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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017,

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

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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 (§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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer," "accelerated filer,” "smaller reporting company" and “emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ü Accelerated filer __ Non-accelerated filer __ Smaller reporting company __

Emerging growth company __

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. __

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

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 April 20, 2017, the registrant had outstanding 31,765,589 shares of common stock.

Exhibit index located on page number 42.

Visteon Corporation and Subsidiaries

Index

	Page
Part I - Financial Information	
Item 1 - Consolidated Financial Statements	3
Consolidated Statements of Comprehensive Income (Unaudited)	3
Consolidated Balance Sheets (Unaudited)	4
Consolidated Statements of Cash Flows (Unaudited)	5
Notes to Consolidated Financial Statements (Unaudited)	6
Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations	26
Item 3 - Quantitative and Qualitative Disclosures about Market Risk	38
Item 4 - Controls and Procedures	39
Part II - Other Information	40
Item 1 - Legal Proceedings	40
Item 1A - Risk Factors	40
Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds	40
Item 6 - Exhibits	40
Signatures	41
Exhibit Index	42

Part I
Financial Information

Item 1. Consolidated Financial Statements

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in Millions Except Per Share Amounts)
(Unaudited)

	Three Months Ended March 31	
	2017	**2016**
Sales	$ 810	$ 802
Cost of sales	679	681
Gross margin	131	121
Selling, general and administrative expenses	51	56
Restructuring expense	1	10
Interest expense	6	4
Interest income	1	2
Equity in net income of non-consolidated affiliates	2	—
Other expense, net	1	4
Income before income taxes	75	49
Provision for income taxes	16	13
Net income from continuing operations	59	36
Income (loss) from discontinued operations, net of tax	8	(13)
Net income	67	23
Net income attributable to non-controlling interests	4	4
Net income attributable to Visteon Corporation	$ 63	$ 19
Basic earnings (loss) per share:		
Continuing operations	$ 1.69	$ 0.84
Discontinued operations	0.25	(0.34)
Basic earnings per share attributable to Visteon Corporation	$ 1.94	$ 0.50
Diluted earnings (loss) per share:		
Continuing operations	$ 1.67	$ 0.83
Discontinued operations	0.24	(0.34)
Diluted earnings per share attributable to Visteon Corporation	$ 1.91	$ 0.49
Comprehensive income:		
Comprehensive income	$ 90	$ 42
Comprehensive income attributable to Visteon Corporation	$ 85	$ 38

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)

	(Unaudited) March 31 2017	December 31 2016
ASSETS		
Cash and equivalents	$ 688	$ 878
Restricted cash	4	4
Accounts receivable, net	552	505
Inventories, net	162	151
Other current assets	174	170
Total current assets	1,580	1,708
Property and equipment, net	346	345
Intangible assets, net	128	129
Investments in non-consolidated affiliates	37	45
Other non-current assets	147	146
Total assets	$ 2,238	$ 2,373
LIABILITIES AND EQUITY		
Short-term debt, including current portion of long-term debt	49	36
Accounts payable	463	463
Accrued employee liabilities	87	103
Other current liabilities	224	309
Total current liabilities	823	911
Long-term debt	347	346
Employee benefits	302	303
Deferred tax liabilities	20	20
Other non-current liabilities	66	69
Stockholders' equity:		
Preferred stock (par value $0.01, 50 million shares authorized, none outstanding as of March 31, 2017 and December 31, 2016)	—	—
Common stock (par value $0.01, 250 million shares authorized, 55 million shares issued, 32 and 33 million shares outstanding as of March 31, 2017 and December 31, 2016, respectively)	1	1
Additional paid-in capital	1,302	1,327
Retained earnings	1,332	1,269
Accumulated other comprehensive loss	(211)	(233)
Treasury stock	(1,876)	(1,778)
Total Visteon Corporation stockholders' equity	548	586
Non-controlling interests	132	138
Total equity	680	724
Total liabilities and equity	$ 2,238	$ 2,373

See accompanying notes to the consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS[1]
(Dollars in Millions)
(Unaudited)

	Three Months Ended March 31	
	2017	**2016**
Operating Activities		
Net income	$ 67	$ 23
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	19	21
Equity in net income of non-consolidated affiliates, net of dividends remitted	(2)	—
Non-cash stock-based compensation	2	2
Gain on India operations repurchase	(7)	—
Losses on divestitures and impairments	1	1
Other non-cash items	3	—
Changes in assets and liabilities:		
Accounts receivable	(39)	(24)
Inventories	(8)	9
Accounts payable	18	4
Accrued income taxes	—	(43)
Other assets and other liabilities	(64)	(51)
Net cash used by operating activities	(10)	(58)
Investing Activities		
Capital expenditures	(32)	(25)
India operations repurchase	(47)	—
Climate Transaction withholding tax refund	—	356
Short-term investments	—	47
Loans to non-consolidated affiliates, net of repayments	—	(8)
Proceeds from asset sales and business divestitures	10	3
Net cash (used by) provided from investing activities	(69)	373
Financing Activities		
Short-term debt, net	15	—
Principal payments on debt	(2)	(1)
Distribution payments	(1)	(1,736)
Repurchase of common stock	(125)	(500)
Stock based compensation tax withholding payments	(1)	(11)
Other	(3)	—
Net cash used by financing activities	(117)	(2,248)
Effect of exchange rate changes on cash and equivalents	6	7
Net decrease in cash and equivalents	(190)	(1,926)
Cash and equivalents at beginning of the period	878	2,729
Cash and equivalents at end of the period	$ 688	$ 803

[1] *The Company has combined cash flows from discontinued operations with cash flows from continuing operations within the operating, investing and financing categories.*

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, Mazda, Nissan/Renault, General Motors, Honda, BMW and Daimler. 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 10,000 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 instrument clusters, information displays, infotainment systems, audio systems, telematics solutions, and head up displays. The Company's vehicle cockpit electronics business is comprised of and reported under the Electronics segment. In addition to the Electronics segment, the Company had operations in South America and Europe associated with the former Interiors and Climate businesses, not subject to discontinued operations classification, that comprised Other, and were exited by December 31, 2016.

NOTE 2. Summary of Significant Accounting Policies

The unaudited consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. These interim consolidated financial statements include all adjustments (consisting of normal recurring adjustments, except as otherwise disclosed) that management believes are necessary for a fair presentation of the results of operations, financial position and cash flows of the Company for the interim periods presented. Interim results are not necessarily indicative of full-year results.

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

Other Expense, Net: Other expense, net includes the following:

	Three Months Ended March 31	
	2017	**2016**
	(Dollars in Millions)	
Transformation initiatives	$ —	$ 3
Transaction exchange losses	—	1
Loss on non-consolidated affiliate transaction	1	—
	$ 1	$ 4

Transformation initiative costs include information technology separation costs, integration of acquired business, and financial and advisory services incurred in connection with the Company's transformation into a pure play cockpit electronics business.

Restricted Cash: Restricted cash represents amounts designated for uses other than current operations and includes $3 million related to the Letter of Credit Facility, and $1 million related to cash collateral for other corporate purposes as of March 31, 2017.

Recently Issued Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board ("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. This ASU allows for both retrospective and prospective methods of adoption.

The Company has, with other industry leaders, interacted with the FASB on certain interpretation issues as well as interacted with non-authoritative industry groups with respect to the implementation of the standard. The Company will continue to monitor the interactions between its industry group and the standard setters with particular attention to the accounting for reimbursable tooling and engineering costs, currently accounted for as cost reductions. In addition, the Company will continue to evaluate its contracts with customers, analyzing the impact, if any, on parts production and reimbursements for engineering and tooling costs. Currently, the Company does not expect the adoption of this standard to have a material impact on the its results of operations or financial position. The Company will adopt this standard January 1, 2018 and has not yet selected a transition method.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)": The amendments supersede current lease requirements in Topic 840 which require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. The objective of Topic 842 is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." The ASU includes multiple provisions intended to simplify various aspects of the accounting for share-based payments. While aimed at reducing the cost and complexity of the accounting for share-based payments, these amendments are not expected to significantly impact net income, earnings per share, and the statement of cash flows. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption permitted. The Company's adoption of this standard did not have a material impact on its consolidated financial statements. The Company has adopted an entity-wide accounting policy election to account for forfeitures in compensation cost when they occur.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of certain cash receipts and cash payments." The ASU addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain transactions are classified in the statement of cash flows. The ASU will be applied using a retrospective transition method to each period presented. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2017 with early adoption permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, “Compensation - Retirement Benefits (Topic 715): Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost." The ASU requires entities to present the service cost component of the net periodic benefit cost in the same income statement line item(s) as other employee compensation costs arising from services rendered during the period. In addition, only the service cost component will be eligible for capitalization in assets. Entities will present the other components separately from the line item(s) that includes the service cost and outside of any subtotal of operating income, if one is presented, and disclose the line(s) used to present the other components of net periodic benefit cost, if the components are not presented separately in the income statement. The standard will be applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively, for the guidance limiting the capitalization of net periodic benefit cost in assets to the service cost. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2017 and interim periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

NOTE 3. Discontinued Operations

During 2014 and 2015, the Company divested the majority of its global Interiors business (the "Interiors Divestiture") and completed the sale of its Argentina and Brazil interiors operations on December 1, 2016. Separately, the Company completed the sale of the majority of its global Climate business (the "Climate Transaction") during 2015. As the operations subject to the Interiors Divestiture and Climate Transaction met conditions required to qualify for discontinued operations reporting, the results of operations for the Interiors and Climate businesses have been reclassified to income (loss) from discontinued operations, net of tax in the consolidated statements of comprehensive income for the three month periods ended March 31, 2017 and 2016.

Discontinued operations are summarized as follows:

	Three Months Ended March 31	
	2017	2016
	(Dollars in Millions)	
Sales	$ —	$ 9
Cost of sales	—	13
Gross margin	—	(4)
Gain on Climate Transaction	(7)	—
Loss and impairment on Interiors Divestiture	—	1
Income (loss) from discontinued operations before income taxes	7	(5)
(Benefit) provision for income taxes	(1)	8
Net income (loss) from discontinued operations, net of tax, attributable to Visteon	$ 8	$ (13)

In connection with the Climate Transaction, the Company completed the repurchase of the electronics operations located in India during the first quarter of 2017 for $47 million, recognizing a $7 million gain on settlement of purchase commitment contingencies. The Company had previously consolidated the India operations based on the Company's controlling financial interest as a result of the repurchase obligation, operating control, and the obligation to fund losses or benefit from earnings. The Company continues to consolidate this entity based on the Company's voting control.

During the three months ended March 31, 2016, the Company recorded currency impacts of $8 million in connection with the Korean capital gains withholding tax recovered during the first quarter of 2016.

NOTE 4. Non-Consolidated Affiliates

Non-Consolidated Affiliate Transactions

Visteon and Yangfeng Visteon Automotive Trim Systems Co. Ltd. ("YFV") each own 50% of a joint venture under the name of Yanfeng Visteon Electronic (China) Investment Co., Ltd. ("YFVIC"). In October 2014, YFVIC completed the purchase of YFV’s 49% direct ownership in Yanfeng Visteon Automotive Electronics Co., Ltd ("YFVE") a consolidated joint venture of the Company. The purchase by YFVIC was financed through a shareholder loan from YFV and external borrowings which were guaranteed by Visteon, of which $18 million is outstanding as of March 31, 2017. The guarantee contains standard non-payment provisions to cover the borrowers in event of non-payment of principal, accrued interest, and other fees, and the loan is expected to be fully paid by September 2019.

