.

Ford, Mazda and Nissan/Renault are the Company's largest customers and in 2015 accounted for sales of approximately 34%, 16% and 14%, respectively. In 2014 and 2013 Ford accounted for 41% and 52%, respectively, Mazda and Nissan/Renault individually did not account for greater than 10% of sales for 2014 and 2013. The Company's credit risk with any individual customer does not exceed ten percent of total accounts receivable except for Ford and its affiliates which represent 18% and 22%, and Mazda which represent 10% and 7% at December 31, 2015 and 2014, respectively.

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

NOTE 21. Commitments and Contingencies

Litigation and Claims

In 2003, the Local Development Finance Authority of the Charter Township of Van Buren, Michigan (the "Township") issued approximately $28 million in bonds finally maturing in 2032, the proceeds of which were used at least in part to assist in the development of the Company's U.S. headquarters located in the Township. During January 2010, the Company and the Township entered into a settlement agreement (the "Settlement Agreement") that, among other things, reduced the taxable value of the headquarters property to current market value and facilitated certain claims of the Township in the Company's chapter 11 proceedings. The Settlement Agreement also provided that the Company would continue to negotiate in good faith with the Township in the event that property tax payments was inadequate to permit the Township to meet its payment obligations with respect to the bonds. In September 2013, the Township notified the Company in writing that it is estimating a shortfall in tax revenues of between $25 million and $36 million, which could render it unable to satisfy its payment obligations under the bonds. On May 12, 2015, the Township commenced a proceeding against the Company in the U. S. Bankruptcy Court for the District of Delaware in connection with the foregoing. Upon the Company's motion to dismiss, the Township dismissed the proceeding before the Delaware Bankruptcy Court and re-commenced the proceeding against the Company in the Michigan Wayne County

Circuit Court on July 2, 2015. The Township sought a declaratory judgment that, among other things, the Company is responsible under the Settlement Agreement for payment of any shortfall in the bond debt service payments. The Company filed a motion for summary disposition in August 2015 on the basis that the Township's claims were not ripe for adjudication. In February 2016, the court granted the Company's motion and dismissed the Township's complaint without prejudice. In the event of an appeal or other recommencement of the proceedings, the Company continues to dispute the factual and legal assertions made by the Township and intends to vigorously defend the matter. The Company is not able to estimate the possible loss or range of loss in connection with this matter.

In November 2013, the Company and HVCC, jointly filed an Initial Notice of Voluntary Self-Disclosure statement with the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") regarding certain sales of automotive HVAC components by a minority-owned, Chinese joint venture of HVCC into Iran. The Company updated that notice in December 2013, and subsequently filed a voluntary self-disclosure regarding these sales with OFAC in March 2014. In May 2014, the Company voluntarily filed a supplementary self-disclosure identifying additional sales of automotive HVAC components by the Chinese joint venture, as well as similar sales involving an HVCC subsidiary in China, totaling approximately $12 million, and filed a final voluntary-self disclosure with OFAC on October 17, 2014. OFAC is currently reviewing the results of the Company's investigation. Following that review, OFAC may conclude that the disclosed sales resulted in violations of U.S. economic sanctions laws and warrant the imposition of civil penalties, such as fines, limitations on the Company's ability to export products from the United States, and/or referral for further investigation by the U.S. Department of Justice. Any such fines or restrictions may be material to the Company's financial results in the period in which they are imposed, but is not able to estimate the possible loss or range of loss in connection with this matter. Additionally, disclosure of this conduct and any fines or other action relating to this conduct could harm the Company's reputation and have a material adverse effect on our business, operating results and financial condition. The Company cannot predict when OFAC will conclude its own review of our voluntary self-disclosures or whether it may impose any of the potential penalties described above.

The Company's operations in Brazil are subject to highly complex labor, tax, customs and other laws. While the Company believes that it is in compliance with such laws, it is periodically engaged in litigation regarding the application of these laws. As of December 31, 2015, the Company maintained accruals of approximately $7 million for claims aggregating approximately $69 million. The amounts accrued represent claims that are deemed probable of loss and are reasonably estimable based on the Company's assessment of the claims and prior experience with similar matters.

While the Company believes its accruals for litigation and claims are adequate, the final amounts required to resolve such matters could differ materially from recorded estimates and the Company's results of operations and cash flows could be materially affected.

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, inclusive of amounts of discontinued operations for the selected periods:

	Year Ended December 31	
	2015	2014
	(Dollars in Millions)	
Beginning balance	$ 46	$ 49
Accruals for products shipped	15	16
Change in estimates	(1)	(1)
Specific cause actions	17	6
Recoverable warranty/recalls	5	—
Foreign currency translation	(2)	(1)
Business divestiture	(25)	(2)
Settlements	(17)	(21)
Ending balance, including held for sale	38	46
Less: Held for sale	—	25
Ending balance	$ 38	$ 21

Guarantees and Commitments

The Company provided a loan guarantee to YFVIC, a 50% owned joint venture, in connection with the October 14, 2014 YFVIC acquisition of a 49% direct ownership in YFVE. The guarantee contains standard non-payment provisions to cover the borrowers in event of non-payment of principal, accrued interest, and other fees for its five year tenor. The outstanding loan is approximately $31 million at December 31, 2015.

As part of the agreements of the Climate Transaction and Interiors Divestiture, the Company continues to provide lease guarantees to divested HVCC and Interiors entities. As of December 31, 2015, the Company has approximately $12 million and $15 million outstanding guarantees respectively related to divested HVCC and Interiors entities. These guarantees will generally cease upon expiration of current lease agreements.

Environmental Matters

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations and ordinances. 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. The Company is aware of contamination at some of its properties. These sites are in various stages of investigation and cleanup. The Company currently is, has been, and in the future may become the subject of formal or informal enforcement actions or procedures.

Costs related to environmental assessments and remediation efforts at operating facilities, previously owned or operated facilities, 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 non-current liabilities" in the consolidated balance sheets. At December 31, 2015, the Company had recorded a reserve of less than $1 million for environmental matters. 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.

Operating Leases

At December 31, 2015, excluding amounts related to discontinued operations, the Company had the following minimum rental commitments under non-cancelable operating leases: 2016 — $23 million; 2017 — $18 million; 2018 — $15 million; 2019 — $14 million; 2020 — $13 million; thereafter — $65 million. Rent expense was approximately $45 million, $36 million, and $26 million for the years ended December 31, 2015, 2014 and 2013, respectively.

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. 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.

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, 2015 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.

NOTE 22. Segment Information

Financial results for the Company's reportable segments have been prepared using a management approach, which is consistent with the basis and manner in which financial information is evaluated by the Company's chief operating decision-making group in allocating resources and in assessing performance. The Company’s chief operating decision making group, comprised of the Chief Executive Officer and Chief Financial Officer, evaluates the performance of the Company’s segments primarily based on net sales, before elimination of inter-company shipments, Adjusted EBITDA (non-GAAP financial measure) and operating assets.

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.

The Company’s reportable segments are as follows:

- Electronics — Electronics segment provides cockpit electronics products, including audio systems, information displays, instrument clusters, head up displays, infotainment systems, and telematics solutions. Electronics accounted for approximately 95%, 90%, and 81% of the Company’s total product sales, excluding intra-product group eliminations, for the years ended December 31, 2015, 2014 and 2013, respectively.

- Other — Other includes entities located in South America and Europe previously associated with the Interiors and Climate businesses but not subject to discontinued operations classification. On December 1, 2015, Visteon completed the Germany Interiors Divestiture with sales of $86 million and $131 million for the years ended December 31, 2015 and 2014, respectively. Other accounted for approximately 5%, 10%, and 19% of the Company’s total product sales, excluding intra-product group eliminations, for the years ended December 31, 2015, 2014 and 2013, respectively.

Key financial measures reviewed by the Company’s chief operating decision makers are as follows.

Segment Sales

	Year Ended December 31		
	2015	**2014**	**2013**
		(Dollars in Millions)	
Electronics	$ 3,107	$ 2,386	$ 1,455
Other	153	251	345
Eliminations	(15)	(51)	(76)
Total consolidated sales	$ 3,245	$ 2,586	$ 1,724

Segment Adjusted EBITDA

The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, loss on debt extinguishment, equity in net income of non-consolidated affiliates, loss on divestiture, gain on non-consolidated affiliate transactions, other net expense, provision for income taxes, discontinued operations, net income attributable to non-controlling interests, non-cash stock-based compensation expense, pension settlement gains and other non-operating gains and losses.

Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. Not all companies use identical calculations and, accordingly, the Company's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Adjusted EBITDA is not a recognized term under GAAP and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses Adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies and (iii) the Company's credit agreements use measures similar to Adjusted EBITDA to measure compliance with certain covenants.

Segment Adjusted EBITDA for the years ended December 31, 2015, 2014 and 2013 is summarized below.

	Year Ended December 31		
	2015	**2014**	**2013**
	(Dollars in Millions)		
Electronics	$ 348	$ 221	$ 121
Other	(12)	6	19
Total segment Adjusted EBITDA	336	227	140
Reconciling Item:			
Corporate	(54)	(50)	(59)
Total consolidated Adjusted EBITDA	$ 282	$ 177	$ 81

The reconciliation of Adjusted EBITDA to net income (loss) attributable to Visteon for the years ended December 31, 2015, 2014 and 2013 is as follows:

	Year Ended December 31		
	2015	2014	2013
	(Dollars in Millions)		
Adjusted EBITDA	$ 282	$ 177	$ 81
Depreciation and amortization	85	70	41
Restructuring expense	36	54	21
Interest expense, net	14	21	35
Loss on debt extinguishment	5	23	2
Equity in net income of non-consolidated affiliates	(7)	(2)	(202)
Loss on divestiture	105	—	—
Gain on non-consolidated affiliate transactions	(62)	(2)	(470)
Other expense, net	25	61	23
Provision for income taxes	27	32	56
Net (income) loss from discontinued operations, net of tax	(2,286)	131	(220)
Net income attributable to non-controlling interests	44	89	85
Non-cash, stock-based compensation expense	8	12	16
Pension settlement gain	—	(25)	—
Other	4	8	4
Net income (loss) attributable to Visteon Corporation	$ 2,284	$ (295)	$ 690

Segment Operating Assets

	Inventories, net		Property and Equipment, net	
	2015	2014	2015	2014
	(Dollars in Millions)			
Electronics	$ 173	$ 187	$ 328	$ 317
Other	14	21	9	26
Total segment operating assets	187	208	337	343
Corporate	—	—	14	20
Total consolidated operating assets	$ 187	$ 208	$ 351	$ 363

Segment Expenditures

	Depreciation and Amortization			Capital Expenditures		
	Year Ended December 31			Year Ended December 31		
	2015	2014	2013	2015	2014	2013
	(Dollars in Millions)			(Dollars in Millions)		
Electronics	$ 77	$ 56	$ 30	$ 99	$ 87	$ 46
Other	2	8	2	4	2	9
Total segment	79	64	32	103	89	55
Corporate	6	6	9	3	7	1
Total consolidated	$ 85	$ 70	$ 41	$ 106	$ 96	$ 56

Corporate includes depreciation and amortization and capital expenditures attributable to the Company's technical centers, corporate headquarters and other administrative and support functions.

Financial Information by Geographic Region

	Sales *(a)*			Property and Equipment, net	
	Year Ended December 31				
	2015	2014	2013	2015	2014
	(Dollars in Millions)				
United States	$ 844	$ 739	$ 538	$ 14	$ 24
Mexico	73	43	26	59	57
North America	917	782	564	73	81
Portugal	419	470	443	57	52
Slovakia	262	118	—	27	25
Germany	86	115	125	3	19
Tunisia	185	106	—	15	15
France	144	90	—	26	31
Hungary	—	—	70	—	—
Other Europe	98	74	56	14	18
Intra-region eliminations	(71)	(48)	(43)	—	—
Europe	1,123	925	651	142	160
China	688	578	87	69	58
Japan	498	240	128	11	10
India	73	66	52	25	21
Thailand	86	56	62	10	6
Korea	20	23	23	1	1
Intra-region eliminations	(171)	(76)	(10)	—	—
Asia	1,194	887	342	116	96
South America	124	182	227	20	26
Inter-region eliminations	(113)	(190)	(60)	—	—
	$ 3,245	$ 2,586	$ 1,724	$ 351	$ 363

(a) Sales are based on geographic areas in which the Company operates.

NOTE 23. Summary Quarterly Financial Data (Unaudited)

The following table presents summary quarterly financial data for continuing operations.

	2015				2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in Millions, Except Per Share Amounts)							
Sales	$ 816	$ 812	$ 808	$ 809	$ 502	$ 503	$ 793	$ 788
Gross margin	112	99	105	114	73	57	93	117
Income (loss) from continuing operations before income taxes	33	89	31	(84)	14	(38)	(11)	(8)
Net income (loss) from continuing operations	24	65	21	(68)	1	(36)	(21)	(19)
Net income (loss)	70	2,224	10	24	48	(141)	1	(114)
Net income (loss) attributable to Visteon Corporation	$ 50	$ 2,208	$ 5	$ 21	$ 19	$ (155)	$ (21)	$ (138)
Per Share Data:								
Basic earnings (loss) per share attributable to Visteon Corporation	$ 1.13	$ 50.88	$ 0.12	$ 0.52	$ 0.39	$ (3.35)	$ (0.48)	$ (3.12)
Diluted earnings (loss) per share attributable to Visteon Corporation	$ 1.10	$ 49.73	$ 0.12	$ 0.52	$ 0.38	$ (3.35)	$ (0.48)	$ (3.12)

For the quarter ended December 31, 2015, net income (loss) from continuing operations and net income (loss) attributable to Visteon Corporation includes income of approximately $11 million and $5 million, respectively, for corrections of overstated liabilities and discontinued operations related to previous quarters in 2015 and 2014.

Net income (loss) and net income (loss) attributable to Visteon Corporation for the quarter ended June 30, 2015 included a gain on the Climate Transaction of $2.3 billion and a gain on sale of non-consolidated affiliates of $62 million. Net income (loss) and net income (loss) attributable to Visteon Corporation for the quarter ended December 31, 2015 included a loss on the Germany Interiors Divestiture of $105 million.

Sales for the quarters ended September 30, 2014 through December 31, 2015 include the impacts of the Electronics Acquisition effective July 1, 2014.

Net income (loss) and net income (loss) attributable to Visteon Corporation for the quarters ended June 30, 2014, September 30, 2014 and December 31, 2014 included an impairment loss of $173 million, $15 million and $2 million as the long-lived assets subject to Interiors Divestiture were written down in their entirety. In addition, net income (loss) and net income (loss) attributable to Visteon Corporation for the quarter ended December 31, 2014 included a loss of $136 million associated with the Master Closing and India Closing of the Interiors Divestiture.

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, 2015, 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, 2015.

Internal Control over Financial Reporting

Management's report on internal control over financial reporting is presented in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K along with the attestation report of Ernst & Young LLP, the Company's independent registered public accounting firm, on the effectiveness of internal control over financial reporting as of December 31, 2015. There were no changes in the Company's internal control over financial reporting during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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 - Board Committees,” "2017 Stockholder Proposals and Nominations" and “Section 16(a) Beneficial Ownership Reporting Compliance” in its 2016 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 Chief Executive Officer, the Chief Financial Officer and the 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 the captions “Compensation Committee Report,” “Executive Compensation” and “Director Compensation” in its 2016 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 2016 Proxy Statement.