In January 2017, the Company completed the sale of a 50% interest in an equity method investment for proceeds of $7 million, consistent with its carrying value.

In March 2017, the Company sold a cost method investment for proceeds of approximately $3 million. The Company recorded a pretax loss of $1 million during the three months ended March 31, 2017, classified as "Other expense, net."

Investments in Affiliates

The Company recorded equity in net income of affiliates of $2 million and a net loss of less than $1 million for the three month periods ended March 31, 2017 and 2016 respectively.

Investments in affiliates were $37 million and $45 million as of March 31, 2017 and December 31, 2016, respectively. As of March 31, 2017 and December 31, 2016, investments in affiliates accounted for under the equity method totaled $36 million and $40 million, respectively, while investments in affiliates accounted for under the cost method were $1 million as of March 31, 2017 and $5 million at December 31, 2016.

Variable Interest Entities

The Company determines whether joint ventures in which it has invested are Variable Interest Entities ("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.

The Company determined that YFVIC, is a VIE. The Company holds a variable interest in YFVIC primarily related to its ownership interests and subordinated financial support. The Company and YFV each own 50% of YFVIC and neither entity has the power to control the operations of YFVIC, therefore the Company is not the primary beneficiary of YFVIC and does not consolidate the joint venture.

A summary of the Company's investments in YFVIC is provided below.

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Payables due to YFVIC	$ 7	$ 14
Exposure to loss in YFVIC		
Investment in YFVIC	$ 24	$ 22
Receivables due from YFVIC	12	15
Subordinated loan receivable	22	22
Loan guarantee	18	22
Maximum exposure to loss in YFVIC	$ 76	$ 81

NOTE 5. Restructuring Activities

Given the economically-sensitive and highly competitive nature of the automotive electronics industry, the Company continues to closely monitor current market factors and industry trends taking action as necessary, including 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. During the three months ended March 31, 2017 and 2016, the Company recorded $1 million and $10 million of restructuring expenses, net of reversals, respectively.

Electronics

During the fourth quarter of 2016, the Company announced a restructuring program impacting engineering and administrative functions to further align the Company's engineering and related administrative footprint with its core product technologies and customers. Through March 31, 2017, the Company has recorded approximately $28 million of restructuring expenses under this program, and expects to incur up to $45 million of restructuring costs associated with approximately 250 employees for this program. During the three months ended March 31, 2017, the Company has recorded approximately $1 million of restructuring expenses under this program, and $17 million remains accrued for the program as of March 31, 2017.The Company expects to record additional restructuring costs related to this program as the underlying plan is finalized.

During the first quarter of 2016, the Company announced a restructuring program to transform the Company's engineering organization and supporting functional areas to focus on execution and technology. The organization will be comprised of regional engineering, product management and advanced technologies, and global centers of competence. During the three months ended March 31, 2016, the Company recorded approximately $11 million of restructuring expenses under this program, associated with approximately 90 employees. As of March 31, 2017 $1 million remains accrued for this program and charges are considered substantially complete.

During 2015, the Company announced a restructuring program designed to reduce the workforce at a European Electronics facility, of which $5 million remains accrued as of March 31, 2017.

In connection with the acquisition of substantially all of the global automotive electronic business of Johnson Controls Inc. (the "Electronics Acquisition") in 2014, the Company commenced a restructuring program designed to achieve cost savings through transaction synergies. Charges for the program are considered substantially complete and approximately $2 million remains accrued as of March 31, 2017.

Other and Discontinued Operations

During 2016, the Company recorded restructuring expenses related to severance and termination benefits primarily related to the wind-down of certain operations in South America, of which $1 million remains accrued as of March 31, 2017.

As of March 31, 2017, the Company retained approximately $5 million of restructuring reserves as part of the Interiors Divestiture associated with previously announced programs for the fundamental reorganization of operations at facilities in Brazil and France.

Restructuring Reserves

Restructuring reserve balances of $32 million and $40 million as of March 31, 2017 and December 31, 2016, respectively, are classified as "Other current liabilities" on the consolidated balance sheets. The Company anticipates that the activities associated with the current restructuring reserve balance will be substantially complete within one year. The Company's consolidated restructuring reserves and related activity are summarized below, including amounts associated with discontinued operations.

	Electronics	Other	Total
	(Dollars in Millions)		
December 31, 2016	$ 31	$ 9	$ 40
Expense	1	—	1
Utilization	(8)	(1)	(9)
March 31, 2017	$ 24	$ 8	$ 32

NOTE 6. Inventories

Inventories consist of the following components:

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Raw materials	$ 83	$ 83
Work-in-process	49	34
Finished products	30	34
	$ 162	$ 151

NOTE 7. Other Assets

Other current assets are comprised of the following components:

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Recoverable taxes	$ 71	$ 60
Prepaid assets and deposits	37	35
Joint venture receivables	32	39
Notes receivable	19	18
Contractually reimbursable engineering costs	6	7
Foreign currency hedges	6	6
Other	3	5
	$ 174	$ 170

Notes receivable represent bank notes generally maturing within six months.

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

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Deferred tax assets	$ 46	$ 48
Recoverable taxes	35	34
Joint venture receivables	26	25
Long term notes receivable	10	10
Contractually reimbursable engineering costs	10	11
Other	20	18
	$ 147	$ 146

In accordance with the Interiors Divestiture, the Company entered into a three year term loan with the buyer for $10 million, which matures on December 1, 2019.

Current and non-current contractually reimbursable engineering costs of $6 million and $10 million, respectively, as of March 31, 2017 and $7 million and $11 million, respectively, as of December 31, 2016, 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 $5 million during the remainder of 2017, $3 million in 2018, and $8 million in 2019 and thereafter.

NOTE 8. Intangible Assets, net

Intangible assets, net as of March 31, 2017 and December 31, 2016, are comprised of the following:

		March 31, 2017			December 31, 2016		
	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	10	$ 41	$ 26	$ 15	$ 40	$ 25	$ 15
Customer related	9	83	27	56	83	25	58
Capitalized software development	3	5	—	5	4	—	4
Other	32	8	1	7	8	1	7
Subtotal		137	54	83	135	51	84
Indefinite-Lived:							
Goodwill		45	—	45	45	—	45
Total		$ 182	$ 54	$ 128	$ 180	$ 51	$ 129

The Company recorded approximately $3 million and $4 million of amortization expense related to definite-lived intangible assets for the three months ended March 31, 2017 and 2016, respectively. The Company currently estimates annual amortization expense to be $13 million for 2017, $14 million each year from 2018 through 2019, $11 million for 2020, and $10 million for 2021. Indefinite-lived intangible assets are not amortized but are tested for impairment at least annually, or earlier when events and circumstances indicate that it is more likely than not that such assets have been impaired. There were no indicators of potential impairment during the three months ended March 31, 2017.

A roll-forward of the carrying amounts of intangible assets is presented below:

	Definite-lived intangibles				Indefinite-lived intangibles	
	Developed Technology	Customer Related	Capitalized Software Development	Other	Goodwill	Total
	(Dollars in Millions)					
December 31, 2016	$ 15	$ 58	$ 4	$ 7	$ 45	$ 129
Additions	—	—	1	—	—	1
Foreign currency	1	—	—	—	—	1
Amortization	(1)	(2)	—	—	—	(3)
March 31, 2017	$ 15	$ 56	$ 5	$ 7	$ 45	$ 128

NOTE 9. Other Liabilities

Other current liabilities are summarized as follows:

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Product warranty and recall accruals	$ 38	$ 43
Restructuring reserves	32	40
Contribution payable	32	31
Rent and royalties	20	23
Income taxes payable	18	22
Dividends payable	17	5
Distribution payable	14	15
Joint venture payables	10	22
Deferred income	10	14
Non-income taxes payable	5	8
Foreign currency hedges	2	7
Electronics operations repurchase commitment	—	50
Information technology separation and service obligations	—	2
Other	26	27
	$ 224	$ 309

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 $32 million during the first half of 2017 upon fulfillment of buyer contractual commitments.

On January 22, 2016 the Company paid to shareholders a special distribution of $1.74 billion, and an additional $14 million will be paid over a two-year period upon vesting and settlement of restricted stock units and performance-based share units previously granted to the Company's employees. The special cash distribution was funded from the Climate Transaction proceeds.

Following the initial sale as part of the Climate Transaction, the Company repurchased an electronics operation located in India on March 27, 2017 as further described in Note 3, Discontinued Operations.

Other non-current liabilities are summarized as follows:

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Deferred income	$ 18	$ 18
Product warranty and recall accruals	14	12
Income tax reserves	13	14
Non-income tax reserves	7	10
Other	14	15
	$ 66	$ 69

NOTE 10. Debt

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

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Short-Term Debt:		
Current portion of long-term debt	$ 1	$ 3
Short-term borrowings	48	33
	$ 49	$ 36
Long-Term Debt:		
Term debt facility	$ 347	$ 346

Short-Term Debt

Short-term borrowings are primarily related to the Company's non-U.S. consolidated joint ventures and are payable in USD, Chinese Renminbi and India Rupee. The Company had short-term borrowings of $48 million and $33 million as of March 31, 2017 and December 31, 2016, respectively. Short-term borrowings increased in Q1 2017 primarily due to changes in working capital needs.

Available borrowings on outstanding affiliate credit facilities as of March 31, 2017 are approximately $17 million and certain of these facilities have pledged assets as security.

Long-Term Debt

As of December 31, 2016, the Company had an amended credit agreement (the "Credit Agreement") which included a $350 million Term Facility maturing April 9, 2021 and a Revolving Credit Facility with capacity of $200 million maturing April 9, 2019. Borrowings under the Term Loan accrued interest at the greater of LIBOR or 0.75%, plus 2.75%, with an option by the Company to specify the LIBOR tenor of either 1, 2, 3, or 6 months. Loans drawn under the Revolving Credit Facility had an interest rate equal to LIBOR plus a margin ranging from 2.00% to 2.75% as specified by a ratings grid contained in the Credit Agreement. As of December 31, 2016, borrowings under the Revolving Credit Facility would accrue interest at LIBOR plus 2.50%. There were no outstanding borrowings at year-end.

On March 24, 2017, the Company entered into a second amendment to the Credit Agreement to, among other things, extend the maturity dates of both facilities by three years and increase the Revolving Credit Facility capacity to $300 million. The amended Revolving Credit Facility will mature on March 24, 2022 and the amended Term Facility will mature on March 24, 2024. In addition, the amendment reduced the LIBOR spread applicable to each of the Revolving Credit Facility and the Term Facility by 0.50% and eliminated the 0.75% LIBOR floor. The $350 million of borrowings under the amended Term Loan Facility now accrue interest at a rate of LIBOR plus 2.25%. As the Company received a ratings upgrade by Standard & Poor's during the refinancing, loans drawn under the Revolving Credit Facility would now accrue an interest rate of LIBOR plus 1.75%, if drawn.

The Revolver Credit Facility also provides up to $75 million availability for the issuance of letters of credit and a maximum of $20 million for swing line borrowing. Any amount of the facility utilized for letters of credit or swing line loans outstanding will reduce the amount available under the amended Revolving Facility. The Company may request increases in the limits under the amended Term Facility and the amended Revolving Facility and may request the addition of one or more term loan facilities under the Credit Agreement.

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). There are mandatory prepayments of principal in connection with: (i) excess cash flow sweeps above certain leverage thresholds, (ii) certain asset sales or other dispositions, (iii) certain refinancing of indebtedness and (iv) over-advances under the Revolving Facility. No excess cash flow sweeps are required at the Company's current leverage ratios.