Equity Compensation Plan Information

The following table summarizes information as of December 31, 2015 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.

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)(1)	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	812,398	$ 97.81	2,002,794
Equity compensation plans not approved by security holders			
Total	812,398	$ 97.81	2,002,794

(1) Comprised of stock options, stock appreciation rights, which may be settled in stock or cash at the election of the Company, and outstanding restricted stock and performance stock units, which may be settled in stock or cash at the election of the Company without further payment by the holder, granted pursuant to the Visteon Corporation 2010 Incentive Plan. The weighted-average exercise price of outstanding options, warrants and rights does not take into account restricted stock or performance stock units that will be settled without any further payment by the holder.

(2) Excludes an indefinite number of 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 $95,000 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 December 15, 2020 unless earlier terminated by the Board of Directors.

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 2016 Proxy Statement.

Item 14. Principal Accountant 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 2016 Proxy Statement.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(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 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*

The exhibits listed on the "Exhibit Index" on pages 128-130 hereof are filed with this report or incorporated by reference as set forth therein.

VISTEON CORPORATION AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	(Benefits)/ Charges to Income	Deductions(a)	Other(b)	Balance at End of Period
	(Dollars in Millions)				
Year Ended December 31, 2015:					
Allowance for doubtful accounts	$ 15	$ 4	$ —	$ (5)	$ 14
Valuation allowance for deferred taxes	1,687	(53)	—	(136)	1,498
Year Ended December 31, 2014:					
Allowance for doubtful accounts	$ 7	$ 1	$ —	$ 7	$ 15
Valuation allowance for deferred taxes	1,710	(8)	—	(15)	1,687
Year Ended December 31, 2013:					
Allowance for doubtful accounts	$ 7	$ (1)	$ —	$ 1	$ 7
Valuation allowance for deferred taxes	1,695	52	—	(37)	1,710

(a) Deductions represent uncollectible accounts charged off.

(b) Doubtful accounts - represents discontinued operations activity and divestitures.
Deferred taxes - represents valuation allowance. Represents adjustments recorded through other comprehensive income, exchange, expiration of tax attribute carryforwards, valuation allowance charges allocated to discontinued operations, and various tax return true-up adjustments, all of which impact deferred taxes and the related valuation allowances. In 2015, the $136 million overall reduction in the valuation allowances for deferred taxes is comprised of $72 million related to valuation allowance benefits allocated to discontinued operations, $46 million related to exchange, $31 million related to other comprehensive income. These decreases were partially offset by $13 million increases in the valuation allowance for various tax return true-up adjustments and other items.

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/ Stephanie S. Marianos

Stephanie S. Marianos

Assistant Controller and Chief Accounting Officer

Date: February 25, 2016

Signature	Title
/s/ SACHIN LAWANDE Sachin Lawande	Director, President and Chief Executive Officer (Principal Executive Officer)
/s/ JEFFREY M. STAFEIL Jeffrey M. Stafeil	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ STEPHANIE S. MARIANOS Stephanie S. Marianos	Assistant Controller and Chief Accounting Officer (Principal Accounting Officer)
/s/ DUNCAN H. COCROFT* Duncan H. Cocroft	Director
/s/ JEFFREY D. JONES* Jeffrey D. Jones	Director
/s/ JOANNE M. MAGUIRE* Joanne M. Maguire	Director
/s/ ROBERT MANZO* Robert Manzo	Director
/s/ FRANCIS M. SCRICCO* Francis M. Scricco	Director
/s/ DAVID L. TREADWELL* David L. Treadwell	Director
/s/ HARRY J. WILSON* Harry J. Wilson	Director
/s/ ROUZBEH YASSINI-FARD* Rouzbeh Yassini-Fard	Director
/s/ KAM-HO GEORGE YUEN* Kam-Ho George Yuen	Director

*By: /s/ PETER M. ZIPARO
Peter M. Ziparo
Attorney-in-Fact

Exhibit Index

Exhibit No.	Description
2.1	Fifth Amended Joint Plan of Reorganization, filed August 31, 2010 (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Visteon Corporation filed on September 7, 2010 (File No. 001-15827)).
2.2	Fourth Amended Disclosure Statement, filed June 30, 2010 (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K of Visteon Corporation filed on September 7, 2010 (File No. 001-15827)).
2.3	Master Purchase Agreement, dated as of May 1, 2014, by and among Visteon Corporation, VIHI, LLC and Promontoria Holding 103 B.V. (incorporated by reference to Exhibit 2.1to the Current Report on Form 8-K of Visteon Corporation filed on May 7, 2014). ***
2.4	Share Purchase Agreement, dated as of December 17, 2014, by and among Visteon Corporation, VIHI, LLC, Hahn & Co. Auto Holdings Co., Ltd and Hankook Tire Co., Ltd. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Visteon Corporation filed on December 22, 2014).***
3.1	Second Amended and Restated Certificate of Incorporation of Visteon Corporation (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form 8-A of Visteon Corporation filed on September 30, 2010 (File No. 000-54138)).
3.2	Third Amended and Restated Bylaws of Visteon Corporation, as amended through February 28, 2012 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Visteon Corporation filed on March 1, 2012).
4.1	Warrant Agreement, dated as of October 1, 2010, by and between Visteon Corporation and Mellon Investor Services LLC (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form 8-A of Visteon Corporation filed on September 30, 2010 (File No. 000-54138)).
4.2	Warrant Agreement, dated as of October 1, 2010, by and between Visteon Corporation and Mellon Investor Services LLC (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form 8-A of Visteon Corporation filed on September 30, 2010 (File No. 000-54138)).
4.3	Form of Common Stock Certificate of Visteon Corporation (incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K of Visteon Corporation filed on October 1, 2010 (File No. 001-15827)).
4.4	Indenture, dated as of April 6, 2011, among Visteon Corporation, the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee, including the Form of 6.75% Senior Note due 2019 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Visteon Corporation filed on April 7, 2011 (File No. 001-15827)).
4.5	Indenture, dated as of December 20, 2011, by and between Visteon Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-3 of Visteon Corporation filed on December 20, 2011 (File No. 333-178639)).
10.1	Employment Agreement, dated June 8, 2015, between Visteon Corporation and Sachin Lawande (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on June 10, 2015).*
10.2	Purchase Agreement, dated as of January 12, 2014, by and between Johnson Controls, Inc. and Visteon Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on January 15, 2014).
10.3	Credit Agreement, dated as of April 9, 2014, among Visteon Corporation, each lender from time to time party thereto, each L/C Issuer from time to time party thereto and Citibank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on April 14, 2014).
10.3.1	Amendment No. 1, dated as of March 25, 2015, to Credit Agreement, dated as of April 9, 2014, by and among Visteon Corporation, each lender from time to time party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on March 27, 2015).
10.4	Visteon Corporation 2010 Incentive Plan, as amended as of June 11, 2015 (incorporated by reference to Appendix B to the Definitive Proxy Statement on Schedule 14A of Visteon Corporation filed on May 4, 2015).*
10.4.1	Form of Performance Stock Unit Grant Agreement (2014) under the Visteon Corporation 2010 Incentive Plan.*
10.4.2	Form of Restricted Stock Unit Grant Agreement (2014) under the Visteon Corporation 2010 Incentive Plan.*

Exhibit No.	Description
10.4.3	Form of Terms and Conditions of Nonqualified Stock Options (2015) under the Visteon Corporation 2010 Incentive Plan.*
10.4.4	Form of Performance Stock Unit Grant Agreement (2015) under the Visteon Corporation 2010 Incentive Plan.*
10.4.5	Form of Restricted Stock Unit Grant Agreement (2015) under the Visteon Corporation 2010 Incentive Plan.*
10.4.6	Restricted Stock Unit Grant Agreement for Sachin Lawande under the Visteon Corporation 2010 Incentive Plan.*
10.4.7	Restricted Stock Unit Grant Agreement for Sachin Lawande under the Visteon Corporation 2010 Incentive Plan.*
10.4.8	Performance Stock Unit Grant Agreement for Sachin Lawande under the Visteon Corporation 2010 Incentive Plan.*
10.4.9	Restricted Stock Unit Grant Agreement for Timothy D. Leuliette under the Visteon Corporation 2010 Incentive Plan (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon Corporation filed on October 2, 2012).*
10.4.10	Performance Stock Unit Grant Agreement for Timothy D. Leuliette under the Visteon Corporation 2010 Incentive Plan (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon Corporation filed on October 2, 2012).*
10.4.11	Form of executive Performance Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon Corporation filed on October 31, 2012).*
10.4.12	Form of executive Restricted Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of Visteon Corporation filed on October 31, 2012).*
10.4.13	Restricted Stock Unit Grant Agreement between Visteon Corporation and Francis M. Scricco, Chairman.*
10.5	Visteon Corporation Amended and Restated Deferred Compensation Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form S-1 of Visteon Corporation filed on October 22, 2010 (File No. 333-107104)).*
10.6	Visteon Corporation 2010 Supplemental Executive Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Visteon Corporation filed on November 3, 2011 (File No. 001-15827)).*
10.6.1	Amendment, dated as of September 13, 2012, to the Visteon Corporation 2010 Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on September 18, 2012).*
10.7	Visteon Corporation 2011 Savings Parity Plan (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Visteon Corporation filed on November 3, 2011 (File No. 001-15827)).*
10.7.1	Amendment, dated as of September 13, 2012, to the Visteon Corporation 2011 Savings Parity Plan, as amended through September 13, 2012 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon Corporation filed on September 18, 2012).*
10.8	2010 Visteon Executive Severance Plan, as amended and restated as of October 18, 2012 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on October 31, 2012).*
10.9	Visteon Corporation Non-Employee Director Stock Unit Plan (incorporated by reference to Exhibit 10.15 to Amendment No. 2 to the Registration Statement on Form S-1 of Visteon Corporation filed on December 22, 2010 (File No. 333-170104)).*
10.10	Employment Agreement by and between Timothy D. Leuliette and Visteon Corporation, dated as of September 30, 2012 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on October 2, 2012).*
10.10.1	Amendment to Employment Agreement, dated June 12, 2014, between Visteon Corporation and Timothy D. Leuliette (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on June 16, 2014).*
10.11	Change in Control Agreement by and between Timothy D. Leuliette and Visteon Corporation, dated as of September 30, 2012 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon Corporation filed on October 2, 2012).*
10.12	Form of Change in Control Agreement between Visteon Corporation and executive officers of Visteon Corporation (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon Corporation filed on October 31, 2012).*

Exhibit No.	Description
10.12.1	Schedule identifying substantially identical agreements to Officer Change in Control Agreement constituting Exhibit 10.12 hereto entered into by Visteon Corporation with Messrs. Stafeil, Robertson and Ziparo.*
10.13	Separation Agreement, dated June 28, 2015, between Visteon Corporation and Martin T. Thall (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on June 30, 2015).*
10.14	Master Confirmation, dated as of June 16, 2015, between Visteon Corporation and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Visteon Corporation filed on June 18, 2015).
10.14.1	Supplemental Confirmation, dated June 16, 2015, between Visteon Corporation and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Visteon Corporation filed on June 18, 2015).
10.14.2	Amendment, dated as of June 18, 2015, between Visteon Corporation and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of Visteon Corporation filed on June 18, 2015).
12.1	Statement re: Computation of Ratios.
14.1	Visteon Corporation - Ethics and Integrity Policy (code of business conduct and ethics) (incorporated 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 Corporation.
23.1	Consent of Independent Registered Public Accounting Firm, Ernst & Young 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 February 25, 2016.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer dated February 25, 2016.
32.1	Section 1350 Certification of Chief Executive Officer dated February 25, 2016.
32.2	Section 1350 Certification of Chief Financial Officer dated February 25, 2016.
101.INS	XBRL Instance Document.**
101.SCH	XBRL Taxonomy Extension Schema Document.**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.**

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

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files as Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

*** Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Registrant agrees to furnish supplementally a copy of any such schedules or exhibits to the Securities and Exchange Commission upon request.

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

EXHIBIT 10.4.1

VISTEON CORPORATION 2010 INCENTIVE PLAN

PERFORMANCE STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the “Company”), subject to the terms of the Visteon Corporation 2010 Incentive Plan (the “Plan”) and this Agreement, hereby grants to the Participant named in the Notification Summary or Appendix to this Agreement, performance stock units (“Performance Stock Units”) as further described herein.

1. Grant of Performance Stock Units, Target Award.

(a) The Company hereby grants to the Participant the number of Performance Stock Units set forth in the Notification Summary or Appendix, effective as of the date or dates (the “Grant Date”) and subject to the restrictions set forth in this Agreement. The Performance Stock Units represent a target number of shares of the Company’s common stock (“Stock”) to be paid (the “Target Award”) if the Company’s “Total Shareholder Return” (as defined below, “TSR”) results during the “Performance Period” (as defined below) relative to returns of similar companies is ranked #10. The actual number of shares of Stock to be transferred to the Participant, if any (the “Final Award”), may be earned up to 150% of the Target Award opportunity, or as low as zero, based on the Company’s TSR performance ranking within the TSR Peer Group (as defined below) and upon satisfaction of the conditions to vesting set forth below in this Agreement. In the event of certain corporate transactions, the number of Performance Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Plan.

(b) For purposes of this Agreement, the “Performance Period” means the three tranches (collectively) as follows:

(i) “Tranche 1”: January 1, 2014 through December 31, 2014, which is allotted 25% of the Target Award,

(ii) “Tranche 2”: January 1, 2014 through December 31, 2015, which is allotted 25% of the Target Award, and

(iii) “Tranche 3”: January 1, 2014 through December 31, 2016, which is allotted 50% of the Target Award.

(c) For purposes of this Agreement, “Total Shareholder Return” (or “TSR”) is calculated using the 20-trading day average closing price at the start and end of each tranche.

(d) For purposes of this Agreement, the “TSR Peer Group” includes the following 17 companies:

Autoliv, Inc.	Delphi Automotive	Magna International, Inc.
BorgWarner Inc.	Denso	Meritor Inc.
Calsonic Kansai	Faurecia	Tenneco Inc.
Continental	Federal-Mogul Corp.	TRW Automotive Holdings Corp.
Cooper Standard	Johnson Controls Inc.	Valeo
Dana Holding Corp	Lear Corporation	

2. TSR Achievement, Percentage Earned, Vesting, Effect of Change in Control.

(a) The Participant’s rights to the Target Award will be based on the Participant’s continued employment and the extent to which TSR is achieved for each tranche. Awards can be “Earned” (meaning available for potential vesting) up to 150% of the Target Award opportunity based on the Company’s TSR performance ranking within the “Comparator group” (meaning Visteon plus the TSR Peer Group) as follows (award payouts for performance between the rankings specified below is determined based on straight-line interpolation):

(i) No award if Visteon is in the bottom 4,
(ii) 35% of the target award if ranked #5,
(iii) 100% of the target award if ranked #10,
(iv) 150% of the target award if ranked #15 or higher.

However, if the TSR is negative for any tranche within the Performance Period, the Target Award Earned for that tranche cannot be greater than 100%, regardless of the ranking above, unless the Tranche 3 performance achieved is positive.

An upward adjustment to the Target Award Earned for Tranche 1 and/or Tranche 2 will be made if the Target Award Earned for Tranche 3 is higher than that of Tranche 1 and/or Tranche 2. This adjustment will be equal to the Target Award Earned for Tranche 3.

(b) If the Participant remains in the employ of the Company through January 31, 2017, the percentage of the Target Award Earned for the Performance Period through that date will vest on that date.

(c) If a Change in Control (as defined in Paragraph 3(e) of this Agreement) occurs before the termination of the Participant's employment with the Company and before January 31, 2017, (x) the Performance Period will be deemed to have been terminated immediately before the Change in Control, and (y) the Performance Stock Units Earned as of the date of the Change in Control will be converted into time vesting Restricted Stock Units that will vest on January 31, 2017 if the Participant remains in the employ of the Company through that date (the "Converted Restricted Stock Units") and, in addition, the following rules will apply:

(i) If the Converted Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the Converted Restricted Stock Units will become fully vested immediately before the Change in Control (and any remainder of the Target Award will be forfeited).

(ii) If (A) the Converted Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability), the Converted Restricted Stock Units will become fully vested immediately upon the termination of the Participant's employment (and any remainder of the Target Award will be forfeited).

(iii) If (A) the Converted Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment continues beyond the date that is 24 months after the Change in Control, the Converted Restricted Stock Units will vest, if at all, in accordance with Paragraph 2(b), subject to Paragraph 3.

3. <u>Termination of Employment</u>.

(a) Except as set forth in Paragraph 2(c) or in the remaining provisions of this Paragraph 3 or as otherwise determined by the Committee, the Participant's rights to receive any portion of the Target Award will be cancelled immediately and without notice to the Participant, and no Final Award will be made, if the Participant terminates employment with the Company before January 31, 2017. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Performance Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Participant will continue to be eligible to receive the Final Award as if the Participant was actively employed during any period of the leave.

(c) Notwithstanding the provisions of Paragraph 3(a), if (i) the Participant's employment with the Company is terminated by reason of disability (as defined in the Company's long-term disability plan), death, retirement or involuntary termination by the Company without Cause, (ii) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date before the termination of the Participant's employment with the Company, and (iii) the termination of employment occurs either before any Change in Control has occurred or more than 24 months after any Change in Control has occurred, the Participant will be entitled to a "Pro Rata Part" of the "Full Period Award" (as those terms are defined below). For these purposes:

(i) the “Full Period Award” means that percentage of the Target Award for the Performance Period that would have been Earned as of December 31, 2016 and vested as of January 31, 2017 if the Participant had remained in the employ of the Company through January 31, 2017; and

(ii) “Pro Rata Part” means a fraction, the numerator of which is the number of days between the Grant Date and either the ending date for each Tranche of the Performance Period or the date of the termination of the Participant’s employment (whichever is earlier) and the denominator of which is 279 for Tranche 1; 644 for Tranche 2; and 1,041 for Tranche 3 (i.e.: the number of days from the Grant Date through the end of each Tranche or in the case of Tranche 3, the number of days from the Grant Date through January 31, 2017).

(d) For purposes of this Agreement, “retirement” shall mean the Participant’s voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(e) For purposes of this Agreement, the term “Cause” shall mean (i) the willful and continued failure by the Participant to substantially perform the Participant’s duties with the Company (other than any such failure resulting from the Participant’s incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by (A) if the Participant is an executive officer of the Company, the Board of Directors of the Company, or (B) if the Participant is not an executive officer of the Company, the head of the Company’s global human resources department, which demand specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant’s duties, or (ii) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.

(f) For purposes of this Agreement, the term “Change in Control” has the meaning given to that term in the Plan, modified by substituting for paragraph (B) of the definition of that term in the Plan, the following language:

“(B) within any twelve month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, at the beginning of the twelve month period, 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 of the directors then still in office who either were directors at the beginning of the twelve month period or whose appointment, election or nomination for election was previously so approved or recommended (for these purposes, (x) a threatened election contest will be deemed to have occurred only if any person or entity publicly announces a *bona fide* intention to engage in an election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, and (y) a withhold vote campaign with respect to any director will not by itself constitute an actual or threatened election contest);”

4. <u>Payment of Final Award</u>.

(a) The Committee will determine the amount of the Final Award with respect to the Performance Period, and the Participant will receive shares of Stock in settlement of the Final Award, (i) on a date to be selected by the Company between February 1 and March 15, 2017 (if the Final Award vests on January 31, 2017) or (ii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting under Paragraph 2(c), within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B)(i) requires that payment be postponed six months and one day after the date of the Participant’s “separation from service” (the “Settlement Date”). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay the Participant’s Final Award on a Settlement Date upon the occurrence of, or within 30 days before, upon or within twelve months after any Change in Control that constitutes a “change in the ownership,” a “change in the effective control” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code.

(b) The number of shares of Stock delivered to the Participant will equal the number of shares included in the Final Award, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant's Final Award will be settled by a single lump sum payment equal to the number of shares of Stock that would otherwise be issued in settlement of the Final Award multiplied by the Fair Market Value of a share of the Stock, less applicable withholding taxes. All Performance Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

Upon distribution of the Final Award, the Participant will be entitled to receive payment of the same amount of cash, subject to applicable taxes, that the Participant would have received as cash dividends, as if, on each record date during the period beginning on the Grant Date and ending on the date of settlement of the Final Award, the Participant had been the holder of record of a number of shares of Stock equal to the number of shares included in the Participant's Final Award.

6. Withholding.

(a) Upon distribution of the Final Award, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant's cash compensation or by withholding a number of shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional share of Stock remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

(b) Dividend equivalents paid on Performance Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Performance Stock Units, and may refuse to settle the Final Award, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement of the Final Award, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(b) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

8. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Performance Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

9. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of any Final Award that may be made on or after the Participant's death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant's beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant's death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant's estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

10. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of the Final Award, is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "Act"). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant's beneficiary, and the Participant's heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant's beneficiary in settlement of the Final Award or may impose restrictions or conditions on the Participant's (or any beneficiary's) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company's securities pursuant to an effective registration statement filed under the Act.

11. Voting Rights.

The Participant will have no voting rights with respect to the Performance Stock Units at any time before distribution of the Final Award.

12. Limited Interest.

(a) The grant of the Performance Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Performance Stock Units unless and until shares of Stock are issued in settlement of the Final Award.

(b) The grant of the Performance Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Performance Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Performance Stock Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Performance Stock Units or benefits in lieu of Performance Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

13. Consent to Transfer of Personal Data.

The Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data. However, failure to provide the consent may affect the Participant's ability to participate in the Plan. The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan (“Data”). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of stock acquired pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect the Participant's ability to participate in the Plan.

14. Incorporation by Reference.

The terms of the Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Plan. In the event of any conflict between this Agreement and the Plan, the Agreement will govern.

15. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

16. Severability.

In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision has not been inserted.

17. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.13

VISTEON CORPORATION 2010 INCENTIVE PLAN

RESTRICTED STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the “Company”), subject to the terms of the Visteon Corporation 2010 Incentive Plan (the “Plan”) and this Agreement, hereby grants to Francis M. Scricco (the “Participant”), restricted stock units (“Restricted Stock Units”) as further described herein.

1. Grant of Restricted Stock Units.

The Company hereby grants to the Participant 1,383 Restricted Stock Units, effective as of June 12, 2015 (the “Grant Date”) and subject to the restrictions set forth in this Agreement. In the event of certain corporate transactions, the number of Restricted Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Plan.

2. Vesting of Restricted Stock Units.

(a) The Restricted Stock Units will vest the date on which a Participant ceases to be a member of the Board of Directors of the Company (or the board of directors of any Affiliate), provided that such cessation constitutes a separation from service for purposes of Code Section 409A (a “Separation from Service”).

(b) In the event of a Change in Control Event (as defined in Code Section 409A) with respect to the Company, the outstanding Restricted Stock Units that have not previously vested will become immediately fully vested.

3. Restricted Stock Unit Account and Settlement of Vested Units.

(a) The Company will credit the Restricted Stock Units to an account in the name of the Participant. Distribution of a Participant’s vested Restrict Stock Units shall be made or commence to be made on the later of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which, occurs the Participant’s Separation from Service (such applicable date, the “Settlement Date”).

(b) The Company will distribute to the Participant a cash payment determined by multiplying the number of Restricted Stock Units by the average of the high and low prices at which a share of Stock shall have been sold on the Exchange on the 5th trading day preceding the date on which distribution is made; provided that the Committee may direct that all or any part of the Participant’s distribution be satisfied in shares of Stock equal to the number of vested Restricted Stock Units (and cash in lieu of any fractional unit).

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant’s rights under this Agreement only through such third-party administrator.

4. Dividend Equivalents.

In the event of the issuance of dividends on shares of the Company’s common stock, , on each record date during the Grant Date through the Settlement Date, the Participant shall receive, with respect to each Restricted Stock Unit, an additional number of Restricted Stock Units equal to the number that such Participant would have received if the Participant had been the holder of record of one share of Stock and had reinvested any cash dividend paid on such share of Stock into Restricted Stock Units subject to the same terms and conditions as the Restricted Stock Units granted herein

5. Withholding.

(a) Upon the vesting or settlement of previously granted Restricted Stock Units pursuant to Paragraph 3 above, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a number of Restricted Stock Units or shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional Restricted Stock Unit remaining after the withholding requirements are satisfied will be paid to the

Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

b. Dividend equivalents paid on Restricted Stock Units may be subject to applicable tax withholding as described in Paragraph 5(a).

6. Nontransferability.

Except as provided in Paragraph 7 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Restricted Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

7. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of vested Restricted Stock Units that may be made on or after the Participant’s death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant’s beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant’s death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant’s estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

8. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of vested Restricted Stock Units, is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the “Act”). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant’s beneficiary, and the Participant’s heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant’s beneficiary in settlement of vested Restricted Stock Units or may impose restrictions or conditions on the Participant’s (or any beneficiary’s) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company’s securities pursuant to an effective registration statement filed under the Act.

9. Voting Rights.

The Participant will have no voting rights with respect to the Restricted Stock Units.

10. Limited Interest.

(a) The grant of the Restricted Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Restricted Stock Units unless and until shares of Stock are issued in settlement of vested Restricted Stock Units.

(b) The grant of the Restricted Stock Units will not confer on the Participant any right to continue as a director or chairman of the Company.

(c) The grant of the Restricted Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company’s capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Restricted Stock Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Restricted Stock Units or benefits in lieu of Restricted Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

11. Consent to Transfer of Personal Data.

The Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data. However, failure to provide the consent may affect the Participant's ability to participate in the Plan. The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all options or any other entitlement to shares of Stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan (“Data”). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of Stock acquired pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect the Participant's ability to participate in the Plan.

12. Incorporation by Reference.

The terms of the Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Plan. In the event of any conflict between this Agreement and the Plan, this Agreement will govern.

13. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

14. Severability.

If any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement is to be construed and enforced as if the illegal or invalid provision has not been inserted.

15. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

16. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

VISTEON CORPORATION

By: /s/ Peter M. Ziparo

Peter M. Ziparo, Vice President
and General Counsel

June 12, 2015

EXHIBIT 10.4.2

VISTEON CORPORATION 2010 INCENTIVE PLAN

RESTRICTED STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the "Company"), subject to the terms of the Visteon Corporation 2010 Incentive Plan (the "Plan") and this Agreement, hereby grants to the Participant named in the Notification Summary or Appendix to this Agreement, restricted stock units ("Restricted Stock Units") as further described herein.

1. Grant of Restricted Stock Units.

The Company hereby grants to the Participant the number of Restricted Stock Units set forth in the Notification Summary or Appendix, effective as of the date or dates (the "Grant Date") and subject to the restrictions set forth in this Agreement. In the event of certain corporate transactions, the number of Restricted Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Plan.

2. Vesting of Restricted Stock Units.

(a) During the Participant's continuous employment with the Company, the Restricted Stock Units will vest in accordance with the following vesting schedule:

(i) One-third will vest on March 27, 2015;

(ii) One-third will vest on March 27, 2016; and

(iii) One-third will vest on March 27, 2017.

(b) If a Change in Control (as defined in Paragraph 3(e) of this Agreement) occurs before all of the Restricted Stock Units granted under this Agreement have vested, the following rules will apply, in addition to the vesting provided for in Paragraph 2(a):

(i) If the Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately before the Change in Control.

(ii) If (A) the Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability), the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately upon the termination of the Participant's employment.

3. Termination of Employment.

(a) Except as set forth in Paragraph 2(b) or in the remaining provisions of this Paragraph 3, if the Participant's employment with the Company is terminated for any reason, the Participant will forfeit any and all rights to Restricted Stock Units that have not vested on the termination date, and such Restricted Stock Units will be cancelled. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Restricted Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Restricted Stock Units will vest in accordance with the provisions of Paragraph 2 as if the Participant was actively employed.

(c) Notwithstanding the provisions of Paragraph 3(a), if the Participant's employment with the Company is terminated by reason of disability (as defined in the Company's long-term disability plan), death, retirement or involuntary termination by the Company without Cause, and either (x) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date, or (y) a Change in Control has occurred before the termination of employment, the Restricted Stock Units that have not previously vested and that do not fully vest upon that termination pursuant to Paragraph 2(b)(ii) will vest on a pro rata basis so that, taking into account the Restricted Stock Units, if any, that have previously vested pursuant to Paragraph 2(a)(i) or pursuant to

Paragraphs 2(a)(i) and 2(a)(ii), the percentage of all Restricted Stock Units granted under this Agreement that is vested is equal to 100% multiplied by a fraction, the numerator of which is the number of days from the date of grant to the date of the termination of the Participant's employment, inclusive, and the denominator of which is 1,096 (i.e.: the number of days in the performance period).

(d) For purposes of this Agreement, "retirement" shall mean the Participant's voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(e) For purposes of this Agreement, the term "Cause" shall mean (i) the willful and continued failure by the Participant to substantially perform the Participant's duties with the Company (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by (A) if the Participant is an executive officer of the Company, the Board of Directors of the Company, or (B) if the Participant is not an executive officer of the Company, the head of the Company's global human resources department, which demand specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant's duties, or (ii) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.

(f) For purposes of this Agreement, the term "Change in Control" has the meaning given to that term in the Plan, modified by substituting for paragraph (B) of the definition of that term in the Plan, the following language:

> "(B) within any twelve month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, at the beginning of the twelve month period, 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 of the directors then still in office who either were directors at the beginning of the twelve month period or whose appointment, election or nomination for election was previously so approved or recommended (for these purposes, (x) a threatened election contest will be deemed to have occurred only if any person or entity publicly announces a *bona fide* intention to engage in an election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, and (y) a withhold vote campaign with respect to any director will not by itself constitute an actual or threatened election contest);"

4. <u>Restricted Stock Unit Account and Settlement of Vested Units</u>.