The Credit Agreement requires the Company and its subsidiaries to comply with customary affirmative and negative covenants, and contains customary events of default. The Revolving Facility also requires that the Company maintain a total net leverage ratio no greater than 3.00:1.00. During any period when the Company's corporate and family ratings meet investment grade ratings, certain of the negative covenants shall be suspended. As of March 31, 2017, the Company was in compliance with all covenants.

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. Under the terms of the Credit Agreement, all obligations under the Credit Agreement are secured by a first-priority perfected lien (subject to certain exceptions) on substantially all property of the Company and the subsidiaries party to the Security Agreement, subject to certain limitations.

During the three months ended March 31, 2017, the Company recorded $1 million of interest expense and deferred as a non-current asset $2 million of costs in connection with amending the Credit Facility. The deferred costs will be amortized over the term of the Credit Facility. As of March 31, 2017, the amended Term Facility remains at $350 million of aggregate principle and there were no outstanding borrowings under the amended Revolving Facility.

Other

The Company has a $15 million letter of credit facility whereby 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 $3 million of outstanding letters of credit issued under this facility secured by restricted cash, as of March 31, 2017.

Additionally, the Company had $17 million of locally issued letters of credit as of March 31, 2017, to support various tax appeals, customs arrangements and other obligations at its local affiliates.

NOTE 11. Employee Benefit Plans

Defined Benefit Plans

The Company's net periodic benefit costs for all defined benefit plans for the three month periods ended March 31, 2017 and 2016 were as follows:

	U.S. Plans		Non-U.S. Plans	
	2017	**2016**	**2017**	**2016**
	(Dollars in Millions)			
Costs Recognized in Income:				
Service cost	$ —	$ —	$ —	$ 1
Interest cost	7	7	2	2
Expected return on plan assets	(10)	(10)	(2)	(2)
Net pension (income) expense	$ (3)	$ (3)	$ —	$ 1

During the three months ended March 31, 2017, cash contributions to the Company's defined benefit plans were less than $1 million for the U.S. plans and were $1 million for the non-U.S. plans. The Company expects to make cash contributions to its defined benefit pension plans of $7 million in 2017. The Company's expected 2017 contributions may be revised.

NOTE 12. Income Taxes

During the three month period ended March 31, 2017, the Company recorded a provision for income tax on continuing operations of $16 million, which includes income tax expense in countries where the Company is profitable, withholding taxes, changes in uncertain tax benefits, and the inability to record a tax benefit for pretax losses and/or recognize tax expense for pretax income in certain jurisdictions (including the U.S.) due to valuation allowances. Pretax losses from continuing operations in jurisdictions where valuation allowances are maintained and no income tax benefits are recognized totaled $3 million and $7 million for the three months ended March 31, 2017 and March 31, 2016, respectively, resulting in an increase in the Company's effective tax rate in those years.

The Company provides for U.S. and non-U.S. income taxes and non-U.S. withholding taxes on the projected future repatriations of the earnings from its non-U.S. operations that are not considered permanently reinvested at each tier of the legal entity structure.
During the three month period ended March 31, 2017 and 2016, the Company recognized expense primarily related to non-U.S.

withholding taxes of $2 million in both years reflecting the Company's forecasts which contemplate numerous financial and operational considerations that impact future repatriations.

The Company's provision for income taxes in interim periods is computed by applying an estimated annual effective tax rate against income before income taxes, excluding equity in net income of non-consolidated affiliates for the period. Effective tax rates vary from period to period as separate calculations are performed for those countries where the Company's operations are profitable and whose results continue to be tax-effected and for those countries where full deferred tax valuation allowances exist and are maintained. In determining the estimated annual effective tax rate, the Company analyzes various factors, including but not limited to, forecasts of projected annual earnings, taxing jurisdictions in which the pretax income and/or pretax losses will be generated and available tax planning strategies. The Company's estimated annual effective tax rate is updated each quarter and may be significantly impacted by changes to the mix of forecasted earnings by tax jurisdiction. The tax impact of adjustments to the estimated annual effective tax rate are recorded in the period such estimates are revised. The Company is also required to record the tax impact of certain other non-recurring tax items, including changes in judgment about valuation allowances and uncertain tax positions, and changes in tax laws or rates, in the interim period in which they occur, rather than included in the estimated annual effective tax rate.

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 quarterly and annual effective tax rates. Full valuation allowances against deferred tax assets in the U.S. and applicable foreign countries will be maintained until sufficient positive evidence exists to reduce or eliminate them. The factors considered by management in its determination of the probability of the realization of the deferred tax assets include, but are not limited to, recent historical financial results, historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. If, based upon the weight of available evidence, it is more likely than not the deferred tax assets will not be realized, a valuation allowance is recorded. The weight given to the positive and negative evidence is commensurate with the extent to which the evidence may be objectively verified. As such, it is generally difficult for positive evidence regarding projected future taxable income exclusive of reversing taxable temporary differences to outweigh objective negative evidence of recent financial reporting losses, in particular, when there is a cumulative loss incurred over a three-year period. In regards to the full valuation allowance recorded against the U.S. net deferred tax assets, the cumulative U.S. pretax book loss adjusted for significant permanent items incurred over the three-year period ended December 31, 2016 limits the ability to consider other subjective evidence such as the Company's plans to improve U.S. profits, and as such, the Company continues to maintain a full valuation allowance against the U.S. net deferred tax assets. Based on the Company's current assessment, it is possible that within the next 12 to 24 months, the existing valuation allowance against the U.S. net deferred tax assets could be partially released. Any such release is dependent upon the sustained improvement in U.S. operating results, and, if such a release of the valuation allowance were to occur, it could have a significant impact on net income in the quarter in which it is deemed appropriate to partially release the reserve.

Unrecognized Tax Benefits

Gross unrecognized tax benefits as of March 31, 2017 and December 31, 2016, including amounts attributable to discontinued operations, were $18 million and $35 million, respectively. Of these amounts approximately $10 million and $12 million as of March, 2017 and December 31, 2016, 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 March 31, 2017 and December 31, 2016 were $4 million in both years.

During the first quarter of 2017, the IRS completed the audit of the Company's U.S. tax returns for the 2012 and 2013 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 $16 million. Also during the first quarter of 2017, the Company settled tax assessments from the Mexican tax authorities in the amount of $2 million related to certain transfer pricing-related issues.

With few exceptions, the Company is no longer subject to U.S. federal tax examinations for years before 2014, or state, 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. 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, Asia and Mexico 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 $13 million is included in Other non-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:

	Three Months Ended March 31, 2017
	(Dollars in Millions)
Beginning balance	$ 35
Tax positions related to current period:	
Additions	1
Tax positions related to prior periods:	
Reductions	(18)
Ending balance	$ 18

During 2012, Brazil tax authorities issued tax assessment notices to Visteon Sistemas Automotivos ("Sistemas") related to the sale of its chassis business to a third party, which required a deposit in the amount of $15 million during 2013 necessary to open a judicial proceeding against the government in order to suspend the debt and allow Sistemas to operate regularly before the tax authorities after attempts to reopen an appeal of the administrative decision failed. Adjusted for currency impacts and accrued interest, the deposit amount is approximately $16 million, as of March 31, 2017. The Company believes that the risk of a negative outcome is remote once the matter is fully litigated at the highest judicial level. These appeal payments, as well as income tax refund claims associated with other jurisdictions, total $19 million as of March 31, 2017, and are included in "Other non-current assets" on the consolidated balance sheet.

NOTE 13. Stockholders' Equity and Non-controlling Interests

Changes in equity for the three months ended March 31, 2017 and 2016 are as follows:

	2017			2016		
	Visteon	NCI	Total	Visteon	NCI	Total
	(Dollars in Millions)					
Three Months Ended March 31						
Beginning balance	$ 586	$ 138	$ 724	$ 1,057	$ 142	$ 1,199
Net income from continuing operations	55	4	59	32	4	36
Net income (loss) from discontinued operations	8	—	8	(13)	—	(13)
Net income	63	4	67	19	4	23
Other comprehensive income (loss)						
Foreign currency translation adjustments	18	1	19	23	—	23
Unrealized hedging gain (loss)	4	—	4	(4)	—	(4)
Total other comprehensive income (loss)	22	1	23	19	—	19
Stock-based compensation, net	2	—	2	(9)	—	(9)
Share repurchase	(125)	—	(125)	(500)	—	(500)
Dividends to non-controlling interests	—	(11)	(11)	—	—	—
Ending balance	$ 548	$ 132	$ 680	$ 586	$ 146	$ 732

Share Repurchase Program

During 2016, Visteon completed two stock buyback programs with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $500 million. Under these programs, Visteon purchased 7,190,506 shares at an average price of $69.48.

On January 10, 2017, the Company's board of directors authorized $400 million of share repurchase of its shares of common stock through March 30, 2018. On February 27, 2017 entered into an accelerated share buyback ("ASB") program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. On March 2, 2017, the Company received an initial delivery of 1,062,022 shares of common stock using a reference price of $94.16. The ASB's first acceleration and scheduled termination dates are April 10, and May 8, 2017, respectively. The Company may purchase additional shares pursuant to the foregoing authorization.

Non-Controlling Interests

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

	March 31 2017	December 31 2016
	(Dollars in Millions)	
Yanfeng Visteon Automotive Electronics Co., Ltd.	$ 89	$ 97
Shanghai Visteon Automotive Electronics, Co., Ltd.	41	39
Other	2	2
	$ 132	$ 138

Accumulated Other Comprehensive (Loss) Income

Changes in Accumulated other comprehensive (loss) income (“AOCI”) and reclassifications out of AOCI by component include:

	Three Months Ended March 31	
	2017	2016
	(Dollars in Millions)	
Changes in AOCI:		
Beginning balance	$ (233)	$ (190)
Other comprehensive income (loss) before reclassification, net of tax	20	21
Amounts reclassified from AOCI	2	(2)
Ending balance	$ (211)	$ (171)
Changes in AOCI by Component:		
Foreign currency translation adjustments		
Beginning balance	$ (163)	$ (159)
Other comprehensive income before reclassification, net of tax (a)	19	29
Ending balance	(144)	(130)
Net investment hedge		
Beginning balance	10	4
Other comprehensive loss before reclassification, net of tax (a)	(1)	(6)
Ending balance	9	(2)
Benefit plans		
Beginning balance	(75)	(36)
Ending balance	(75)	(36)
Unrealized hedging (loss) gain		
Beginning balance	(5)	1
Other comprehensive income (loss) before reclassification, net of tax (b)	2	(2)
Amounts reclassified from AOCI	2	(2)
Ending balance	(1)	(3)
Total AOCI	$ (211)	$ (171)

(a) There were no income tax effects for the three month periods ending March 31, 2017 and 2016, due to the recording of valuation allowance.

(b) Net tax tax expense of $1 million and tax benefit of $1 million are related to unrealized hedging (loss) gain for both the three months ended March 31, 2017 and 2016, respectively.

NOTE 14. Earnings Per Share

Basic earnings per share is calculated by dividing net income attributable to Visteon by the weighted average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income by the weighted average number of common and potentially dilutive common shares outstanding. Performance based share units are considered contingently issuable shares, and are included in the computation of diluted earnings per share based on the number of shares that would be issuable if the reporting date were the end of the contingency period and if the result would be dilutive.