(a) The Company will credit the Restricted Stock Units to an account in the name of the Participant. The Participant's vested Restricted Stock Units will be settled upon the earliest to occur of (i) the vesting date applicable to such Restricted Stock Unit as set forth in Paragraph 2(a) above (disregarding any acceleration of the vesting date under Paragraph 2(b) or Paragraph 3 above), (ii) in the case of accelerated vesting under Paragraph 3(c) due to the death of the Participant, as soon as practicable (and in any event within 60 days) following the Participant's date of death, or (iii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting, within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B) (i) requires that payment be postponed for six months and one day, or Participant's earlier death occurring, after the date of the Participant's "separation from service" (such applicable date, the "Settlement Date"). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Restricted Stock Units to the Participant, on a fully vested and immediately payable basis, on a Settlement Date within 30 days before, upon or within twelve months after Change in Control that constitutes a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(b) Settlement will be made through the delivery of one share of Stock for each vested Restricted Stock Unit, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant's vested Restricted Stock Units will be settled by a single lump sum payment equal to the number of vested Restricted Stock Units to be settled multiplied by the Fair Market Value on the Settlement Date of a share of the Stock, less applicable withholding taxes. All Restricted Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

Upon each Settlement Date, with respect to each Restricted Stock Unit being settled on that date, the Participant will be entitled to receive payment of the same amount of cash, subject to applicable tax withholding, that the Participant would have received as cash dividends if, on each record date during the period from the Grant Date through the Settlement Date, the Participant had been the holder of record of one share of Stock.

6. Withholding.

(a) Upon the vesting or settlement of previously granted Restricted Stock Units pursuant to Paragraphs 3 or 4 above, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant's cash compensation or by withholding a number of Restricted Stock Units or shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional Restricted Stock Unit remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

b. Dividend equivalents paid on Restricted Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Restricted Stock Units, and may refuse to settle vested Restricted Stock Units, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(a) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

8. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Restricted Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

9. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of vested Restricted Stock Units that may be made on or after the Participant's death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant's beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant's death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant's estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

10. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of vested Restricted Stock Units, is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "Act"). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant's beneficiary, and the Participant's heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant's beneficiary in settlement of vested Restricted Stock Units or may impose restrictions or conditions on the Participant's (or any beneficiary's) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company's securities pursuant to an effective registration statement filed under the Act.

11. Voting Rights.

The Participant will have no voting rights with respect to the Restricted Stock Units.

12. Limited Interest.

(a) The grant of the Restricted Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Restricted Stock Units unless and until shares of Stock are issued in settlement of vested Restricted Stock Units.

(b) The grant of the Restricted Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Restricted Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Restricted Stock Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Restricted Stock Units or benefits in lieu of Restricted Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

13. Consent to Transfer of Personal Data.

The Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. The Participant is not obliged to consent to such collection, use, processing and transfer of personal data. However, failure to provide the consent may affect the Participant's ability to participate in the Plan. The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all options or any other entitlement to shares of Stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of Stock acquired pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect the Participant's ability to participate in the Plan.

14. Incorporation by Reference.

The terms of the Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Plan. In the event of any conflict between this Agreement and the Plan, this Agreement will govern.

15. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

16. Severability.

If any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement is to be construed and enforced as if the illegal or invalid provision has not been inserted.

17. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.3

VISTEON CORPORATION 2010 INCENTIVE PLAN

TERMS AND CONDITIONS OF NONQUALIFIED STOCK OPTIONS

Visteon Corporation, a Delaware corporation (together with its subsidiaries, the "Company"), subject to the terms and conditions of the Visteon Corporation 2010 Incentive Plan (the "Plan") and this Agreement, hereby grants to the Participant named in the Notification Summary or Appendix to this Agreement, non-qualified stock options ("Option") as further described below.

1. Grant of Option.

The Company hereby grants to the Participant an "Option" to purchase the number of shares of common stock of the Company ("Option Shares") set forth in the Notification Summary or Appendix, effective as of the date or dates ("Grant Date") and exercisable as of the date or dates ("Vesting Dates") at the price per Option Share ("Exercise Price") set forth in the Notification Summary or Appendix, in accordance with the terms and conditions specified herein. In the event of certain corporate transactions, the number of Option Shares covered by this Agreement may be adjusted by the Organization and Compensation Committee of the Board of Directors of the Company (the "Committee") as further described in Section 13 of the Plan.

2. Vesting of Options.

a. During the Participant's continuous employment with the Company, the Options will vest in accordance with the following vesting schedule:

(i) One-third will vest on the first anniversary of the Grant Date;

(ii) One-third will vest on the second anniversary of the Grant Date; and

(iii) One-third will vest on the third anniversary of the Grant Date.

b. If a Change in Control (as defined in Paragraph 3(f) of this Agreement) occurs before all of the Options granted under this Agreement have vested, the following rules will apply, in addition to the vesting provided for in Paragraph 2(a):

(i) If the Options are not assumed, converted or replaced by the acquirer or other continuing entity, the outstanding Options that have not previously vested will become fully vested immediately before the Change in Control and all vested and unexercised Options will be automatically exercised on the Participant's behalf by the Company on the same date.

(ii) If (A) the Options are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability), the outstanding Options that have not previously vested will become fully vested immediately upon the termination of the Participant's employment and the Participant's rights with respect to the Option will continue in effect until the date 365 days after the date of such termination (but not later than the date immediately preceding the seventh anniversary of the Grant Date), subject to any other limitation on the exercise of such rights in effect at the date of exercise.

3. Termination of Employment.

a. Except as set forth in Paragraph 2(b) or in the remaining provisions of this Paragraph 3, if the Participant's employment with the Company is terminated for any reason, the Participant's right to exercise the Option will terminate on the date of termination of employment and all rights hereunder will cease. Options that have not yet vested as of the date of termination of employ-ment with the Company will be forfeited.

b. Notwithstanding the provisions of Paragraph 3a, if the Participant is placed on an approved leave of absence, with or without pay, the Participant’s rights with respect to the Option will continue in effect or continue to accrue as if the Participant was actively employed.

c. Notwithstanding the provisions of Paragraph 3a, if the Participant's employ-ment with the Company is terminated by reason of retirement, disability (as defined in the Company’s long-term disability plan) or death, and provided that at the date of termination, the Participant had remained in the employ of the Company for at least 180 days following the Grant Date, the Participant's rights with respect to the Option will continue in effect or continue to accrue for the period ending on the date immediately preceding the seventh anniversary of the Grant Date, subject to any other limitation on the exercise of such rights in effect at the date of exercise. For purposes of this Agreement, “retirement” means the Participant terminates employment either (1) after attaining age 55 and completion of at least 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

d. Notwithstanding the provisions of Paragraph 3a, if the Participant's employment with the Company is terminated by reason of voluntary quit, the Participant's rights with respect to Options that are vested at the date of termination will continue in effect until the date 90 days after the date of such termination (but not later than the date immediately preceding the seventh anniversary of the Grant Date), subject to any other limitation on the exercise of such rights in effect at the date of exercise. Options not yet vested at the date of termination will be forfeited.

e. Notwithstanding the provisions of Paragraph 3a, if the Participant's employ-ment with the Company is involuntarily terminated by the Company without Cause and provided that at the date of termination, the Participant had remained in the employ of the Company for at least 180 days following the Grant Date, the Participant's rights with respect to the Option will continue in effect until the date 365 days after the date of such termination (but not later than the date immediately preceding the seventh anniversary of the Grant Date), subject to any other limitation on the exercise of such rights in effect at the date of exercise. Options not yet vested at the date of termination will be forfeited. For purposes of this Paragraph 3e, “Cause” for termination by the Company of the Participant’s employment shall mean (i) the willful and continued failure by the Participant to substantially perform the Participant’s duties with the Company (other than any such failure resulting from the Participant’s incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by (A) if the Participant is an executive officer of the Company, the Board of Directors, or (B) if the Participant is not an executive officer of the Company, the head of the Company’s global human resources department, which demand specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant’s duties, or (ii) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, (x) no act, or failure to act, on the Participant’s part shall be deemed “willful” unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant’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 by clear and convincing evidence that Cause exists.

f. For purposes of this Agreement, the term “Change in Control” has the meaning given to that term in the Plan, modified as follows:

(i) by substituting for paragraph (B) of the definition of that term in the Plan, the following language:

> “(B) within any twelve month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, at the beginning of the twelve month period, 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 of the directors then still in office who either were directors at the beginning of the twelve month period or whose appointment, election or nomination for election was previously so approved or recommended (for these purposes, (x) a threatened election contest will be deemed to have occurred only if any person or entity publicly announces a *bona fide* intention to engage in an election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, and (y) a withhold vote campaign with respect to any director will not by itself constitute an actual or threatened election contest);"

(ii) The consummation of the sale of the Company's shares in Halla Visteon Climate Control Corporation pursuant to the Share Purchase Agreement by and among VIHI, LLC, the Company, Hahn & Co. Auto Holdings Co. Ltd. And Hankook Tire Co. LTD dated as of December 17, 2014 will not constitute a Change in Control for Purposes of this Agreement.

4. Cancellation of the Option.

The Option will terminate, and cease to be exercisable, on the earliest of the following:

a. The date immediately preceding the seventh anniversary of the Grant Date; or

b. In the event of the Participant's termination of employment with the Company, such earlier date as determined in accordance with the rules set forth in Paragraph 3.

5. Exercise of Option.

a. The Participant may, subject to the limitations of this Agreement and the Plan, exercise all or any portion of the Option that has become vested and that has not been cancelled under Paragraphs 3 and 4 by providing notice of exercise to the Company (in a form acceptable to the Company) specifying the whole number of Option Shares with respect to which the Option is being exercised, (i) accompanied by payment of the exercise price, withholding taxes and any applicable fees and expenses for such Option Shares in cash or by check, (ii) providing notice to the Company (in a form acceptable to the Company) to withhold such number of Option Shares otherwise deliverable upon exercise of the Option having an aggregate "fair market value", as determined by the Committee, equal to the aggregate exercise price, or (iii) through a cashless exercise procedure established by the Committee, provided that if the Participant is an executive officer of the Company, the Company shall have approved such exercise in advance. If the Participant lives in a jurisdiction other than the United States, the Committee has the right to limit the means of exercise to only the foregoing clauses (ii) or (iii). For purposes of determining the payment described in clause (i) above, and for purposes of determining the number of Option shares to withhold as described in clause (ii) above, "fair market value" shall be the closing price for shares of common stock of the Company as reported on any applicable market on which shares of common stock of the Company are traded or reported on the trading day immediately preceding the date of exercise.

b. After receiving proper notice of exercise and full payment of the exercise price, including full payment of any taxes, any brokerage fees associated with the sale of the Option Shares, and any other applicable fees and expenses, the Company will issue to the Participant (or the Participant's beneficiary) the Option Shares purchased and not surrendered.

c. Notwithstanding the foregoing, the Option will not be exercisable if and to the extent the Committee determines that such exercise would violate applicable state or federal securities laws or the rules and regulations of any securities exchange on which the Stock is then traded, or would violate the laws of any applicable jurisdiction, and the exercise thereof may be limited or delayed until such requirements are met.

d. The Company may retain the services of a third-party administrator to effectuate Option exercises and to perform other administrative services in connection with the Plan. To the extent that the Company has retained such an administrator, any reference to the Company shall be deemed to refer to such third party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's Options only through such third-party administrator.

6. Withholding.

The Company may deduct and withhold from any cash payable or Option Shares deliverable to the Participant or may, as a condition to the issuance of any Option Shares hereunder, require the Participant to pay to the Company or otherwise indemnify the Company to its satisfaction, such amount as may be required for the purpose of satisfying the Company’s obligation to withhold federal, state or local taxes in connection with any exercise of the Option. If the Company withholds Option Shares otherwise deliverable to the Participant in connection with the Participant’s exercise of an Option as described in clauses 5.a.(i) or (ii) above, the Company shall withhold a number of Option Shares having a “fair market value”, as determined by the Committee, equal to the amount required to be withheld. For purposes of such exercises, the “fair market value” shall be the closing price for shares of common stock of the Company as reported on any applicable market on which shares of common stock of the Company are traded or reported on the trading day immediately preceding the date of exercise.

7. Conditions on Option Award.

Notwithstanding anything herein to the contrary, the Committee may cancel the Option, and may refuse to deliver any Option Shares for which the Participant (or the Partici-pant's beneficiary) has tendered a notice of exercise and payment of the exercise price, if:

a. During the period from the date of the Participant's termination of employ-ment from the Company to the date any Option Shares purchased hereunder are delivered to the Participant (or the Participant's beneficiary), the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity that is directly or indirectly in competition with any activity of the Company; or

b. The Committee determines that the Participant, at any time (whether before or after termination of employment with the Company, and whether before or after the grant of this Option), acted in any manner detrimental to the best interests of the Company.

In the event that the Committee refuses to deliver Option Shares under this Paragraph 7, the amount of the exercise price and taxes, if any, tendered by the Participant or the Participant's beneficiary for purchase of the Option Shares will be promptly returned to the Participant or the beneficiary.

8. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no rights to sell, assign, transfer, pledge, or otherwise alienate the Option under this Agreement, and any such attempted sale, assignment, transfer, pledge or other conveyance will be null and void. The Option will be exercisable during the Participant's lifetime only by the Participant (or the Participant's legal representative).

9. Beneficiary.

The Participant may designate a beneficiary to exercise the Option after the Partici-pant's death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant's beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the Participant's beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. 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. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company prior to the Participant's death, and in no event will any designation be effective as of a date prior to such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Company may refuse to recognize such exercise, without liability for any interest or dividends on the underlying Option Shares, until the Committee determines the identity of the beneficiary, or the Committee may deem the Participant's estate as beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

10. Securities Law Restrictions.

a. The Participant acknowledges that the Participant is acquiring the Option and the Option Shares for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "Act"). The Participant agrees and acknowledges with respect to any Option Shares that have not been registered under the Act, that (a) the Participant will not sell or otherwise dispose of such Option Shares except pursuant to an effective registration statement under the Act and any applicable state securities laws, or in a transaction which in the opinion of counsel for the Company is exempt from such registration, and (b) a legend may be placed on the certificates for the Option Shares to such effect. As further conditions to the issuance of the Option Shares, the Participant agrees for himself or herself, the Participant's beneficiary, and the Participant's heirs, legatees and legal representatives, prior to such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

b. Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may refuse to honor any notice of exercise, may delay an exercise or delay issuing Option Shares following an exercise, may impose additional limitations on the Participant's or beneficiary's ability to exercise the Option or receive Option Shares upon exercise, and/or may impose restrictions or conditions on the Participant's or beneficiary's ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the Option Shares acquired upon exercise, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or other law, the require-ments of any stock exchange on which the Option Shares are then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company's securities pursuant to an effective registration statement filed under the Act.

11. Limited Interest.

a. The grant of the Option shall not be construed as giving the Participant any interest other than as provided in this Agreement.

b. The Participant shall have no rights as a shareholder as a result of the grant of the Option, until the Option is exercised, the exercise price and applicable taxes are paid, and the Option Shares issued hereunder.

c. The grant of the Option shall not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant at any time.

d. The grant of the Option shall not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instrument ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

e. The Participant acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Option under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of stock options or benefits in lieu of stock options in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of options, vesting provisions, and the exercise price.

12. Transfer of Personal Data.

The Company and, if the Participant is employed by a subsidiary of the Company, the Participant’s employer hold and control certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, tax jurisdiction, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan (“Data”). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and manage-ment of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Company will protect the Data by insuring that any such recipients are certified under the U.S. - E.U. Safe Harbor Framework or have entered into an agreement to hold or process such Data in compliance with Safe Harbor Principles, the E.U. Model Clauses or similar legislation of the country where the Participant resides, and will receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of stock acquired pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or direct the Company in writing or via email not to process or transfer Participant’s Data thereby discontinuing the Participant's participation in the Plan.

13. Incorporation by Reference.

The terms of the Plan are expressly incorporated herein by reference. Capitalized terms that are not defined in this Agreement will have the meaning ascribed to them under the Plan. In the event of any conflict between this Agreement and the Plan, the Plan shall govern.

14. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

15. Severability.

In the event any term or condition set forth in this Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been inserted.

16. Amendment.

The terms and conditions set forth in this Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of the Company and the Participant.

17. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.4

VISTEON CORPORATION 2010 INCENTIVE PLAN

PERFORMANCE STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the "Company"), subject to the terms of the Visteon Corporation 2010 Incentive Plan (the "Plan") and this Agreement, hereby grants to the Participant named in the Notification Summary or Appendix to this Agreement, performance stock units ("Performance Stock Units") as further described herein.

1. Grant of Performance Stock Units, Target Award.

(a) The Company hereby grants to the Participant the number of Performance Stock Units set forth in the Notification Summary or Appendix, effective as of the date or dates (the "Grant Date") and subject to the restrictions set forth in this Agreement. The Performance Stock Units represent a target number of shares of the Company's common stock ("Stock") to be paid (the "Target Award") if the Company's "Total Shareholder Return" (as defined below, "TSR") results during the "Performance Period" (as defined below) relative to returns of similar companies is ranked #9. The actual number of shares of Stock to be transferred to the Participant, if any (the "Final Award"), may be earned up to 150% of the Target Award opportunity, or as low as zero, based on the Company's TSR performance ranking within the TSR Peer Group (as defined below) and upon satisfaction of the conditions to vesting set forth below in this Agreement. In the event of certain corporate transactions, the number of Performance Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Plan.

(b) For purposes of this Agreement, the "Performance Period" means the three tranches (collectively) as follows:

(i) "Tranche 1": January 1, 2015 through December 31, 2015, which is allotted 25% of the Target Award,

(ii) "Tranche 2": January 1, 2015 through December 31, 2016, which is allotted 25% of the Target Award, and

(iii) "Tranche 3": January 1, 2015 through December 31, 2017, which is allotted 50% of the Target Award.

(c) For purposes of this Agreement, "Total Shareholder Return" (or "TSR") is calculated by dividing the Closing Average Share Value (as defined below) by the Opening Average Share Value (as defined below).

(i) The term "Closing Average Share Value" means the average value of the common stock for the trading days during the twenty (20) trading days ending on the last trading day of the applicable tranche, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the twenty-day period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the twenty-day period. The Closing Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the applicable tranche, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends. Notwithstanding the foregoing, if the Closing Average Share Value is calculated as of a Change in Control, then the Closing Average Share Value shall be based on the twenty-day period ending immediately prior to the Change in Control.

(ii) The term "Opening Average Share Value" means the average value of the common stock for the trading days during the twenty (20) trading days ending on the last trading day prior to the beginning of the applicable tranche, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the twenty-day period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the twenty-day period. The Opening Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the twenty-day period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends.

(d) For purposes of this Agreement, the "TSR Peer Group" includes the following 16 companies:

Autoliv, Inc.	Delphi Automotive	Magna International, Inc.
BorgWarner Inc.	Denso	Meritor Inc.
Calsonic Kansai	Faurecia	Tenneco Inc.
Continental	Federal-Mogul Corp.	Valeo
Cooper Standard	Johnson Controls Inc.	
Dana Holding Corp	Lear Corporation	

2. <u>TSR Achievement, Percentage Earned, Vesting, Effect of Change in Control</u>.

(a) The Participant's rights to the Target Award will be based on the Participant's continued employment and the extent to which TSR is achieved for each tranche. Awards can be "Earned" (meaning available for potential vesting) up to 150% of the Target Award opportunity based on the Company's TSR performance ranking within the "Comparator group" (meaning Visteon plus the TSR Peer Group) as follows (award payouts for performance between the rankings specified below is determined based on straight-line interpolation):

(i) No award if Visteon is in the bottom 3,

(ii) 35% of the target award if ranked #4,

(iii) 100% of the target award if ranked #9,

(iv) 150% of the target award if ranked #14 or higher.

However, if the TSR is negative for any tranche within the Performance Period, the Target Award Earned for that tranche cannot be greater than 100%, regardless of the ranking above, unless the Tranche 3 performance achieved is positive.

An upward adjustment to the Target Award Earned for Tranche 1 and/or Tranche 2 will be made if the Target Award Earned for Tranche 3 is higher than that of Tranche 1 and/or Tranche 2. This adjustment will be equal to the Target Award Earned for Tranche 3.

(b) If the Participant remains in the employ of the Company through January 31, 2018, the percentage of the Target Award Earned for the Performance Period through that date will vest on that date.

(c) If a Change in Control (as defined in Paragraph 3(f) of this Agreement) occurs before January 31, 2018, (x) the Performance Period will be deemed to have been terminated immediately before the Change in Control, and (y) the Performance Stock Units Earned as of the date of the Change in Control will be converted into time vesting Restricted Stock Units that will vest on January 31, 2018 if the Participant remains in the employ of the Company through that date (the "Converted Restricted Stock Units") and, in addition, the following rules will apply:

(i) If the Converted Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the Converted Restricted Stock Units will become fully vested immediately before the Change in Control (and any remainder of the Target Award will be forfeited).

(ii) If (A) the Converted Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability), the Converted Restricted Stock Units will become fully vested immediately upon the termination of the Participant's employment (and any remainder of the Target Award will be forfeited).

(iii) If (A) the Converted Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment continues beyond the date that is 24 months after the Change in Control, the Converted Restricted Stock Units will vest, if at all, in accordance with Paragraph 2(b), subject to Paragraph 3.

3. Termination of Employment.

(a) Except as set forth in Paragraph 2(c) or in the remaining provisions of this Paragraph 3 or as otherwise determined by the Committee, the Participant's rights to receive any portion of the Target Award will be cancelled immediately and without notice to the Participant, and no Final Award will be made, if the Participant terminates employment with the Company before January 31, 2018. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Performance Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Participant will continue to be eligible to receive the Final Award as if the Participant was actively employed during any period of the leave.

(c) Notwithstanding the provisions of Paragraph 3(a), if the Participant's employment with the Company is terminated by reason of disability (as defined in the Company's long-term disability plan), death, retirement or involuntary termination by the Company without Cause, and either (x) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date before the termination of the Participant's employment with the Company, or (y) the Change in Control has occurred before the termination of employment, the Participant will be entitled to a "Pro Rata Part" of the "Full Period Award" (as those terms are defined below) for those units that do not vest upon that termination pursuant to Paragraph 2(c)(ii). For these purposes:

(i) the "Full Period Award" means that percentage of the Target Award for the Performance Period that would have been Earned as of December 31, 2017 and vested as of January 31, 2018 if the Participant had remained in the employ of the Company through January 31, 2018; and

(ii) "Pro Rata Part" means a fraction, the numerator of which is the number of days between the Grant Date and either the ending date for each Tranche of the Performance Period or the date of the termination of the Participant's employment (whichever is earlier) and the denominator of which is 301 for Tranche 1; 667 for Tranche 2; and 1,063 for Tranche 3 (i.e.: the number of days from the Grant Date through the end of each Tranche or in the case of Tranche 3, the number of days from the Grant Date through January 31, 2018).

(d) For purposes of this Agreement, "retirement" shall mean the Participant's voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(e) For purposes of this Agreement, the term "Cause" shall mean (i) the willful and continued failure by the Participant to substantially perform the Participant's duties with the Company (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by (A) if the Participant is an executive officer of the Company, the Board of Directors of the Company, or (B) if the Participant is not an executive officer of the Company, the head of the Company's global human resources department, which demand specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant's duties, or (ii) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.

(f) For purposes of this Agreement, the term "Change in Control" has the meaning given to that term in the Plan, modified as follows:

(i) by substituting for paragraph (B) of the definition of that term in the Plan, the following language:

"(B) within any twelve month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, at the beginning of the twelve month period, 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 of the directors then still in office who either were directors at the beginning of the twelve month period or whose appointment, election or nomination for election was previously so approved or recommended (for these purposes, (x) a threatened election contest will be deemed to have occurred only if any person or entity publicly announces a *bona fide* intention to engage in an election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, and (y) a withhold vote campaign with respect to any director will not by itself constitute an actual or threatened election contest);"

(ii) The consummation of the sale of the Company's shares in Halla Visteon Climate Control Corporation pursuant to the Share Purchase Agreement by and among VIHI, LLC, the Company, Hahn & Co. Auto Holdings Co. Ltd. And Hankook Tire Co. LTD dated as of December 17, 2014 will not constitute a Change in Control for Purposes of this Agreement.

4. Payment of Final Award.

(a) The Committee will determine the amount of the Final Award with respect to the Performance Period, and the Participant will receive shares of Stock in settlement of the Final Award, (i) on a date to be selected by the Company between January 31 and March 15, 2018 (if the Final Award vests on January 31, 2018) or (ii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting under Paragraph 2(c), within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B)(i) requires that payment be postponed six months and one day after the date of the Participant's "separation from service" (the "Settlement Date"). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay the Participant's Final Award on a Settlement Date upon the occurrence of, or within 30 days before, upon or within twelve months after any Change in Control that constitutes a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(b) The number of shares of Stock delivered to the Participant will equal the number of shares included in the Final Award, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant's Final Award will be settled by a single lump sum payment equal to the number of shares of Stock that would otherwise be issued in settlement of the Final Award multiplied by the Fair Market Value of a share of the Stock, less applicable withholding taxes. All Performance Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

Upon distribution of the Final Award, the Participant will be entitled to receive payment of the same amount of cash, subject to applicable taxes, that the Participant would have received as cash dividends, as if, on each record date during the period beginning on the Grant Date and ending on the date of settlement of the Final Award, the Participant had been the holder of record of a number of shares of Stock equal to the number of shares included in the Participant's Final Award.

6. Withholding.

(a) Upon distribution of the Final Award, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant's cash compensation or by withholding a number of shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional share of Stock remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

(b) Dividend equivalents paid on Performance Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Performance Stock Units, and may refuse to settle the Final Award, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement of the Final Award, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(b) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

8. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Performance Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

9. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of any Final Award that may be made on or after the Participant's death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant's beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided*, *however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant's death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant's estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

10. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of the Final Award, is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "Act"). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant's beneficiary, and the Participant's heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant's beneficiary in settlement of the Final Award or may impose restrictions or conditions on the Participant's (or any beneficiary's) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company's securities pursuant to an effective registration statement filed under the Act.

11. Voting Rights.

The Participant will have no voting rights with respect to the Performance Stock Units at any time before distribution of the Final Award.

12. Limited Interest.

(a) The grant of the Performance Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Performance Stock Units unless and until shares of Stock are issued in settlement of the Final Award.

(b) The grant of the Performance Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Performance Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Performance Stock Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Performance Stock Units or benefits in lieu of Performance Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

13. Transfer of Personal Data.

The Company and, if the Participant is employed by a subsidiary of the Company, the Participant's employer hold and control certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, tax jurisdiction, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Company will protect the Data by insuring that any such recipients are certified under the U.S. - E.U. Safe Harbor Framework or have entered into an agreement to hold or process such Data in compliance with Safe Harbor Principles, the E.U. Model Clauses or similar legislation of the country where the Participant resides, and will receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of stock acquired pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or direct the Company in writing or via email not to process or transfer Participant’s Data thereby discontinuing the Participant's participation in the Plan.

14. Incorporation by Reference.

The terms of the Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Plan. In the event of any conflict between this Agreement and the Plan, the Agreement will govern.

15. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

16. Severability.

In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision has not been inserted.

17. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.5

VISTEON CORPORATION 2010 INCENTIVE PLAN

RESTRICTED STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the "Company"), subject to the terms of the Visteon Corporation 2010 Incentive Plan (the "Plan") and this Agreement, hereby grants to the Participant named in the Notification Summary or Appendix to this Agreement, restricted stock units ("Restricted Stock Units") as further described herein.

1. Grant of Restricted Stock Units.

The Company hereby grants to the Participant the number of Restricted Stock Units set forth in the Notification Summary or Appendix, effective as of the date or dates (the "Grant Date") and subject to the restrictions set forth in this Agreement. In the event of certain corporate transactions, the number of Restricted Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Plan.

2. Vesting of Restricted Stock Units.

(a) During the Participant's continuous employment with the Company, the Restricted Stock Units will vest in accordance with the following vesting schedule:

(i) One-third will vest on the first anniversary of the Grant Date;

(ii) One-third will vest on the second anniversary of the Grant Date; and

(iii) One-third will vest on the third anniversary of the Grant Date.

(b) If a Change in Control (as defined in Paragraph 3(f) of this Agreement) occurs before all of the Restricted Stock Units granted under this Agreement have vested, the following rules will apply, in addition to the vesting provided for in Paragraph 2(a):

(i) If the Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately before the Change in Control.

(ii) If (A) the Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability), the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately upon the termination of the Participant's employment.

3. Termination of Employment.

(a) Except as set forth in Paragraph 2(b) or in the remaining provisions of this Paragraph 3, if the Participant's employment with the Company is terminated for any reason, the Participant will forfeit any and all rights to Restricted Stock Units that have not vested on the termination date, and such Restricted Stock Units will be cancelled. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Restricted Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Restricted Stock Units will vest in accordance with the provisions of Paragraph 2 as if the Participant was actively employed.

(c) Notwithstanding the provisions of Paragraph 3(a), if the Participant's employment with the Company is terminated by reason of disability (as defined in the Company's long-term disability plan), death, retirement or involuntary termination by the Company without Cause, and either (x) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date, or (y) a Change in Control has occurred before the termination of employment, the Restricted Stock Units that have not previously vested and that do not fully vest upon that termination pursuant to Paragraph 2(b)(ii) will vest on a pro rata basis so that, taking into account the Restricted Stock Units, if any, that have previously vested pursuant to Paragraph 2(a)(i) or pursuant to Paragraphs 2(a)(i) and 2(a)(ii), the percentage of all Restricted Stock Units granted under this Agreement that is vested is equal to 100% multiplied by a fraction, the numerator of which is the number of days from the date of grant to the date of the termination of the Participant's employment, inclusive, and the denominator of which is the number of days from the Grant Date to the third anniversary).