The table below provides details underlying the calculations of basic and diluted earnings (loss) per share:

	Three Months Ended March 31	
	2017	2016
	(In Millions, Except Per Share Amounts)	
Numerator:		
Net income from continuing operations attributable to Visteon	$ 55	$ 32
Income (loss) from discontinued operations, net of tax	8	(13)
Net income attributable to Visteon	$ 63	$ 19
Denominator:		
Average common stock outstanding - basic	32.5	38.1
Dilutive effect of performance based share units and other	0.5	0.4
Diluted shares	33.0	38.5
Basic and Diluted Per Share Data:		
Basic earnings (loss) per share attributable to Visteon:		
Continuing operations	$ 1.69	$ 0.84
Discontinued operations	0.25	(0.34)
	$ 1.94	$ 0.50
Diluted earnings (loss) per share attributable to Visteon:		
Continuing operations	$ 1.67	$ 0.83
Discontinued operations	0.24	(0.34)
	$ 1.91	$ 0.49

NOTE 15. Fair Value Measurements and Financial Instruments

Fair Value Measurements

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.

Items Measured at Fair Value on a Recurring Basis

Foreign currency hedge instruments are measured at fair value on a recurring basis 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 foreign currency instruments are classified as Level 2, "Other Observable Inputs" in the fair value hierarchy.

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, and can be derived from observable data or 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.

Item Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. The fair value measurements are generally determined using unobservable inputs and are classified within Level 3 of the fair value hierarchy. These assets include long-lived assets, intangible assets and investments in affiliates, which may be written down to fair value as a result of impairment.

Items Not Carried at Fair Value

The Company's fair value of debt was approximately $401 million and $389 million as of March 31, 2017 and December 31, 2016, respectively. Fair value estimates were based on the current rates offered to the Company for debt of the same remaining maturities. Accordingly, the Company's debt fair value disclosures are classified as Level 2, "Other Observable Inputs" in the fair value hierarchy.

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 presents its derivative positions and any related material collateral under master netting arrangements that provide for the net settlement of contracts, by counterparty, in the event of default or termination. Derivative financial instruments designated and non-designated as hedging instruments are included in the Company’s consolidated balance sheets. There is no cash collateral on any of these derivatives.

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 and investments in subsidiaries. The Company utilizes derivative financial instruments, including forward and option contracts, to protect 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 March 31, 2017 and December 31, 2016, 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 $153 million and $169 million, respectively. Fair value estimates of these contracts are based on quoted market prices and other observable inputs. As of March 31, 2017 and December 31, 2016, respectively, approximately $121 million and $138 million of the instruments have been designated as cash flow hedges with the effective portion of the gain or loss reported in the "Accumulated other comprehensive loss" component of Stockholders’ equity in the Company’s consolidated balance sheets. There was no ineffectiveness associated with such derivatives as of March 31, 2017 and December 31, 2016 and the fair value of these derivatives was a liability of $1 million and $6 million, respectively. The difference between the gross and net value of these derivatives after offset by counter party is not material. The estimated AOCI that is expected to be reclassified into earnings within the next 12 months is a $1 million loss.

During 2015, the Company entered into currency exchange derivatives with a notional amount of $150 million 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 such derivatives as of March 31, 2017 and December 31, 2016 and the fair value of these derivatives was an asset of $5 million and $6 million, respectively.

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 the "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 March 31, 2017 and December 31, 2016 there was no ineffectiveness associated with these derivatives and the fair value was a liability of less than $1 million and $1 million, respectively. AOCI that is expected to be reclassified into earnings within the next 12 months is a $2 million loss.

Financial Statement Presentation

Gains and losses on derivative financial instruments for the three months ended March 31, 2017 and 2016 are as follows:

	Recorded (Loss) Income into AOCI, net of tax		Reclassified from AOCI into (Income) Loss		Recorded in (Income) Loss	
	2017	2016	2017	2016	2017	2016
	(Dollars in Millions)					
Three Months Ended March 31						
Foreign currency risk - Cost of sales						
Cash flow hedges	$ 2	$ 1	$ 2	$ (2)	$ —	$ —
Net investment hedges	(1)	(6)	—	—	—	—
Non-designated cash flow hedges	—	—	—	—	(1)	—
Interest rate risk - Interest expense, net:						
Interest rate swap	—	(3)	—	—	—	—
	$ 1	$ (8)	$ 2	$ (2)	$ (1)	$ —

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 credit rating requirements. The Company’s counterparties for derivative contracts are substantial investment and commercial banks with significant experience using such derivatives. The Company manages its credit risk through policies requiring minimum credit standing and limiting credit exposure to any one counter-party and through monitoring counter-party credit risks.

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 represents 16% of the balance as of March 31, 2017 and December 31, 2016, Mazda which represents less then 10% and 10% of the balance as of March 31, 2017 and December 31, 2016, respectively, and Nissan/Renault which represents 10% of the balance as of March 31, 2017 and December 31, 2016.

NOTE 16. 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 for the State of Michigan on July 2, 2015. The Township sought damages or, alternatively, 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. On February 2, 2016, the Wayne County Circuit Court dismissed the Township’s lawsuit without prejudice on the basis that the Township’s claims were not ripe for adjudication and the Township has appealed this decision to the Michigan Court of Appeals. The Company disputes 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.

The Company is currently involved in disputes with its former President and Chief Executive Officer, Timothy D. Leuliette. Mr. Leuliette filed an arbitration demand against the Company with the American Arbitration Association, alleging claims relating to the cessation of his employment. The Company subsequently filed a complaint against Mr. Leuliette in the U.S. District Court for the Eastern District of Michigan, seeking to enjoin the arbitration and asserting additional claims. The federal litigation is currently stayed pending a ruling in the arbitration. The Company disputes the factual and legal assertions made by Mr. Leuliette, has asserted counterclaims against him in the arbitration, and, although there can be no assurances, the Company does not currently believe that the resolution of these disputes will have a material adverse impact on its results of operations or financial condition.

In November 2013, the Company and Halla Visteon Climate Control Corporation, a Korean corporation (“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 at this time 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 and Argentina 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 March 31, 2017, the Company maintained accruals of approximately $10 million and $5 million for claims aggregating approximately $59 million and $34 million in Brazil and Argentina, respectively. 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.

Guarantees and Commitments

The Company provided a $18 million loan guarantee to YFVIC. The guarantee contains standard non-payment provisions to cover the borrowers in event of non-payment of principal, accrued interest, and other fees, and the loan is expected to be fully paid by September 2019.

As part of the agreements of the Climate Transaction and Interiors Divestiture, the Company continues to provide lease guarantees to divested Climate and Interiors entities. As of March 31, 2017, the Company has approximately $7 million and $6 million of outstanding guarantees respectively, related to divested Climate and Interiors entities. These guarantees will generally cease upon expiration of current lease agreements.

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 following table provides a reconciliation of changes in the product warranty and recall claims liability:

	Three Months Ended March 31	
	2017	**2016**
	(Dollars in Millions)	
Beginning balance	$ 55	$ 38
Accruals for products shipped	6	4
Changes in estimates	3	(2)
Specific cause actions	—	(1)
Recoverable warranty/recalls	—	1
Foreign currency	1	1
Settlements	(13)	(3)
Ending balance	$ 52	$ 38

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 as of March 31, 2017 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 17. Segment Information

Financial results for the Company's reportable segment 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 maker in allocating resources and in assessing performance. The Company’s chief operating decision maker, the Chief Executive Officer, evaluates the performance of the Company’s segment primarily based on net sales, before elimination of inter-company shipments, Adjusted EBITDA (non-GAAP financial measure) and operating assets.

The Company’s current reportable segment is 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. Prior to 2017, the Company also had Other operations consisting primarily of South Africa climate operations sold on November 1, 2016 and South America climate operations substantially exited during the fourth quarter of 2016.

Segment Sales

	Three Months Ended March 31	
	2017	**2016**
	(Dollars in Millions)	
Electronics	$ 810	$ 793
Other	—	9
Total consolidated sales	$ 810	$ 802

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 is summarized below:

	Three Months Ended March 31	
	2017	**2016**
	(Dollars in Millions)	
Electronics	$ 101	$ 94
Other	—	(5)
Adjusted EBITDA	$ 101	$ 89

The reconciliation of Adjusted EBITDA to net income attributable to Visteon is as follows:

	Three Months Ended March 31	
	2017	2016
	(Dollars in Millions)	
Adjusted EBITDA	$ 101	$ 89
Depreciation and amortization	19	21
Restructuring expense	1	10
Interest expense, net	5	2
Equity in net income of non-consolidated affiliates	(2)	—
Other expense, net	1	4
Provision for income taxes	16	13
(Income) loss from discontinued operations, net of tax	(8)	13
Net income attributable to non-controlling interests	4	4
Non-cash, stock-based compensation expense	2	2
Other	—	1
Net income attributable to Visteon Corporation	$ 63	$ 19

Item 2. 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the Securities and Exchange Commission on February 23, 2017, and the financial statements and accompanying notes to the financial statements included elsewhere herein.

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, Mazda, Renault/Nissan, General Motors, Honda, BMW and Daimler. 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 10,000 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 instrument clusters, information displays, infotainment systems, audio systems, telematics solutions, and head up displays. The Company's vehicle cockpit electronics business comprises and is reported under the Electronics segment. In addition to the Electronics segment, the Company had residual operations in South America and South Africa previously associated with the Interiors and Climate businesses, sold or exited by December 31, 2016, but not subject to discontinued operations classification that comprised Other.

Strategic Initiatives

Visteon is a technology-focused, pure-play supplier of automotive cockpit electronics and connected car solutions. The Company has laid out the following strategic initiatives for 2017 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. During the first quarter of 2017, the Company won $1.5 billion in new business, representing a 25% increase when compared to the same period in 2016. The first quarter 2017 new business wins are primarily infotainment awards and include the third award of SmartCore cockpit technology. The Company's backlog, defined as cumulative remaining life of program booked sales, is approximately $16.7 billion as of March 31, 2017, or 5.4 times the last twelve months of sales, reflecting a strong booked sales base on which to launch future growth.

  Core business financial results continue to improve with Adjusted EBITDA margin for electronics of 12.5% in first quarter 2017 compared with 11.9% in the same period of 2016. The Company expects to deliver cost efficiencies by streamlining selling, general and administration costs and engineering costs, improving free cash flow, optimizing the capital structure and driving savings benefits as revenue grows.

  During 2016, the Company initiated a restructuring of its engineering and administration organization to focus on technology and execution and also to align the engineering and administrative footprint with its core technologies and customers. The organization will be comprised of customer regional engineering, product management and advanced technologies, and global centers of competence.

- *Move Selectively to Adjacent Products* - As consumer demand continues to evolve with an increase in electronics content per vehicle, the Company is advancing its expertise in the areas of cockpit domain controllers, next generation safety applications, and vehicle cybersecurity. Each of these areas require careful assessments of shifting consumer needs and how these new products complement Visteon's core products.

- *Expand into Autonomous Driving* - The Company's approach to autonomous driving is to feature fail-safe centralized domain hardware, designed for algorithmic developers, and applying artificial intelligence for object detection and other functions. The Company is developing a secure autonomous driving domain controller platform with an open framework based on neural networks. The Company projects a launch of the technology in 2018.

- *Accelerate China Business* - The Company plans to accelerate its China business as China's economic environment offers significant growth opportunities in sales and new technology launches. Visteon will continue to leverage joint venture relationships to drive adoption of new offerings. Approximately 39% of the Company's $16.7 billion of backlog is expected to be manufactured in Asia.

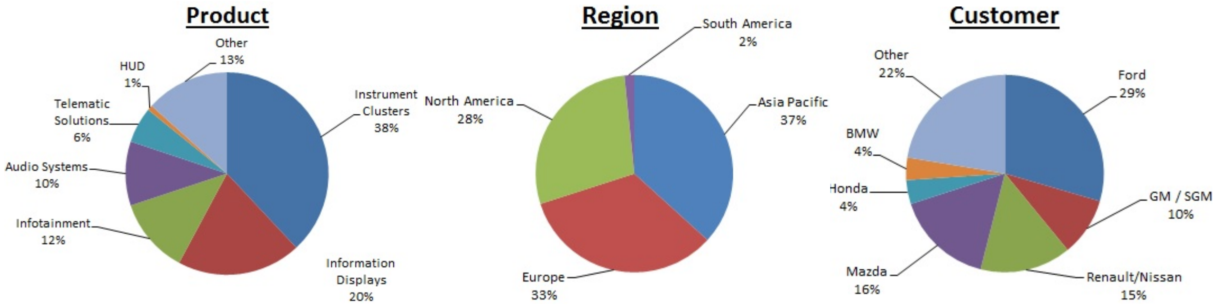
- *Enhance Shareholder Returns* - On January 10, 2017, the Company's board of directors authorized up to $400 million of share repurchases through March 30, 2018. On February 27, 2017, Visteon entered into an accelerated stock buyback ("ASB") program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. On March 2, 2017, Visteon received an initial delivery of 1,062,022 shares of common stock using a reference price of $94.16. The ASB's first acceleration and scheduled termination dates are April 10, and May 8, 2017, respectively.

  The Company may purchase additional shares pursuant to the foregoing authorization.

Executive Summary

The Company's Electronics sales for the three months ended March 31, 2017 totaled $810 million, the pie charts below highlight the sales breakdown for the three months ended March 31, 2017.

Three Months Ended March 31, 2017



Light vehicle production continued to grow at a modest rate in the first quarter of 2017. North America production, at 2.5%, lagged the global growth rate of 5.8% amid concerns of rising inventory stocks. South America production increased 19% amid signs that the region may be recovering from the bottom of the economic downturn.

Light vehicle production levels for the three months ended March 31, 2017 and 2016, by geographic region are provided below:

	Three Months Ended March 31		
	2017	2016	Change
	(Units in Millions)		
Global	24.4	23.0	5.8%
Asia Pacific	12.5	11.9	5.3%
Europe	5.9	5.5	6.3%
North America	4.6	4.5	2.5%
South America	0.7	0.6	19.0%
Other	0.7	0.5	22.3%

Source: IHS Automotive

Significant aspects of the Company's financial results during the three month periods ended March 31, 2017 include the following:

- The Company recorded sales of $810 million for the three months ended March 31, 2017, representing an increase of $8 million when compared with the same period of 2016. The increase was primarily due to favorable volumes, product mix, and net new business, partially offset by Euro and Chinese Renminbi currency impacts, customer pricing net of design changes and the exit of other climate operations in 2016.

- Gross margin was $131 million or 16.2% of sales for the three months ended March 31, 2017, compared to $121 million or 15.1% of sales for the same period of 2016. The increase was primarily attributable to favorable volumes, net new business and product mix, and improved cost performance, partially offset by customer pricing.

- Net income attributable to Visteon was $63 million for the three months ended March 31, 2017, compared to net income of $19 million for the same period of 2016. The increase of $44 million includes higher income from discontinued operations of $21 million primarily resulting from the the India electronics purchase gain associated with the Climate Transaction and the exit of the interiors South America operations which were generating losses in 2016. Net income also increased as a result of improved gross margin of $5 million for electronics operations and $5 million related to the 2016 exit of climate operations, reduced selling, general and administrative expenses of $5 million, and lower restructuring expense of $9 million, partially offset by higher income taxes of $3 million.
- Including discontinued operations, cash used by operating activities was $10 million for the three months ended March 31, 2017, compared with a use of $58 million in the same period of 2016. The reduction in operating cash outflow is primarily attributable to higher net income of $44 million and lower cash tax payments net of expense of $40 million, partially offset by a higher working capital use of approximately $18 million. Additionally, timing impacts related to capitalized engineering recoveries and non-consolidated subsidiary payments accounted for a net outflow of approximately $18 million.
- Total cash was $692 million as of March 31, 2017, $190 million lower than $882 million as of December 31, 2016, primarily attributable to share repurchases of $125 million and the repurchase of the India electronics operations sold in connection with the Climate Transaction of $47 million.

Consolidated Results of Operations - Three Months Ended March 31, 2017 and 2016

The Company's consolidated results of operations for the three months ended March 31, 2017 and 2016 were as follows:

	Three Months Ended March 31		
	2017	2016	Change
	(Dollars in Millions)		
Sales	$ 810	$ 802	$ 8
Cost of sales	679	681	(2)
Gross margin	131	121	10
Selling, general and administrative expenses	51	56	(5)
Restructuring expense	1	10	(9)
Interest expense, net	5	2	3
Equity in net income of non-consolidated affiliates	2	—	2
Other expense, net	1	4	(3)
Provision for income taxes	16	13	3
Net income from continuing operations	59	36	23
Income (loss) from discontinued operations	8	(13)	21
Net income	67	23	44
Net income attributable to non-controlling interests	4	4	—
Net income attributable to Visteon Corporation	$ 63	$ 19	$ 44
Adjusted EBITDA*	$ 101	$ 89	$ 12

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

Sales

Sales for the three months ended March 31, 2017 totaled $810 million, which represents an increase of $8 million compared with the same period of 2016. Favorable volumes, product mix, and net new business increased sales by $46 million. Unfavorable currency decreased sales by $11 million, primarily attributable to the Euro and Chinese Renminbi partially offset by by the Japanese Yen. Other reductions were associated with customer pricing, net of design savings and the exit of other climate operations in 2016.

Cost of Sales

Cost of sales decreased $2 million for the three months ended March 31, 2017 when compared with the same period in 2016. Increased volumes, product mix, and net new business increased cost of sales by $41 million. Foreign currency decreased cost of sales by $13 million primarily attributable to the Chinese Renminbi, Euro, Japanese Yen, Mexican Peso, and Indian Rupee. The exit and wind down of other climate operations decreased cost of sales by $14 million. Net efficiencies, including material, design and usage economics, manufacturing efficiencies, and warranty costs decreased cost of sales by $16 million.

Gross Margin

Gross margin was $131 million or 16.2% of sales for the three months ended March 31, 2017 compared to $121 million or 15.1% of sales for the same period of 2016. The $10 million increase in gross margin included $5 million from favorable volumes, net new business and product mix and $5 million related to the exit of climate operations. Currency increased gross margin by $2 million as the impact of the Japanese Yen, Mexican Peso, and Indian Rupee were partially offset by the Euro and Chinese Renminbi. Gross margin also included $2 million of unfavorable customer pricing reductions and increased warranty costs partially offset by material and manufacturing cost efficiencies.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses were $51 million or 6.2% of sales and $56 million or 6.9% of sales during the three months ended March 31, 2017 and 2016, respectively. The decrease is primarily related to net efficiencies including lower bad debt expense and impacts of restructuring actions.

Restructuring Expense

Electronics: During the first quarter of 2016, the Company announced a restructuring program to transform the Company's engineering organization and supporting functional areas to focus on execution and technology. The organization will be comprised of regional engineering, product management and advanced technologies, and global centers of competence. During the first quarter of 2016, the Company recorded approximately $11 million of restructuring expenses, net of reversals, under this program, associated with approximately 90 employees.

During the fourth quarter of 2016, the Company announced a restructuring program impacting engineering and administrative functions to further align the Company's engineering and related administrative footprint with its core product technologies and customers. Through March 31, 2017, the Company has recorded approximately $28 million of restructuring expenses under this program, associated with approximately 250 employees, and expects to incur up to $45 million of restructuring costs for this program. During the three months ended March 31, 2017, the Company has recorded approximately $1 million of restructuring expenses under this program.

Interest Expense, Net

Interest expense, net was $5 million and $2 million, for the three months ended March 31, 2017 and 2016 respectively. The increase in net interest expense results from lower interest income due to lower cash balances, higher term loan interest expense associated with the LIBOR rate increase and financing fees for the Amended Credit Facilities as further described in Note 10, Debt.

Equity in Net Income of Non-Consolidated Affiliates

Equity in net income of non-consolidated affiliates was $2 million and break-even for the three month periods ended March 31, 2017 and 2016 respectively. The income in 2017 is primarily attributable to the Company's equity interest in Yanfeng Visteon Investment Company, primarily related to the timing of engineering recoveries.

Other Expense, Net

Other expense, net consists of the following:

	Three Months Ended March 31	
	2017	**2016**
	(Dollars in Millions)	
Transformation initiatives	$ —	$ 3
Transaction exchange loss	—	1
Loss on non-consolidated affiliate transaction	1	—
	$ 1	$ 4

Transformation initiative costs, information technology separation costs, integration of acquired business, and financial and advisory services incurred in connection with the Company's transformation into a pure play cockpit electronics business.

Income Taxes

The Company's provision for income taxes of $16 million for the three months ended March 31, 2017 represents an increase of $3 million when compared with $13 million in the same period of 2016. The increase in tax expense is primarily attributable to the non-recurrence of a $3 million discrete income tax benefit in connection with certain income tax incentives formally approved by the Portuguese tax authorities during the first quarter of 2016, while the increase in income tax related to the overall increase in year-over-year earnings was largely offset by a decrease in income tax related to the year-over-year impact of changes in the mix of earnings and differing tax rates between jurisdictions.

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 income (loss) from discontinued operations, net of tax in the consolidated statements of comprehensive income for the three month periods ended March 31, 2017 and 2016. The three months ending March 31, 2017 included a $7 million gain on the repurchase of the India electronics operations associated with the 2015 Climate Transaction. The three months ending March 31, 2016 primarily included results of the South America interiors operations divested on December 1, 2016 and a tax benefit related to previously divested climate operations.

Net Income

Net income attributable to Visteon was $63 million for the three months ended March 31, 2017, compared to net income of $19 million for the same period of 2016. The increase of $44 million includes improved gross margin of $5 million for electronics operations and $5 million related to the 2016 exit of climate operations, reduced selling, general and administrative expenses of $5 million, lower restructuring expense of $9 million, a change in discontinued operations of $21 million associated with the gain on the electronics repurchase and the non-recurrence of interiors' operating losses, offset by higher income taxes of $3 million.

Adjusted EBITDA

Adjusted EBITDA (a non-GAAP financial measure, as defined below) was $101 million for the three months ended March 31, 2017, representing an increase of $12 million when compared with Adjusted EBITDA of $89 million for the same period of 2016. The increase included $5 million from favorable volumes, net new business and product mix, $5 million for other climate operations exited in 2016, and $2 million of favorable currency. Net cost performance, driven by material, manufacturing, and selling, general, and administrative cost efficiencies offset customary pricing given to customers and higher warranty expense, was consistent year-over-year.

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 and other non-operating gains and losses.

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 three months ended March 31, 2017 and 2016, is as follows:

	Three Months Ended March 31		
	2017	2016	Change
	(Dollars in Millions)		
Adjusted EBITDA	$ 101	$ 89	$ 12
Depreciation and amortization	19	21	(2)
Restructuring expense	1	10	(9)
Interest expense, net	5	2	3
Equity in net income of non-consolidated affiliates	(2)	—	(2)
Other expense, net	1	4	(3)
Provision for income taxes	16	13	3
(Income) loss from discontinued operations, net of tax	(8)	13	(21)
Net income attributable to non-controlling interests	4	4	—
Non-cash, stock-based compensation expense	2	2	—
Other	—	1	(1)
Net income attributable to Visteon Corporation	$ 63	$ 19	$ 44

Segment Results of Operations - Three Months Ended March 31, 2017 and 2016

The Company's operating structure is organized into a global Electronics product group. This global product group has financial and operating responsibility over the design, development and manufacture of the Company's product portfolio. Certain functions such as sales activities, procurement, information technology and other administrative activities are managed on a global basis with regional deployment. 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.