(d) For purposes of this Agreement, "retirement" shall mean the Participant's voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(e) For purposes of this Agreement, the term "Cause" shall mean (i) the willful and continued failure by the Participant to substantially perform the Participant's duties with the Company (other than any such failure resulting from the Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by (A) if the Participant is an executive officer of the Company, the Board of Directors of the Company, or (B) if the Participant is not an executive officer of the Company, the head of the Company's global human resources department, which demand specifically identifies the manner in which the Company believes that the Participant has not substantially performed the Participant's duties, or (ii) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.

(f) For purposes of this Agreement, the term "Change in Control" has the meaning given to that term in the Plan, modified as follows:

(i) by substituting for paragraph (B) of the definition of that term in the Plan, the following language:

"(B) within any twelve month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, at the beginning of the twelve month period, 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 of the directors then still in office who either were directors at the beginning of the twelve month period or whose appointment, election or nomination for election was previously so approved or recommended (for these purposes, (x) a threatened election contest will be deemed to have occurred only if any person or entity publicly announces a *bona fide* intention to engage in an election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, and (y) a withhold vote campaign with respect to any director will not by itself constitute an actual or threatened election contest);"

(ii) The consummation of the sale of the Company's shares in Halla Visteon Climate Control Corporation pursuant to the Share Purchase Agreement by and among VIHI, LLC, the Company, Hahn & Co. Auto Holdings Co. Ltd. And Hankook Tire Co. LTD dated as of December 17, 2014 will not constitute a Change in Control for Purposes of this Agreement.

4. Restricted Stock Unit Account and Settlement of Vested Units.

(a) The Company will credit the Restricted Stock Units to an account in the name of the Participant. The Participant's vested Restricted Stock Units will be settled upon the earliest to occur of (i) the vesting date applicable to such Restricted Stock Unit as set forth in Paragraph 2(a) above (disregarding any acceleration of the vesting date under Paragraph 2(b) or Paragraph 3 above), (ii) in the case of accelerated vesting under Paragraph 3(c) due to the death of the Participant, as soon as practicable (and in any event within 60 days) following the Participant's date of death, or (iii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting, within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B) (i) requires that payment be postponed for six months and one day, or Participant's earlier death occurring, after the date of the Participant's "separation from service" (such applicable date, the "Settlement Date"). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Restricted Stock Units to the Participant, on a fully vested and immediately payable basis, on a Settlement Date within 30 days before, upon or within twelve months after Change in Control that constitutes a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(b) Settlement will be made through the delivery of one share of Stock for each vested Restricted Stock Unit, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant's vested Restricted Stock Units will be settled by a single lump sum payment equal to the number of vested Restricted Stock Units to be settled multiplied by the Fair Market Value on the Settlement Date of a share of the Stock, less applicable withholding taxes. All Restricted Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

Upon each Settlement Date, with respect to each Restricted Stock Unit being settled on that date, the Participant will be entitled to receive payment of the same amount of cash, subject to applicable tax withholding, that the Participant would have received as cash dividends if, on each record date during the period from the Grant Date through the Settlement Date, the Participant had been the holder of record of one share of Stock.

6. Withholding.

(a) Upon the vesting or settlement of previously granted Restricted Stock Units pursuant to Paragraphs 3 or 4 above, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant's cash compensation or by withholding a number of Restricted Stock Units or shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional Restricted Stock Unit remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

(b) Dividend equivalents paid on Restricted Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Restricted Stock Units, and may refuse to settle vested Restricted Stock Units, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(a) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

1. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Restricted Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

2. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of vested Restricted Stock Units that may be made on or after the Participant’s death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant’s beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant’s death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant’s estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

3. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of vested Restricted Stock Units is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the “Act”). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant’s beneficiary, and the Participant’s heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant’s beneficiary in settlement of vested Restricted Stock Units or may impose restrictions or conditions on the Participant’s (or any beneficiary’s) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company’s securities pursuant to an effective registration statement filed under the Act.

1. Voting Rights.

The Participant will have no voting rights with respect to the Restricted Stock Units.

2. Limited Interest.

(a) The grant of the Restricted Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Restricted Stock Units unless and until shares of Stock are issued in settlement of vested Restricted Stock Units.

(b) The grant of the Restricted Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Restricted Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company’s capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Restricted Stock Units under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Restricted Stock Units or benefits in lieu of Restricted Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

3. Transfer of Personal Data.

The Company and, if the Participant is employed by a subsidiary of the Company, the Participant’s employer hold and control certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, tax jurisdiction, job title, any shares of Stock or directorships held in the Company, details of all options or any other entitlement to shares of Stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan (“Data”). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Company will protect the Data by insuring that any such recipients are certified under the U.S. - E.U. Safe Harbor Framework or have entered into an agreement to hold or process such Data in compliance with Safe Harbor Principles, the E.U. Model Clauses or similar legislation of the country where the Participant resides, and will receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of Stock acquired pursuant to the Plan. The Participant may, at any time, review Data, require any necessary amendments to it or direct the Company in writing or via email not to process or transfer Participant’s Data thereby discontinuing the Participant's participation in the Plan.

4. Incorporation by Reference.

The terms of the Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Plan. In the event of any conflict between this Agreement and the Plan, this Agreement will govern.

5. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

6. Severability.

If any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement is to be construed and enforced as if the illegal or invalid provision has not been inserted.

7. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

8. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.6

VISTEON CORPORATION 2010 INCENTIVE PLAN, AS AMENDED

RESTRICTED STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the "Company"), subject to the terms of the Visteon Corporation 2010 Incentive Plan, as amended (the "Amended Plan") and this Agreement, hereby grants to Sachin Lawande (the "Participant"), restricted stock units ("Restricted Stock Units") as further described herein.

1. Grant of Restricted Stock Units.

The Company hereby grants to the Participant 30,187 Restricted Stock Units, effective as of June 29, 2015 (the "Grant Date") and subject to the restrictions set forth in this Agreement. In the event of certain corporate transactions, the number of Restricted Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Amended Plan.

2. Vesting of Restricted Stock Units.

(a) Subject to the Participant's continuous employment with the Company, the Restricted Stock Units will fully vest on June 29, 2018.

(b) If a Change in Control (as defined in the Employment Agreement entered into as of June 8, 2015 between the Participant and the Company (the "Employment Agreement")) occurs before all of the Restricted Stock Units granted under this Agreement have vested, the following rules will apply, in addition to the vesting provided for in Paragraph 2(a):

(i) If the Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately before the Change in Control.

(ii) If (A) the Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability) or by the Participant for Good Reason, the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately upon the termination of the Participant's employment.

3. Termination of Employment.

(a) Except as set forth in Paragraph 2(b) or in the remaining provisions of this Paragraph 3, if the Participant's employment with the Company is terminated for any reason, the Participant will forfeit any and all rights to Restricted Stock Units that have not vested on the termination date, and such Restricted Stock Units will be cancelled. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Restricted Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Restricted Stock Units will vest in accordance with the provisions of Paragraph 2 as if the Participant was actively employed.

(c) Notwithstanding the provisions of Paragraph 3(a), if the Participant's employment with the Company is terminated by reason of disability (as defined in the Company's long-term disability plan), death or retirement, and either (x) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date, or (y) a Change in Control has occurred before the termination of employment, the Restricted Stock Units that have not previously vested and that do not fully vest upon that termination pursuant to Paragraph 2(b)(ii) will vest on a pro rata basis so that the percentage of all Restricted Stock Units granted under this Agreement that is vested is equal to 100% multiplied by a fraction, the numerator of which is the number of days from the date of grant to the date of the termination of the Participant's employment, inclusive, and the denominator of which is the number of days from the Grant Date to the third anniversary).

(d) Notwithstanding the provisions of Paragraph 3(a), if the Participant's employment with the Company is terminated for Cause based solely on the Participant's breach of Section 24 of the Employment

Agreement, without Cause or by the Participant for Good Reason at any time, the Restricted Stock Units shall, to the extent then unvested, become fully and immediately vested and settled.

(e) For purposes of this Agreement, "retirement" shall mean the Participant's voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(f) For purposes of this Agreement, the term "Cause" shall have the same meaning as set forth in subsection 7(c) of the Employment Agreement.

(g) For purposes of this Agreement, the term "Good Reason" shall have the same meaning as set forth in subsection 7(e) of the Employment Agreement.

4. Restricted Stock Unit Account and Settlement of Vested Units.

(a) The Company will credit the Restricted Stock Units to an account in the name of the Participant. The Participant's vested Restricted Stock Units will be settled upon the earliest to occur of (i) the vesting date applicable to such Restricted Stock Unit as set forth in Paragraph 2(a) above (disregarding any acceleration of the vesting date under Paragraph 2(b) or Paragraph 3 above), (ii) in the case of accelerated vesting under Paragraph 3(c) due to the death of the Participant, as soon as practicable (and in any event within 60 days) following the Participant's date of death, or (iii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting, within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B) (i) requires that payment be postponed for six months and one day, or Participant's earlier death occurring, after the date of the Participant's "separation from service" (such applicable date, the "Settlement Date"). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Restricted Stock Units to the Participant, on a fully vested and immediately payable basis, on a Settlement Date within 30 days before, upon or within twelve months after Change in Control that constitutes a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(b) Settlement will be made through the delivery of one share of Stock for each vested Restricted Stock Unit, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant's vested Restricted Stock Units will be settled by a single lump sum payment equal to the number of vested Restricted Stock Units to be settled multiplied by the Fair Market Value on the Settlement Date of a share of the Stock, less applicable withholding taxes. All Restricted Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Amended Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

In the event of the issuance of dividends on shares of the Company's common stock, on each record date during the Grant Date through the Settlement Date, the Participant shall receive, with respect to each Restricted Stock Unit, an additional number of Restricted Stock Units equal to the number that such Participant would have received if the Participant had been the holder of record of one share of Stock and had reinvested any cash dividend paid on such share of Stock into Restricted Stock Units (at the Fair Market Value of Stock on the later of i) the date the dividend is paid and ii) the ex-dividend date) subject to the same terms and conditions as the Restricted Stock Units granted herein.

6. Withholding.

(a) Upon the vesting or settlement of previously granted Restricted Stock Units pursuant to Paragraphs 3 or 4 above, the Company may satisfy its tax withholding obligations in any manner determined by the

Committee, including by withholding a portion of the Participant's cash compensation or by withholding a number of Restricted Stock Units or shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional Restricted Stock Unit remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

(b) Dividend equivalents paid on Restricted Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Restricted Stock Units, and may refuse to settle vested Restricted Stock Units, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(a) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

1. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Restricted Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

2. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of vested Restricted Stock Units that may be made on or after the Participant's death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant's beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant's death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant's estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

3. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of vested Restricted Stock Units is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "Act"). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant's beneficiary, and the Participant's heirs, legatees and legal representatives, before such issuance, to execute and deliver to the

Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant's beneficiary in settlement of vested Restricted Stock Units or may impose restrictions or conditions on the Participant's (or any beneficiary's) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company's securities pursuant to an effective registration statement filed under the Act.

1. Voting Rights.

The Participant will have no voting rights with respect to the Restricted Stock Units.

2. Limited Interest.

(a) The grant of the Restricted Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Restricted Stock Units unless and until shares of Stock are issued in settlement of vested Restricted Stock Units.

(b) The grant of the Restricted Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Restricted Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Amended Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Restricted Stock Units under the Amended Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Restricted Stock Units or benefits in lieu of Restricted Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

3. Transfer of Personal Data.

The Company and, if the Participant is employed by a subsidiary of the Company, the Participant's employer hold and control certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, tax jurisdiction, job title, any shares of Stock or directorships held in the Company, details of all options or any other entitlement to shares of Stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Amended Plan ("Data"). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Amended Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Amended Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Company will protect the Data by insuring that any such recipients are certified under the U.S. - E.U. Safe Harbor Framework or have entered into an agreement to hold or process such Data in compliance with Safe Harbor Principles, the E.U. Model Clauses or similar legislation of the country where the Participant resides, and will receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Participant's participation in the Amended Plan, including any requisite transfer of such Data as may be required for the administration of the Amended Plan and/or the subsequent holding of shares of Stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of Stock acquired pursuant to the Amended Plan. The Participant may, at any time, review Data, require any necessary amendments to it or direct the Company in writing or via email not to process or transfer Participant's Data thereby discontinuing the Participant's participation in the Amended Plan.

4. Incorporation by Reference.

The terms of the Amended Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Amended Plan. In the event of any conflict between this Agreement and the Amended Plan, this Agreement will govern.

5. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

6. Severability.

If any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement is to be construed and enforced as if the illegal or invalid provision has not been inserted.

7. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

8. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.7

VISTEON CORPORATION 2010 INCENTIVE PLAN, AS AMENDED

RESTRICTED STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the “Company”), subject to the terms of the Visteon Corporation 2010 Incentive Plan, as amended (the “Amended Plan”) and this Agreement, hereby grants to Sachin Lawande (the “Participant”) 5,916 restricted stock units (“Restricted Stock Units”) as further described herein.

1. Grant of Restricted Stock Units.

The Company hereby grants to the Participant 5,916 Restricted Stock Units, effective as of June 29, 2015 (the “Grant Date”) and subject to the restrictions set forth in this Agreement. In the event of certain corporate transactions, the number of Restricted Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Amended Plan.

2. Vesting of Restricted Stock Units.

(a) During the Participant’s continuous employment with the Company, the Restricted Stock Units will vest in accordance with the following vesting schedule:

(i) One-third will vest on the first anniversary of the Grant Date;

(ii) One-third will vest on the second anniversary of the Grant Date; and

(iii) One-third will vest on the third anniversary of the Grant Date.

(b) If a Change in Control (as defined in the Employment Agreement entered into as of June 8, 2015 between the Participant and the Company (the “Employment Agreement”)) occurs before all of the Restricted Stock Units granted under this Agreement have vested, the following rules will apply, in addition to the vesting provided for in Paragraph 2(a):

(i) If the Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately before the Change in Control.

(ii) If (A) the Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant’s employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability) or by the Participant for Good Reason, the outstanding Restricted Stock Units that have not previously vested will become fully vested immediately upon the termination of the Participant’s employment.

3. Termination of Employment.

(a) Except as set forth in Paragraph 2(b) or in the remaining provisions of this Paragraph 3, if the Participant’s employment with the Company is terminated for any reason, the Participant will forfeit any and all rights to Restricted Stock Units that have not vested on the termination date, and such Restricted Stock Units will be cancelled. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Restricted Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Restricted Stock Units will vest in accordance with the provisions of Paragraph 2 as if the Participant was actively employed.

(c) Notwithstanding the provisions of Paragraph 3(a), if the Participant’s employment with the Company is terminated by reason of disability (as defined in the Company’s long-term disability plan), death, retirement or involuntary termination by the Company without Cause or by the Participant for Good Reason, and either (x) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date, or (y) a Change in Control has occurred before the termination of employment, the Restricted Stock Units that have not previously vested and that do not fully vest upon that termination pursuant to Paragraph 2(b)(ii) will vest on a pro rata basis so that, taking into account the Restricted Stock Units, if any, that have previously vested pursuant to Paragraph 2(a)(i) or pursuant to Paragraphs 2(a)(i) and 2(a)(ii), the percentage of all Restricted Stock

Units granted under this Agreement that is vested is equal to 100% multiplied by a fraction, the numerator of which is the number of days from the date of grant to the date of the termination of the Participant's employment, inclusive, and the denominator of which is the number of days from the Grant Date to the third anniversary).