Prior to 2017, the Company also had Other operations consisting primarily of the South Africa climate operations sold on November 1, 2016 and the South America climate operations exited during the fourth quarter of 2016.

Sales by Segment

	Electronics	Other	Total
	(Dollars in Millions)		
Three months ended March 31, 2016	$ 793	$ 9	$ 802
Volume, mix, and net new business	46	—	46
Currency	(11)	—	(11)
Customer pricing and other	(18)	—	(18)
Exit and wind-down	—	(9)	(9)
Three months ended March 31, 2017	$ 810	$ —	$ 810

Electronics sales increased during the three months ended March 31, 2017 by $17 million. Higher production volumes and new business increased sales by $46 million. Volume, mix, and net new business improved in every region. Unfavorable currency, primarily related to the Chinese Renminbi and Euro partially offset by the Japanese Yen, decreased sales by $11 million. Other reductions reflected customer pricing net of design changes.

Cost of Sales by Segment

	Electronics	Other	Total
	(Dollars in Millions)		
Three months ended March 31, 2016	$ 667	$ 14	$ 681
Currency	(13)	—	(13)
Volume, mix, and net new business	41	—	41
Exit and wind-down	—	(14)	(14)
Net cost performance	(16)	—	(16)
Three months ended March 31, 2017	$ 679	$ —	$ 679

Electronics cost of sales increased during the three months ended March 31, 2017 by $12 million when compared with the same period in 2016. Cost of sales increased $41 million attributable to higher volumes as well as changes in product mix, representing the variable nature of material and labor costs. Foreign currency decreased cost of sales by $13 million primarily attributable to the Chinese Renminbi, Euro, Japanese Yen, Mexican Peso, and Indian Rupee. Additionally, the Company recognized $16 million of net efficiencies related to material and manufacturing costs.

Cost of sales includes net engineering costs, 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 $92 million for the three months ended March 31, 2017, a decrease of $1 million compared to the same period of 2016. Engineering recoveries were $21 million for the three months ended March 31, 2017, $2 million higher than the recoveries recorded in the same period of 2016. Engineering cost recoveries can fluctuate period to period depending on underlying contractual terms and conditions and achievement of related development milestones.

Adjusted EBITDA by Segment

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

	Electronics	Other	Total
	(Dollars in Millions)		
Three months ended March 31, 2016	$ 94	$ (5)	$ 89
Volume, mix, and net new business	5	—	5
Currency	2	—	2
Exit and wind-down	—	5	5
Other	—	—	—
Three months ended March 31, 2017	$ 101	$ —	$ 101

Electronics Adjusted EBITDA increased $7 million for the three months ended March 31, 2017 when compared to the same period of 2016. Higher volumes and new business, primarily in Asia, increased Adjusted EBITDA by $5 million. Currency increased adjusted EBITDA by $2 million primarily related to the Japanese Yen, Mexican Peso. and Indian Rupee partially offset by the China Renmimbi and Euro. Net cost performance was neutral as material, manufacturing, and selling, general and administrative efficiencies were offset by customer pricing.

Liquidity

The Company's primary sources of liquidity are cash flows from operations, existing cash balances, and borrowings under available credit facilities, if necessary. The Company believes that funds generated from these sources will be adequate to fund its liquidity for current business requirements.

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 credit facilities. 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 generate operating cash flow 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.

To the extent that the Company's liquidity needs exceed cash provided by its operating activities, the Company would look to cash balances on hand, its $300 million revolving credit facility due March 24, 2022, other affiliate working capital lines of credit, or additional capital through debt or equity markets. Availability under outstanding affiliate credit facilities as of March 31, 2017 is approximately $17 million. See Note 10 "Debt" to the accompanying consolidated financial statements for a more comprehensive discussion of the Company's Term and Revolving Facilities. Access to additional capital through the debt or equity markets is influenced by the Company's credit ratings. On March 7, 2017, Standard & Poor's Ratings Services upgraded Visteon Corp. to 'BB', from 'BB-', with stable outlook. Moody's has reaffirmed the Company's credit rating of Ba3.

Cash Balances

As of March 31, 2017, the Company had total cash of $692 million, including $4 million of restricted cash. Cash balances totaling $431 million were located in jurisdictions outside of the United States, of which approximately $155 million is considered permanently reinvested for funding ongoing operations outside of the U.S. If such permanently reinvested funds are repatriated to operations in the U.S., the Company would be required to accrue additional tax expense, primarily related to foreign withholding taxes.

Other Items Affecting Liquidity

During the first half of 2017, the Company expects to make remaining payments of approximately $32 million related to the Germany Interiors Divestiture that closed on December 1, 2015.

The Company is authorized to execute $275 million of additional share repurchases to complete the $400 million share repurchase program, as discussed in Note 13, "Stockholders' Equity and Non-Controlling Interests" of the consolidated financial statements under Item 1. This repurchase program expires in March 2018.

During the three months ended March 31, 2017, cash contributions to the Company's U.S. and non-U.S. defined benefit pension plan were $1 million. The Company expects to make cash contributions to its defined benefit pension plans of $7 million in 2017. Estimated cash contributions for 2018 through 2020, under current regulations and market assumptions are approximately $29 million.

Cash Flows

Operating Activities

Including discontinued operations, the Company used $10 million of cash in operating activities during the three months ended March 31, 2017, compared to cash used by operations of $58 million during the same period of 2016 representing a $48 million improvement. The increase in operating cash is attributable to higher net income of $44 million and lower cash tax payments net of expense of $40 million primarily in Japan and the U.S., offset partially by higher working capital use of approximately $18 million, including a 2016 benefit from a planned inventory consolidation action. Additionally, timing impacts related to capitalized engineering recoveries and payments with non-consolidated subsidiaries accounted for a net outflow of approximately $18 million.

Investing Activities

Cash used from investing activities during the three months ended March 31, 2017 totaled $69 million, compared to net cash provided by investing activities of $373 million for the same period in 2016, for a decrease of $442 million. Net cash used by investing activities during the three months ended March 31, 2017, includes the purchase of the India electronics operations associated with the Climate Transaction of $47 million, capital expenditures of $32 million, partially offset by proceeds for divestitures of an equity based investment in China and a cost based investment in Europe totaling $10 million.

Net cash flow provided by investing activities for the three months ended March 31, 2016 includes the Climate Transaction withholding tax refund of $356 million, liquidation of investments in short-term securities of $47 million, partially offset by capital expenditures of $25 million, and a $8 million net shareholder loan to a non-consolidated affiliate.

Financing Activities

Cash used by financing activities during the three months ended March 31, 2017 totaled $117 million, compared to $2,248 million used by financing activities for the same period in 2016, for a decrease in cash used by financing activities of $2,131 million. Cash used by financing activities during the three months ended March 31, 2017 included share repurchases of $125 million, and Corporate Term and Revolving Facility amendment fees of $3 million, partially offset by a net debt increase of $13 million.

Cash used by financing activities during the three months ended March 31, 2016 of $2,248 million, included a distribution payment of $1,736 million, accelerated share repurchases of $500 million, stock based compensation tax withholding payments of $11 million and net debt payments of $1 million.

Debt and Capital Structure

See Note 10, “Debt” to the consolidated financial statements included in Item 1.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Fair Value Measurement

See Note 15, “Fair Value Measurements and Financial Instruments” to the consolidated financial statements included in Item 1.

Recent Accounting Pronouncements

See Note 2 “Summary of Significant Accounting Policies” to the accompanying consolidated financial statements in Item 1.

Forward-Looking Statements

Certain statements contained or incorporated in this Quarterly Report on Form 10-Q 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 our vendor's commodity costs or disruptions in the supply of commodities, including 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 3. 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 that are 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 March 31, 2017 and December 31, 2016, the net fair value of such currency exchange derivatives, foreign currency forward and option contracts was a net asset of $4 million and less than $1 million, respectively. 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 $29 million and $31 million for foreign currency derivative financial instruments as of March 31, 2017 and December 31, 2016, respectively. These estimated changes assume a parallel shift in all currency exchange rates and include the gain or loss on financial instruments used to hedge loans to subsidiaries. Because exchange rates typically do not all move in the same direction, the estimate may overstate the impact of changing exchange rates on the net fair value of the Company's financial derivatives. It is also important to note that gains and losses indicated in the sensitivity analysis would generally be offset by gains and losses on the underlying exposures being hedged.

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.

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 March 31, 2017 and December 31, 2016 there was no ineffectiveness associated with these derivatives and the fair value was a liability of less than $1 million and $1 million, respectively.

The Company significantly reduced interest rate exposure after entering the swap transactions in 2015. The variable rate basis of debt is approximately 59% as of March 31, 2017 and December 31, 2016.

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 4. 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 Executive Vice President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of March 31, 2017, an evaluation was performed under the supervision and with the participation of the Company’s management, including its Chief Executive and Financial Officer, of the effectiveness of the design and operation of disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Executive Vice President and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of March 31, 2017.

Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the three months ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II
Other Information

Item 1. Legal Proceedings

See the information above under Note 16, "Commitments and Contingencies," to the consolidated financial statements which is incorporated herein by reference.

Item 1A. Risk Factors

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. See also, "Forward-Looking Statements" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

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 first quarter of 2017.

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 (3) (in millions)
Jan. 1, 2017 to Mar. 31, 2017	1,072,238	$94.15	1,062,022	$275
Total	1,072,238	$94.15	1,062,022	$275

(1) Includes 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 February 27, 2017, the Company entered into an ASB program with a third-party financial institution to purchase shares of common stock for an aggregate purchase price of $125 million. On March 2, 2017 the Company received an initial delivery of 1,062,022. Approximately an additional 300,000 shares are expected to be received upon completion of this program, no later than May 8, 2017.

(3) On January 10, 2017, the Company's board of directors authorized $400 million of share repurchase of its shares of common stock through March 30, 2018. 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.

Item 6. Exhibits

The exhibits listed on the "Exhibit Index" on Page 42 hereof are filed with this report or incorporated by reference as set forth therein.

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

Vice President and Chief Accounting Officer

Date: April 27, 2017

Exhibit Index

Exhibit No.	Description
10.1	Amendment No. 2, dated as of March 24, 2017, to Credit Agreement, dated as of April 9, 2014 (as amended by the Waiver and Amendment No. 1 to Credit Agreement, dated as of March 25, 2015), 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).
10.2	Form of Performance Stock Unit Grant Agreement (2017) under the Visteon Corporation 2010 Incentive Plan.*
10.3	Amendment, dated as of February 3, 2017, to the Visteon Corporation Supplemental Executive Retirement Plan, as amended through February 3, 2017.*
10.4	2010 Visteon Executive Severance Plan, as amended and restated as of February 3, 2017.*
10.5	Schedule identifying substantially identical agreements to Officer Change in Control Agreements hereunto entered into with Messrs. Garcia, Bilolikar, Cole, Fitzgerald, Pynnonen, Schupfner, Vallance and Robertson.*
31.1	Rule 13a-14(a) Certification of Chief Executive Officer dated April 27, 2017.
31.2	Rule 13a-14(a) Certification of Executive Vice President, Chief Financial Officer dated April 27, 2017.
32.1	Section 1350 Certification of Chief Executive Officer dated April 27, 2017.
32.2	Section 1350 Certification of Executive Vice President, Chief Financial Officer dated April 27, 2017.
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.

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 10.2

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 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 March 3, 2017 (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 at the 55^{th} percentile. 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 percentile 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, 2017 through December 31, 2017, which is allotted 25% of the Target Award,

(ii) "Tranche 2": January 1, 2017 through December 31, 2018, which is allotted 25% of the Target Award, and

(iii) "Tranche 3": January 1, 2017 through December 31, 2019, 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 (and Visteon Corporation):

Adient	Cooper Standard	Hyundai Mobis	Valeo
Alpine Electronics	Dana Holding Corp	Lear Corporation, Inc.	
Autoliv, Inc.	Delphi Automotive	Magna International	
BorgWarner Inc.	Denso	Meritor Inc.	
Continental	Faurecia	Tenneco Inc.	

(e) TSR Peer Group Adjustments.

(i) If a TSR Peer Group company becomes bankrupt, the bankrupt company will remain in the TSR Peer Group positioned at one level below the lowest performing non-bankrupt TSR Peer Group company. In the case of multiple bankruptcies, the bankrupt companies will be positioned below the non-bankrupt companies in reverse chronological order by bankruptcy date.

(ii) If a TSR Peer Group company is acquired by another company, the acquired TSR Peer Group company will be removed from the peer group for any tranches within the Performance Period not yet completed as of the transaction closing date.

(iii) If a TSR Peer Group company sells, spins-off, or disposes of a portion of its business, the selling TSR Peer Group company will remain in the TSR Peer Group for the Performance Period unless such disposition(s) results in the disposition of more than 50% of the company's total assets during the Performance Period in which case it will be removed.

(iv) If a TSR Peer Group company acquires another company, the acquiring TSR Peer Group company will remain in the TSR Peer Group for the Performance Period.

(v) If a TSR Peer Group company is delisted on all major stock exchanges, such delisted TSR Peer Group company will be removed from the TSR Peer Group for any tranches within the Performance Period not yet completed as of the date of delisting.

(vi) If the Company's and/or any TSR Peer Group company's stock splits, such company's performance will be adjusted for the stock split so as not to give an advantage or disadvantage to such company by comparison to the other companies.

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 percentile within the TSR Peer Group as follows (award payouts for performance between the percentiles specified below is determined based on straight-line interpolation):

(i) 0% of the target award if at less than 25th percentile,

(ii) 35% of the target award if at the 25th percentile,

(iii) 100% of the target award if at the 55th percentile,

(iv) 150% of the target award if at the 80th percentile or higher.

However, if the Company's 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, 2020, 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 Amended Plan) occurs before December 31, 2019, (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, 2020 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 as otherwise set forth in any change in control agreement, 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, 2020. 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, 2019 and vested as of January 31, 2020 if the Participant had remained in the employ of the Company through January 31, 2020; 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 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, 2020.

(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.

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, 2020 (if the Final Award vests on January 31, 2020) 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 any non-competition and/or non-solicitation covenants.

(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 EU-U.S. Privacy Shield Framework or have entered into an agreement to hold or process such Data in compliance with Privacy Shield 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 10.3

VISTEON CORPORATION

ORGANIZATION AND COMPENSATION COMMITTEE

February 3, 2017

<u>Amendment of Visteon Corporation 2010 Supplemental Executive Retirement Plan</u>

WHEREAS, Visteon Corporation (the “Corporation”) maintains the Visteon Corporation 2010 Supplemental Executive Retirement Plan (the “SERP”) for the benefit of eligible management employees of the Corporation and its affiliates; and

WHEREAS, the Committee deems it in the best interest of the Corporation to amend the SERP in certain respects;

NOW, THEREFORE, RESOLVED, that the SERP is amended, effective January 1, 2017, in the following respects:

1. Section 1.01(o) is amended by adding the following sentence at the conclusion thereof:

Effective January 1, 2017, the Plan is closed to new Participants other than (a) employees who are assigned to a position by the Company (or by a Participating Employer with the consent of the Company) of a Level 19 or above, or (b) employees who are specifically designated for participation by the Committee.

2. Section 4.03 is amended to read as follows:

As of the last day of each month following a Participant’s entry into the Plan and during which the Participant is employed in a Covered Employment Classification, the Company shall credit to a notional account for the Participant a Company contribution credit equal to a percentage of the Eligible Compensation paid to the Participant during that month, as determined in accordance with the following schedule:

Level	Contribution Credit as a Percentage of Eligible Compensation
18 and below (if specifically designated for participation by the Committee)	6%
19 and 20	9%
21	14.5%

3. Section 7.08 is amended 2017 by deleting the references to the “Senior Vice President, Human Resources” and inserting in lieu thereof “Chief Human Resources Officer”.

FURTHER RESOLVED, that in accordance with the authority granted pursuant to Section 7.08 of the SERP, the Corporation’s Chief Human Resources Officer is hereby authorized and directed to adopt such further amendments to the SERP, or to otherwise take such actions and execute such documents, as determined by such officer to be necessary or desirable in order to effectuate the foregoing resolution.

Exhibit 10.4

2010 VISTEON EXECUTIVE SEVERANCE PLAN

(as amended and restated effective February 3, 2017)

ARTICLE I. PURPOSE

Section 1.01. Purpose Statement.

Visteon Corporation (the "Company") has developed the 2010 Visteon Executive Severance Plan (the "Plan") to provide severance benefits to eligible Executives of the Company and its affiliates whose employment with the Company or affiliate is involuntarily terminated under certain circumstances. The Plan is an expression of the Company's present policy with respect to severance benefits for Executives who meet the eligibility requirements set forth herein; it is not a part of any contract of employment. It is intended to comply with ERISA and all other relevant laws. The Plan became effective October 5, 2010 pursuant to the Company's confirmed plan of reorganization pursuant to Chapter 11 of the United States Bankruptcy Code, without further action by the Company or its Board of Directors. The Plan was amended and restated, as set forth herein, on February 3, 2017.

ARTICLE II. DEFINITIONS

Section 2.01. Definitions.

The following words and phrases, when used in this document, shall have the following meanings, unless the context clearly indicates otherwise:

(a) "Acknowledgement" means a document, in such form as the Plan Administrator may prescribe and that an Executive executes, that contains both (i) an acknowledgment by an Executive that the Executive's receipt of benefits under Article IV hereof is contingent upon the Executive's agreement to be bound by the provisions of Article IX hereof and (ii) the Executive's agreement to be so bound.

(b) "Base Salary" means Executive's annual base rate of pay in effect at his or her Termination Date, excluding bonuses, one-time payments, incentives, and other awards that are not regularly paid throughout the year. The Plan Administrator's determination of the Executive's Base Salary shall be final and conclusive.

(c) "Company" means Visteon Corporation, or any successor thereto.

(d) "ERISA" means the Employee Retirement Income Security Act of 1974, and the rulings and regulations promulgated thereunder, all as amended and in effect from time to time.

(e) "Executive" means an employee of the Company at or above Level 17.

(f) "Foreign Payroll Executive" means an Executive who is not enrolled on the U.S. payroll of the Company or a subsidiary of the Company.

(g) "Officer" means an Executive who is both: (i) at or above Level 19; and (ii) elected an officer of the Company by the Board of Directors of the Company.

(h) "Plan Administrator" means the Organization and Compensation Committee of the Board of Directors of the Company.

(i) "Release" means a release and waiver of claims (including, if applicable, claims under the Age Discrimination in Employment Act of 1967, as amended) that is in such form as the Plan Administrator may prescribe and that an Executive executes for the benefit of the Company, Visteon Systems, LLC, their respective affiliates, and their respective officers, directors, employees, agents, predecessors, successors and assigns.

(j) "Termination Date" is the date on which an Executive's employment with the Company and its affiliates terminates.

ARTICLE III. AWARD OF SEVERANCE BENEFITS

Section 3.01. Award of Severance Pay.

Except as provided in Section 3.02 below, an Executive is eligible for a Basic Severance Benefit under Section 4.01, and may qualify for an Enhanced Severance Benefit under Section 4.02, if the Executive's employment with the Company or a subsidiary of the Company is involuntarily terminated by the Company or by a subsidiary of the Company. The Plan Administrator shall have final and exclusive discretion to determine whether an Executive's termination of employment is involuntary.

Section 3.02. Exclusions.

Except as provided in Section 3.03 with respect to Foreign Payroll Executives, the Plan Administrator shall not grant severance benefits to an Executive in any of the following situations:

(a) The Executive voluntarily retires or resigns from employment;

(b) The Executive's position is eliminated and the Executive is offered another position which the Executive declines (unless the Plan Administrator has specifically authorized severance benefits in accordance with the discretion granted to the Plan Administrator under Section 3.01 above);

(c) The Executive is terminated, replaced, laid off or placed on leave for reasons related to absenteeism or inappropriate conduct;

(d) The Executive is terminated or separated for not returning, in a timely manner, from an approved leave of absence;

(e) The Executive's employment ends or is terminated because the Executive is physically or otherwise unable to perform the essential functions of his or her position, with or without any applicable reasonable accommodation;

(f) The Executive's employment terminates while receiving or seeking (or in connection with a condition or situation with respect to which the Executive has indicated an intention to or is otherwise likely to seek) payments or benefits under a program, policy, plan or a law that provides payments or benefits to an Executive unable to work because of illness, injury or disability;

(g) The Executive is eligible to receive pay-in-lieu of notice, severance pay, termination pay or any other form of separation pay under any law;

(h) The Executive is terminated in connection with the sale by the Company, or a subsidiary or affiliate of the Company, of all or part of a division, plant, facility, operation, product line or other unit, or the outsourcing of functions to a third party vendor, where the Executive is offered employment with the purchaser, vendor or other transferee with a starting date within 90 days of the Executive's Termination Date;

(i) The Executive's employment is governed by an employment contract (in which case, the employment contract, and not this Plan, shall govern the severance benefits, if any, to be provided to the Executive); or

(j) The Executive is eligible for benefits under any other severance plan, exit incentive plan, or reduction in force plan offered by the Company or a subsidiary or affiliate of the Company.

ARTICLE IV. AMOUNT OF SEVERANCE BENEFIT

Section 4.01. Basic Severance Benefit.

The Basic Severance Benefit for any Executive who becomes so entitled shall be an amount equal to four weeks of Base Salary. Payment will be in a lump sum cash payment, after withholding of applicable income and payroll taxes and other authorized withholdings.

Section 4.02. Enhanced Severance Benefit.

(a) In any case in which the Plan Administrator has authorized the payment of severance benefits and the Executive provides a Release and an Acknowledgement, in each case in a form acceptable to the Company, then in lieu of the Basic Severance Benefit described in Section 4.01, the Executive shall receive an Enhanced Severance Benefit described in Sections 4.02(b) and (c) below.

(b) As an Enhanced Severance Benefit:

(i) Executives at Level 19 and above will be eligible to receive an amount equal to 150% of the sum of (i) one year of Base Salary, plus (ii) the Executive's target annual incentive opportunity in effect on the Termination Date.

(ii) Executives at Level 18 will be eligible to receive an amount equal to (i) nine months of Base Salary plus (ii) the Executive's target annual incentive opportunity in effect on the Termination Date.

(iii) Executives at Level 17 will be eligible to receive an amount equal to (i) six months of Base Salary plus (ii) the Executive's target annual incentive opportunity in effect on the Termination Date.

The Enhanced Severance Benefit described in this Section 4.02(b) will be paid under the terms of Article V and in a single lump sum, less withholding of applicable income and payroll taxes and other authorized withholdings.