(d) For purposes of this Agreement, "retirement" shall mean the Participant's voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(e) For purposes of this Agreement, the terms "Cause" and "Good Reason" shall have the meaning set forth in the Employment Agreement.

4. Restricted Stock Unit Account and Settlement of Vested Units.

(a) The Company will credit the Restricted Stock Units to an account in the name of the Participant. The Participant's vested Restricted Stock Units will be settled upon the earliest to occur of (i) the vesting date applicable to such Restricted Stock Unit as set forth in Paragraph 2(a) above (disregarding any acceleration of the vesting date under Paragraph 2(b) or Paragraph 3 above), (ii) in the case of accelerated vesting under Paragraph 3(c) due to the death of the Participant, as soon as practicable (and in any event within 60 days) following the Participant's date of death, or (iii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting, within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B) (i) requires that payment be postponed for six months and one day, or Participant's earlier death occurring, after the date of the Participant's "separation from service" (such applicable date, the "Settlement Date"). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Restricted Stock Units to the Participant, on a fully vested and immediately payable basis, on a Settlement Date within 30 days before, upon or within twelve months after Change in Control that constitutes a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(b) Settlement will be made through the delivery of one share of Stock for each vested Restricted Stock Unit, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant's name or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant's vested Restricted Stock Units will be settled by a single lump sum payment equal to the number of vested Restricted Stock Units to be settled multiplied by the Fair Market Value on the Settlement Date of a share of the Stock, less applicable withholding taxes. All Restricted Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Amended Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant's rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

On each record date during the Grant Date through the Settlement Date, the Participant shall receive, with respect to each Restricted Stock Unit, an additional number of Restricted Stock Units equal to the number that such Participant would have received if the Participant had been the holder of record of one share of Stock and had reinvested any cash dividend paid on such share of Stock into Restricted Stock Units (at the Fair Market Value of the Stock on the later of i) the date the dividend is paid and ii) the ex-dividend date) subject to the same terms and conditions as the Restricted Stock Units granted herein.

6. Withholding.

(a) Upon the vesting or settlement of previously granted Restricted Stock Units pursuant to Paragraphs 3 or 4 above, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant's cash compensation or by withholding a number of Restricted Stock Units or shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional Restricted Stock Unit remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

(b) Dividend equivalents paid on Restricted Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Restricted Stock Units, and may refuse to settle vested Restricted Stock Units, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(a) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

1. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Restricted Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

2. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of vested Restricted Stock Units that may be made on or after the Participant's death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant's beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant's death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant's estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

3. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of vested Restricted Stock Units is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "Act"). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant's beneficiary, and the Participant's heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant's beneficiary in settlement of vested Restricted Stock Units or may impose restrictions or conditions on the Participant's (or any beneficiary's) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company's securities pursuant to an effective registration statement filed under the Act.

1. Voting Rights.

The Participant will have no voting rights with respect to the Restricted Stock Units.

2. Limited Interest.

(a) The grant of the Restricted Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Restricted Stock Units unless and until shares of Stock are issued in settlement of vested Restricted Stock Units.

(b) The grant of the Restricted Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Restricted Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Amended Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Restricted Stock Units under the Amended Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Restricted Stock Units or benefits in lieu of Restricted Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

3. Transfer of Personal Data.

The Company and, if the Participant is employed by a subsidiary of the Company, the Participant's employer hold and control certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, tax jurisdiction, job title, any shares of Stock or directorships held in the Company, details of all options or any other entitlement to shares of Stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Amended Plan ("Data"). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Amended Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Amended Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Company will protect the Data by insuring that any such recipients are certified under the U.S. - E.U. Safe Harbor Framework or have entered into an agreement to hold or process such Data in compliance with Safe Harbor Principles, the E.U. Model Clauses or similar legislation of the country where the Participant resides, and will receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Participant's participation in the Amended Plan, including any requisite transfer of such Data as may be required for the administration of the Amended Plan and/or the subsequent holding of shares of Stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of Stock acquired pursuant to the Amended Plan. The Participant may, at any time, review Data, require any necessary amendments to it or direct the Company in writing or via email not to process or transfer Participant's Data thereby discontinuing the Participant's participation in the Amended Plan.

4. Incorporation by Reference.

The terms of the Amended Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Amended Plan. In the event of any conflict between this Agreement and the Amended Plan, this Agreement will govern.

5. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

6. Severability.

If any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement is to be construed and enforced as if the illegal or invalid provision has not been inserted.

7. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

8. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.4.8

VISTEON CORPORATION 2010 INCENTIVE PLAN, AS AMENDED

PERFORMANCE STOCK UNIT GRANT AGREEMENT

Visteon Corporation, a Delaware corporation (the “Company”), subject to the terms of the Visteon Corporation 2010 Incentive Plan, as amended (the “Amended Plan”) and this Agreement, hereby grants to Sachin Lawande (the “Participant”), 11,974 performance stock units (“Performance Stock Units”) as further described herein.

1. Grant of Performance Stock Units, Target Award.

(a) The Company hereby grants to the Participant 11,974 Performance Stock Units, effective as of June 29, 2015 (the “Grant Date”) and subject to the restrictions set forth in this Agreement. The Performance Stock Units represent a target number of shares of the Company’s common stock (“Stock”) to be paid (the “Target Award”) if the Company’s “Total Shareholder Return” (as defined below, “TSR”) results during the “Performance Period” (as defined below) relative to returns of similar companies is ranked #9. The actual number of shares of Stock to be transferred to the Participant, if any (the “Final Award”), may be earned up to 150% of the Target Award opportunity, or as low as zero, based on the Company’s TSR performance ranking within the TSR Peer Group (as defined below) and upon satisfaction of the conditions to vesting set forth below in this Agreement. In the event of certain corporate transactions, the number of Performance Stock Units covered by this Agreement may be adjusted by the Committee as further described in Section 13 of the Amended Plan.

(b) For purposes of this Agreement, the “Performance Period” means the three tranches (collectively) as follows:

(i) “Tranche 1”: January 1, 2015 through December 31, 2015, which is allotted 25% of the Target Award,

(ii) “Tranche 2”: January 1, 2015 through December 31, 2016, which is allotted 25% of the Target Award, and

(iii) “Tranche 3”: January 1, 2015 through December 31, 2017, which is allotted 50% of the Target Award.

(c) For purposes of this Agreement, “Total Shareholder Return” (or “TSR”) is calculated by dividing the Closing Average Share Value (as defined below) by the Opening Average Share Value (as defined below).

(i) The term “Closing Average Share Value” means the average value of the common stock for the trading days during the twenty (20) trading days ending on the last trading day of the applicable tranche, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the twenty-day period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the twenty-day period. The Closing Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the applicable tranche, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends. Notwithstanding the foregoing, if the Closing Average Share Value is calculated as of a Change in Control, then the Closing Average Share Value shall be based on the twenty-day period ending immediately prior to the Change in Control.

(ii) The term “Opening Average Share Value” means the average value of the common stock for the trading days during the twenty (20) trading days ending on the last trading day prior to the beginning of the applicable tranche, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the twenty-day period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the twenty-day period. The Opening Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the twenty-day period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends.

(d) For purposes of this Agreement, the "TSR Peer Group" includes the following 16 companies:

Autoliv, Inc.	Delphi Automotive	Magna International, Inc.
BorgWarner Inc.	Denso	Meritor Inc.
Calsonic Kansai	Faurecia	Tenneco Inc.
Continental	Federal-Mogul Corp.	Valeo
Cooper Standard	Johnson Controls Inc.	
Dana Holding Corp	Lear Corporation	

2. <u>TSR Achievement, Percentage Earned, Vesting, Effect of Change in Control</u>.

(a) The Participant's rights to the Target Award will be based on the Participant's continued employment and the extent to which TSR is achieved for each tranche. Awards can be "Earned" (meaning available for potential vesting) up to 150% of the Target Award opportunity based on the Company's TSR performance ranking within the "Comparator group" (meaning Visteon plus the TSR Peer Group) as follows (award payouts for performance between the rankings specified below is determined based on straight-line interpolation):

(i) No award if Visteon is in the bottom 3,

(ii) 35% of the target award if ranked #4,

(iii) 100% of the target award if ranked #9,

(iv) 150% of the target award if ranked #14 or higher.

However, if the TSR is negative for any tranche within the Performance Period, the Target Award Earned for that tranche cannot be greater than 100%, regardless of the ranking above, unless the Tranche 3 performance achieved is positive.

An upward adjustment to the Target Award Earned for Tranche 1 and/or Tranche 2 will be made if the Target Award Earned for Tranche 3 is higher than that of Tranche 1 and/or Tranche 2. This adjustment will be equal to the Target Award Earned for Tranche 3.

(b) If the Participant remains in the employ of the Company through January 31, 2018, the percentage of the Target Award Earned for the Performance Period through that date will vest on that date.

(c) If a Change in Control (as defined in the Employment Agreement entered into as of June 8, 2015 between the Participant and the Company (the "Employment Agreement")) occurs before January 31, 2018, (x) the Performance Period will be deemed to have been terminated immediately before the Change in Control, and (y) the Performance Stock Units Earned as of the date of the Change in Control will be converted into time vesting Restricted Stock Units that will vest on January 31, 2018 if the Participant remains in the employ of the Company through that date (the "Converted Restricted Stock Units") and, in addition, the following rules will apply:

(i) If the Converted Restricted Stock Units are not assumed, converted or replaced by the acquirer or other continuing entity, the Converted Restricted Stock Units will become fully vested immediately before the Change in Control (and any remainder of the Target Award will be forfeited).

(ii) If (A) the Converted Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment is terminated within 24 months following the Change in Control by the Company without Cause (other than by reason of death or disability) or by the Participant with Good Reason, the Converted Restricted Stock Units will become fully vested immediately upon the termination of the Participant's employment (and any remainder of the Target Award will be forfeited).

(iii) If (A) the Converted Restricted Stock Units are assumed, converted or replaced by the acquirer or other continuing entity and (B) the Participant's employment continues beyond the date that is 24 months after the Change in Control, the Converted Restricted Stock Units will vest, if at all, in accordance with Paragraph 2(b), subject to Paragraph 3.

3. Termination of Employment.

(a) Except as set forth in Paragraph 2(c) or in the remaining provisions of this Paragraph 3 or as otherwise determined by the Committee, the Participant's rights to receive any portion of the Target Award will be cancelled immediately and without notice to the Participant, and no Final Award will be made, if the Participant terminates employment with the Company before January 31, 2018. A transfer or assignment of employment to a company that is owned at least 50% directly or indirectly by the Company shall not be deemed a termination of employment solely for purposes of Performance Stock Units covered by this Agreement.

(b) Notwithstanding the provisions of Paragraph 3(a), if the Participant is placed on an approved leave of absence, with or without pay, the Participant will continue to be eligible to receive the Final Award as if the Participant was actively employed during any period of the leave.

(c) Notwithstanding the provisions of Paragraph 3(a), if the Participant's employment with the Company is terminated by reason of disability (as defined in the Company's long-term disability plan), death, retirement or involuntary termination by the Company without Cause or by the Participant for Good Reason, and either (x) the Participant had remained in the employ of the Company for at least 180 days following the Grant Date before the termination of the Participant's employment with the Company, or (y) the Change in Control has occurred before the termination of employment, the Participant will be entitled to a "Pro Rata Part" of the "Full Period Award" (as those terms are defined below) for those units that do not vest upon that termination pursuant to Paragraph 2(c)(ii). For these purposes:

(i) the "Full Period Award" means that percentage of the Target Award for the Performance Period that would have been Earned as of December 31, 2017 and vested as of January 31, 2018 if the Participant had remained in the employ of the Company through January 31, 2018; and

(ii) "Pro Rata Part" means a fraction, the numerator of which is the number of days between the Grant Date and either the ending date for each Tranche of the Performance Period or the date of the termination of the Participant's employment (whichever is earlier) and the denominator of which is 186 for Tranche 1; 552 for Tranche 2; and 948 for Tranche 3 (i.e.: the number of days from the Grant Date through the end of each Tranche or in the case of Tranche 3, the number of days from the Grant Date through January 31, 2018).

(d) For purposes of this Agreement, "retirement" shall mean the Participant's voluntary termination of employment either (1) after attaining age 55 and completion of 10 years of service, or (2) after completion of at least 30 years of service, regardless of age.

(e) For purposes of this Agreement, the terms "Cause" and "Good Reason" shall have the same meanings as set forth in the Employment Agreement.

4. Payment of Final Award.

(a) The Committee will determine the amount of the Final Award with respect to the Performance Period, and the Participant will receive shares of Stock in settlement of the Final Award, (i) on a date to be selected by the Company between January 31 and March 15, 2018 (if the Final Award vests on January 31, 2018) or (ii) in any other case in which the Participant terminates employment and is entitled to accelerated vesting under Paragraph 2(c), within ten days thereafter, except to the extent that Code Section 409A(a)(2)(B)(i) requires that payment be postponed six months and one day after the date of the Participant's "separation from service" (the "Settlement Date"). Notwithstanding the foregoing, the Company may, in its sole discretion and to the extent permitted under Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay the Participant's Final Award on a Settlement Date upon the occurrence of, or within 30 days before, upon or within twelve months after any Change in Control that constitutes a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(b) The number of shares of Stock delivered to the Participant will equal the number of shares included in the Final Award, less applicable withholding and brokerage fees associated with the sale of any shares to pay applicable withholding. Any shares of Stock will be issued in book-entry form, registered in the Participant’s name or in the name of the Participant’s legal representatives, beneficiaries or heirs, as the case may be. The Company will not deliver any fractional share of Stock but will pay, in lieu thereof, cash equal to the Fair Market Value of such fractional share. Notwithstanding the foregoing, the Committee may direct that in lieu of settlement through delivery of Stock, the Participant’s Final Award will be settled by a single lump sum payment equal to the number of shares of Stock that would otherwise be issued in settlement of the Final Award multiplied by the Fair Market Value of a share of the Stock, less applicable withholding taxes. All Performance Stock Units that have become vested and are settled will be cancelled.

(c) The Company may retain the services of a third-party administrator to perform administrative services in connection with the Amended Plan. To the extent the Company has retained such an administrator, any reference to the Company will be deemed to refer to any such third-party administrator retained by the Company, and the Company may require the Participant to exercise the Participant’s rights under this Agreement only through such third-party administrator.

5. Dividend Equivalents.

On each record date during the Grant Date through the Settlement Date, the Participant shall receive, with respect to each Performance Stock Unit, an additional number of Performance Stock Units equal to the number that such Participant would have received if the Participant had been the holder of record of one share of Stock and had reinvested any cash dividend paid on such share of Stock into Performance Stock Units (at the Fair Market Value of Stock on the later of i) the date the dividend is paid and ii) the ex-dividend date) subject to the same terms and conditions as the Performance Stock Units granted herein.

6. Withholding.

(a) Upon distribution of the Final Award, the Company may satisfy its tax withholding obligations in any manner determined by the Committee, including by withholding a portion of the Participant’s cash compensation or by withholding a number of shares of Stock having a Fair Market Value, as determined by the Committee, equal to the amount required to be withheld. The Fair Market Value of any fractional share of Stock remaining after the withholding requirements are satisfied will be paid to the Participant in cash. The Company may also require the Participant to deliver a check in the amount of any tax withholding obligation, or to otherwise indemnify the Company, as a condition to the issuance of any stock hereunder.

(b) Dividend equivalents paid on Performance Stock Units are subject to applicable tax withholding as described in Paragraph 6(a).

7. Conditions on Award.

(a) Notwithstanding anything herein to the contrary, the Committee may cancel an award of Performance Stock Units, and may refuse to settle the Final Award, if before a Change in Control and during the period from the date of the Participant's termination of employment from the Company to the date of settlement of the Final Award, the Committee determines that the Participant has either (i) refused to be available, upon request, at reasonable times and upon a reasonable basis, to consult with, supply information to and otherwise cooperate with the Company with respect to any matter that was handled by the Participant or under the Participant's supervision while the Participant was in the employ of the Company or (ii) engaged in any activity in violation of the non-competition and/or non-solicitation covenants under the Employment Agreement or the Change in Control Agreement, as may apply.

(b) Notwithstanding anything herein to the contrary, the Participant may be required to forfeit or repay any or all shares of Stock and/or dividend equivalents received by the Participant under this Agreement pursuant to the terms of any compensation recovery or clawback policy that may be adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

8. Nontransferability.

Except as provided in Paragraph 9 of this Agreement, the Participant has no right to sell, assign, transfer, pledge, or otherwise alienate the Performance Stock Units, and any attempted sale, assignment, transfer, pledge or other conveyance will be null and void.

9. Beneficiary.

The Participant may designate a beneficiary to receive any settlement of any Final Award that may be made on or after the Participant’s death on the form or in the manner prescribed for such purpose by the Committee. Absent such designation, the Participant’s beneficiary will be the Participant's estate. The Participant may from time to time revoke or change the beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Company. If the Participant designates his spouse as beneficiary, such designation automatically will become null and void on the date of the Participant's divorce or legal separation from such spouse. The last such designation received by the Company will be controlling; *provided, however*, that no designation, or change or revocation thereof, will be effective unless received by the Company before the Participant’s death, and in no event will any designation be effective as of a date before such receipt. If the Committee is in doubt as to the identity of the beneficiary, the Committee may deem the Participant’s estate as the beneficiary, or the Company may apply to any court of appropriate jurisdiction and such application will be a complete discharge of the liability of the Company therefor.

10. Securities Law Restrictions.

(a) The Participant acknowledges that any stock that may be transferred to the Participant in settlement of the Final Award, is being acquired for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the “Act”). The Participant agrees and acknowledges, with respect to any stock that has not been registered under the Act, that (i) the Participant will not sell or otherwise dispose of such stock except pursuant to an effective registration statement under the Act and any applicable state securities laws, 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 stock to such effect. As further conditions to the issuance of the stock, the Participant agrees for himself or herself, the Participant’s beneficiary, and the Participant’s heirs, legatees and legal representatives, before such issuance, to execute and deliver to the Company such investment representations and warranties, and to take such other actions, as the Committee determines may be necessary or appropriate for compliance with the Act and any applicable securities laws.

(b) Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, may delay settlement of or transferring stock to the Participant or the Participant’s beneficiary in settlement of the Final Award or may impose restrictions or conditions on the Participant’s (or any beneficiary’s) ability to directly or indirectly sell, hypothecate, pledge, loan, or otherwise encumber, transfer or dispose of the stock, if the Committee determines that such action is necessary or desirable for compliance with any applicable state, federal or foreign law, the requirements of any stock exchange on which the stock is then traded, or is requested by the Company or the underwriters managing any underwritten offering of the Company’s securities pursuant to an effective registration statement filed under the Act.

11. Voting Rights.

The Participant will have no voting rights with respect to the Performance Stock Units at any time before distribution of the Final Award.

12. Limited Interest.

(a) The grant of the Performance Stock Units will not be construed as giving the Participant any interest other than as provided in this Agreement. The Participant will have no rights as a shareholder as a result of the grant or vesting of the Performance Stock Units unless and until shares of Stock are issued in settlement of the Final Award.

(b) The grant of the Performance Stock Units will not confer on the Participant any right to continue as an employee or continue in service of the Company, nor interfere in any way with the right of the Company to terminate the Participant's employment at any time.

(c) The grant of the Performance Stock Units will not affect in any way the right or power of the Company to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company’s capital structure or its business, or any merger, consolidation or business combination of the Company, or any issuance or modification of any term, condition, or covenant of any bond, debenture, debt, preferred stock or other instru-ment ahead of or affecting the stock or the rights of the holders thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other Company act or proceeding, whether of a similar character or otherwise.

(d) The Participant acknowledges and agrees that the Amended Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of the Performance Stock Units under the Amended Plan is a one-time benefit and does not create any contractual or other right to receive a grant of Performance Stock Units or benefits in lieu of Performance Stock Units in the future. Future grants, if any, will be at the sole discretion of the Committee, including, but not limited to, the timing of any grant, the number of shares or units to be granted, and restrictions placed on such shares or units.

13. Transfer of Personal Data.

The Company and, if the Participant is employed by a subsidiary of the Company, the Participant's employer hold and control certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, tax jurisdiction, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock or units awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Amended Plan ("Data"). Visteon Corporation and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Amended Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Amended Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Company will protect the Data by insuring that any such recipients are certified under the U.S. - E.U. Safe Harbor Framework or have entered into an agreement to hold or process such Data in compliance with Safe Harbor Principles, the E.U. Model Clauses or similar legislation of the country where the Participant resides, and will receive, possess, use, retain and transfer the Data, in electronic or other form, solely for the purposes of implementing, administering and managing the Participant's participation in the Amended Plan, including any requisite transfer of such Data as may be required for the administration of the Amended Plan and/or the subsequent holding of shares of stock on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of stock acquired pursuant to the Amended Plan. The Participant may, at any time, review Data, require any necessary amendments to it or direct the Company in writing or via email not to process or transfer Participant's Data thereby discontinuing the Participant's participation in the Amended Plan.

14. Incorporation by Reference.

The terms of the Amended Plan are expressly incorporated herein by reference. Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to them under the Amended Plan. In the event of any conflict between this Agreement and the Amended Plan, the Agreement will govern.

15. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without reference to any conflict of laws principles thereof.

16. Severability.

In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision has not been inserted.

17. Amendment.

This Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of Visteon Corporation and the Participant.

18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

EXHIBIT 10.12.1

Schedule identifying substantially identical agreements, between Visteon Corporation ("Visteon") and each of the persons named below, to the Change in Control Agreement constituting Exhibit 10.12 to the Annual Report on Form 10-K of Visteon for the fiscal year ended December 31, 2015.

<u>Name</u>

Jeffrey M. Stafeil

William M. Robertson

Peter M. Ziparo

EXHIBIT 12.1

Visteon Corporation and Subsidiaries

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(in millions)

	Year Ended December 31 2015	Year Ended December 31 2014	Year Ended December 31 2013	Year Ended December 31 2012	Year Ended December 31 2011
Earnings					
Income/(loss) before income taxes, non-controlling interest, discontinued operations	$ 69	$ (43)	$ 611	$ 95	$ 80
Earnings of non-consolidated affiliates	(7)	(2)	(202)	(221)	(166)
Cash dividends received from non-consolidated affiliates	3	17	187	104	47
Fixed charges	43	58	64	63	61
Non-controlling interest in pre-tax income of subsidiaries that have not incurred fixed charges	(37)	(59)	(38)	(21)	(7)
Earnings	$ 71	$ (29)	$ 622	$ 20	$ 15
Fixed Charges					
Interest and related charges on debt	$ 25	$ 37	$ 46	$ 48	$ 46
Portion of rental expense representative of the interest factor	18	21	18	15	15
Fixed charges	$ 43	$ 58	$ 64	$ 63	$ 61
Ratios					
Ratio of earnings to fixed charges *	1.65	N/A	9.78	0.32	0.24

* For the years ended December 31, 2014, 2012 and 2011, fixed charges exceeded earnings by $87 million, $43 million and $46 million, respectively, resulting in a ratio of less than one.

EXHIBIT 21.1

SUBSIDIARIES OF VISTEON CORPORATION AS OF DECEMBER 31, 2015 *

Organization	**Jurisdiction**
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.
Reydel Automotive Argentina S.A.	Argentina
SunGlas, LLC	Delaware, U.S.A.
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.
VC Regional Assembly & Manufacturing, LLC	Delaware, U.S.A.
MIG-Visteon Automotive Systems, LLC	Tennessee, U.S.A.
Visteon Remanufacturing, Incorporated	Tennessee, U.S.A.
Visteon Technologies, LLC	Delaware, U.S.A.
Visteon Electronics Corporation	Delaware, U.S.A.
Visteon Global Electronics, Inc.	Delaware, U.S.A.
Visteon European Electronics, Inc.	Delaware, U.S.A.
Visteon Electronics Slovakia, s.r.o.	Slovakia
Visteon Electronics Bulgaria EOOD	Bulgaria
Visteon Electronics Spain, S.L.	Spain
Shanghai Visteon Automotive Electronics Co. Ltd.	China
Visteon Automotive Electronics (Chongqing) Co., Ltd.	China
Visteon Global Technologies, Inc.	Michigan, U.S.A.
Visteon German Holdings, LLC	Delaware, U.S.A.
Visteon Holdings GmbH	Germany
Visteon Electronics Germany 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.
Visteon Asia Holdings, Inc.	Delaware, U.S.A.
Visteon Canada Inc.	Canada
Visteon Caribbean, Inc.	Puerto Rico
Visteon UK Ltd	United Kingdom
Visteon S.A.	Argentina
Visteon European Holdings, Inc.	Delaware, U.S.A.
Visteon Automotive Holdings, LLC	Delaware, U.S.A.
Visteon 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
Visteon de Mexico S. de R.L.	Mexico
Visteon Financial, LLC	Delaware, U.S.A.
Visteon Climate Holdings 2, LLC	Delaware, U.S.A.
Visteon Holdings France SAS	France
Visteon Electronics France	France
Visteon Electronics Tunisia	Tunisia
Autronic S.A.	Tunisia
Visteon Software Technologies SAS	France
Visteon Netherland Holdings Cooperatief II U.A.	Netherlands
Visteon Holdings Hungary Kft	Hungary
VEHC, LLC	Delaware, U.S.A.
Visteon Finance Limited	United Kingdom
Visteon Netherlands Holdings B.V.	Netherlands
Visteon Portuguesa, Ltd.	Bermuda
VIHI, LLC	Delaware, U.S.A.
Brasil Holdings Ltda.	Brazil
Reydel Automotive Brazil Indústria e Comércio de Sistemas Automotivos Ltda	Brazil
Visteon Sistemas Automotivos Ltda.	Brazil
Visteon Brasil Trading Company Ltd.	Bermuda
Visteon Adminisztracios Hungary Kft	Hungary
Visteon Amazonas Ltda.	Brazil
Visteon Automotive (India) Private Ltd.	India
Visteon Automotive Electronics (Thailand) Limited	Thailand
Visteon Avtopribor Electronics	Russia
Visteon Climate Holdings 1, LLC	Delaware
Visteon Climate Holdings (Hong Kong), Ltd.	Hong Kong
Visteon Electronics Holdings (Hong Kong), Ltd.	Hong Kong
Visteon Electronics Korea Ltd.	S. Korea
Visteon Electronics Macedonia DOOEL	Macedonia
Visteon Engineering Centre (India) Private Limited	India
Visteon Engineering Services Limited	United Kingdom
Visteon Engineering Services Pension Trustees Ltd	United Kingdom
Visteon EU Holdings, LLC	Delaware, U.S.A.
Visteon Innovation & Technology GmbH	Germany
Visteon Korea Holdings Corporation	S. Korea
Visteon Interior Holdings (Hong Kong), Ltd.	Hong Kong
Visteon International Holding (BVI) Limited	British Vir. Islands
Visteon International Holdings (Hong Kong), Ltd.	Hong Kong
Visteon Asia Pacific, Inc.	China
Visteon Japan, Ltd.	Japan
Visteon Philippines, Inc.	Philippines
Visteon Netherland Holdings Cooperatief I U.A.	Netherlands
Visteon South Africa (Pty) Limited	South Africa
Visteon Technical & Services Centre Private Limited	India
Yanfeng Visteon Automotive Electronics Co., Ltd.	China

Visteon LA Holdings Corp.	Delaware, U.S.A.
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 consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements (Form S-3 No. 333-178639 and 333-172716) of Visteon Corporation,
(2) Registration Statement (Form S-8 No. 333-169695) pertaining to the 2010 Incentive Plan of Visteon Corporation;

of our reports dated February 25, 2016, with respect to the consolidated financial statements and schedule of Visteon Corporation and the effectiveness of internal control over financial reporting of Visteon Corporation included in this Annual Report (Form 10-K) of Visteon Corporation for the year ended December 31, 2015.

/s/ Ernst & Young LLP

Detroit, Michigan
February 25, 2016

Exhibit 24.1

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 by unanimous written consent effective as of February 24, 2016, and that the same are in full force and effect:

BE IT HEREBY RESOLVED, that preparation of the Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (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.

FURTHER 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 J. M. Stafeil, S. S. Marianos, and P. M. Ziparo, 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 25th day of February, 2016.

/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, 2013

Each of the undersigned, a director or officer of VISTEON CORPORATION, appoints each of J. M. Stafeil, S. S. Marianos, and P. M. Ziparo 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, 2015, 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 24th day of February, 2016

Signature/Name	Position
/s/Sachin Lawande Sachin Lawande	Director, President and Chief Executive Officer (Principal Executive Officer)
/s/Jeffrey M. Stafeil Jeffrey M. Stafeil	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/Stephanie S. Marianos Stephanie S. Marianos	Assistant Controller and Chief Accounting Officer (Principal Accounting Officer)
/s/Duncan H. Cocroft Duncan H. Cocroft	Director
/s/Jeffrey D. Jones Jeffrey D. Jones	Director
/s/Joanne M. Maguire Joanne M. Maguire	Director
/s/Robert J. Manzo Robert J. Manzo	Director
/s/Francis M. Scricco Francis M. Scricco	Director
/s/David L. Treadwell David L. Treadwell	Director
/s/Harry J. Wilson Harry J. Wilson	Director
/s/Rouzbeh Yassini-Fard Rouzbeh Yassini-Fard	Director
/s/Kam-Ho Geoerge Yuen Kam-Ho George Yuen	Director

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Sachin Lawande, 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: February 25, 2016

/s/ Sachin Lawande
Sachin Lawande
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Jeffrey M. Stafeil, 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: February 25, 2016

/s/ Jeffrey M. Stafeil
Jeffrey M. Stafeil
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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 President 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, 2015 (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/Sachin Lawande
Sachin Lawande

February 25, 2016

EXHIBIT 32.2

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, 2015 (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/Jeffrey M. Stafeil
Jeffrey M. Stafeil

February 25, 2016