(c) In addition, the Executive will be eligible to receive, as an Enhanced Severance Benefit, an annual incentive for the fiscal year during which the Termination Date occurs, determined as if the Executive had remained employed for the entire year (and any additional period of time necessary to be eligible to receive the annual incentive for the year), based on actual Company performance during the entire fiscal year and without regard to any discretionary adjustments that have the effect of reducing the amount of the annual incentive (other than discretionary adjustments applicable to all senior executives who did not terminate employment), and assuming that any individual goals applicable to the Executive were satisfied at the "target" level, pro-rated based on the number of days in the Company's fiscal year through (and including) the Termination Date. The pro-rated annual incentive shall be payable in a single lump sum at the same time that payments are made to other participants in the annual incentive plan for that fiscal year (upon the terms, and subject to the conditions, of the annual incentive plan but in no event later than two and one-half months after the fiscal year during which the Termination Date occurs).

Section 4.03. Reduction of Benefits.

To the extent permitted under Internal Revenue Code Section 409A, benefits under Section 4.01 or 4.02 will be reduced by the amount of any unpaid obligations that the Executive owes to the Company, a subsidiary or affiliate of the Company.

ARTICLE V. PAYMENT OF BENEFITS

Section 5.01. Entitlement to Benefits.

An Executive becomes entitled to severance benefits under Article IV on the date that the Executive has satisfied all of the requirements for receiving a severance benefit (including, if applicable, the Executive's execution of a Release and an Acknowledgement within 60 days after the Termination Date and the expiration of any revocation period that is provided in accordance with applicable law or such policies as may from time to time be adopted by the Plan Administrator). All payments shall be subject to income tax withholding and other appropriate deductions.

Section 5.02. Payment of Benefits.

Cash benefits under the Plan are intended to be separate payments that constitute "short-term deferrals" that are exempt from the requirements of Internal Revenue Code Section 409A. Accordingly, payment of the Basic Severance Benefit under Section 4.01 and the Enhanced Severance Benefit under Section 4.02 or Section 4.03, to the extent applicable to the Executive, shall be completed by the later of (i) the 15th day of the third month following the end of the first taxable year in which the Executive becomes entitled to benefits under the Plan, or (ii) the 15th day of the third month following the end of the Company's first taxable year in which the Executive becomes entitled to benefits under the Plan. The medical, dental and career transition benefits to which the Executive may become entitled under Section 4.04 are also intended to be exempt from Internal Revenue Code Section 409A, and the Plan Administrator (or its delegate) shall administer the Plan consistent with Internal Revenue Code Section 409A and the requirements for exemption of such benefits. The Plan Administrator may adopt additional rules and restrictions with respect to such benefits if the Plan Administrator determines that such rules and restrictions are necessary or appropriate in order to qualify (or continue to qualify) for exemption from Internal Revenue Code Section 409A.

To the extent that the Executive's right to receive payments or benefits under this Plan constitutes a "deferral of compensation" within the meaning of Internal Revenue Code Section 409A, then notwithstanding anything contained in this Article V to the contrary, any payment that, but for this sentence, would be payable before the date that is the first day of the seventh month following the month in which occurs the Executive's "separation from service" within the meaning of Internal Revenue Code Section 409A the payment shall be made on that date and not on the earlier date otherwise provided for in this Plan.

Article VI. Other Continued Benefits

Section 6.01. Other Continued Benefits

(a) An Executive's outstanding awards under the Visteon Corporation 2010 Incentive Plan shall be governed by the terms and conditions of each award or grant, and not by the terms of this Plan.

(b) An Executive who is eligible to receive retirement benefits under a retirement plan maintained by the Company or a subsidiary may apply for and commence retirement benefits in accordance with the terms and conditions of the applicable retirement plan. Retirement benefits are not governed by the terms of this Plan.

Section 6.02. Other Continued Benefits for Executives Who Are Not Officers

(a) An Executive, who is not an Officer of the Company as defined in this Plan and who is eligible to receive Basic Severance Benefits or Enhanced Severance Benefits and who, on the Executive's Termination Date, was covered under the Company's employer sponsored group medical program is eligible to continue such group medical in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). If the Executive signs, and does not revoke within the applicable revocation period, a Release, and the Executive elects to continue coverage in accordance with COBRA, the Executive, until the earlier of (a) the end of the benefit continuation period, if any, specified in the Company's plan, or (b) the date on which the Executive is covered under another employer's plan, need only pay the contribution amount that the Executive would have been required to pay for coverage had the Executive's employment continued, and the Company will pay, on the Executive's behalf, the remainder of the COBRA premium. After such period, the Executive may continue coverage for the remaining unused portion of the COBRA continuation period at his or her sole expense in accordance with the requirements of COBRA. Termination of coverage or distribution of benefits will be in accordance with the terms of the applicable benefit plan, subject to any rights the Executive (and any qualified beneficiaries) have to elect continuation coverage under COBRA.

(b) The Company may provide professional career transition services of the type and for the duration determined by the Plan Administrator.

Section 6.03. Other Continued Benefits for Officers

(a) An Officer who is eligible to receive Basic Severance Benefits or Enhanced Severance Benefits and who, on the Officer's Termination Date was covered under the Company's employer sponsored group medical and/or dental programs is eligible to continue such group medical and/or dental coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). If the Officer elects to continue medical and dental coverage in accordance with COBRA and the Officer is entitled to an Enhanced Severance Benefit under Section 4.02 the Company will reimburse the Officer for, the entire COBRA premium contribution for 18 months, which premiums will be included in the Officer's income for tax purposes to the extent required by applicable law. The Company may withhold from any such direct payment or reimbursement an amount sufficient to cover the amount of required withholding. Direct payments or reimbursement by the Company of COBRA premium contributions will cease after 18 months or when the Officer becomes covered under another plan, whichever is earlier. Company payments of COBRA premium contributions otherwise receivable by the Officer pursuant to this Section 6.03(a) shall be reduced to the extent benefits of the same type are received by or made available to the Officer by another employer during the 18 month period following the Officer's Termination Date (and any such benefits received by or made available to the Officer shall be reported to the Company by the Officer). Termination of coverage or distribution of benefits will be in accordance with the terms of the applicable benefit plan, subject to any rights the Officer (and any qualified beneficiaries) have to elect continuation coverage under COBRA.

(b) The Company will provide professional career transition services to assist an Officer entitled to an Enhanced Severance Benefit in the preparation for and execution of their job search, which services may include career counseling, assessment of interests and skills, development of job search tools such as resumes and cover letters, preparation of a job discovery strategy, and interview skills coaching. Unless otherwise determined by the Plan Administrator in its sole discretion, the amount expended by the Company with respect to career transition services pursuant to this Section 6.03 (b) with respect to any one Officer will not exceed $50,000. Subject to that dollar limitation, the Company will pay for these services for twelve months or until the Officer becomes employed, whichever is earlier.

ARTICLE VII. CLAIMS PROCEDURE

Section 7.01. Claims Procedure.

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

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

Section 7.02. Standard of Review.

The Plan Administrator is vested with the discretionary authority and control to determine eligibility for coverage and benefits and to construe the terms of the Plan; any such determination or construction shall be final and binding on all parties unless arbitrary or capricious. To the extent that the Plan Administrator has appointed a delegate or delegates to administer the claims procedure, any such determination or construction of the delegate shall be final and binding on all parties to the same extent as if made by the Plan Administrator.

Section 7.03. Delegation to the Chief Human Resources Officer.

Subject to such limits as the Plan Administrator may from time to time prescribe, the Company's Chief Human Resources Officer may exercise any of the authority and discretion granted to the Plan Administrator hereunder, provided that the Chief Human Resources Officer shall not exercise any authority and responsibility with respect to non-ministerial matters affecting the Chief Human Resources Officer.

ARTICLE VIII. AMENDMENT AND TERMINATION OF THE PLAN

Section 8.01. Right to Amend and Terminate the Plan.

Except as provided in either of Sections 8.01(a) or (b), the Company reserves the right, by action of the Plan Administrator, to amend, modify or terminate the Plan at any time, in its sole discretion, without prior notice to Executives.

(a) No amendment, modification or termination of the Plan shall have the effect of reducing the eligibility for severance benefits (or the amount thereof) for any Executive who (i) ceases to be employed by the Company or any subsidiary of the Company before October 1, 2016, (ii) was a party to a Change in Control Agreement with the Company that was entered into before October 29, 2012, and (iii) entered into a new Change in Control Agreement with the Company by not later than November 1, 2012.

(b) No amendment, modification or termination of the Plan shall have the effect of reducing the eligibility for severance benefits (or the amount thereof) for any Executive who ceases to be employed by the Company or any subsidiary of the Company before the first anniversary of the date on which the Plan Administrator takes formal action to effect that amendment, modification or termination.

ARTICLE IX. ACKNOWLEDGEMENT AND RESTRICTIVE COVENANTS

Section 9.01. Application of Article IX.

This Article IX applies to any (i) Officer; or (ii) Executive at or above Level 19; who (iii) signs and delivers to the Company an Acknowledgment as contemplated by Section 4.02, as the case may be. The Officer's or Executive's right to receive Enhanced Severance Benefits under Article IV shall be contingent on the Officer or Executive signing an Acknowledgement that the Officer or Executive is subject to and obligated to comply with the provisions of this Article IX.

Section 9.02. Non-Compete and Non-Solicitation Obligations

(a) "Competition" by the Officer or Executive means engaging in, or otherwise directly or indirectly being employed by or acting as a consultant to, or being a director, officer, employee, principal, agent, shareholder, member, owner or partner of, anywhere in the world that competes, directly or indirectly, with the Company in the Business; provided, however, it shall not be a violation of this Agreement for the Officer or Executive to become the registered or beneficial owner of up to five percent (5%) of any class of share of any entity in Competition with the Company that is publicly traded on a recognized domestic or foreign securities exchange, provided that the Officer or Executive does not otherwise participate in the Business of such corporation.

(b) "Business" means the creation, development, manufacture, sale, promotion and distribution of vehicle electronics, transportation components, integrated systems and modules, electronic technology and other products and services that the Company engages in, or is preparing to become engaged in.

(c) The Officer or Executive agrees that, for a period of 12 months after the Termination Date, the Officer or Executive will not directly or indirectly engage in Competition with the Company.

(d) The Officer or Executive agrees that, for a period of 12 months after the Termination Date, the Officer or Executive will not directly or indirectly: (i) solicit for the Officer's or Executive's benefit or the benefit of any other person or entity, business of the same or of a similar nature to the Business from any customer that is doing business with the Company or that did business with the Company in the six months before the termination of the Officer's or Executive's employment; (ii) solicit for the Officer's or Executive's benefit or the benefit of any other person or entity from any known potential customer of the Company, business of the same or of a similar nature to the Business; (iii) otherwise interfere with the Business of the Company, including, but not limited to, with respect to any relationship or agreement between the Company and any supplier to the Company during the period of the Officer's or Executive's employment; or (iv) solicit for the Officer's or Executive's benefit or the benefit of any other person or entity, the employment or services of, or hire or engage, any individual who was employed or engaged by the Company during the period of the Officer's or Executive's employment.

(e) The Officer or Executive acknowledges that the Company would suffer irreparable harm if the Officer or Executive fails to comply with this Section 9.02, and that the Company would be entitled to any appropriate relief, including money damages, equitable relief and attorneys' fees. The Officer or Executive further acknowledges that enforcement of the covenants in this Section 9.02 is necessary to ensure the protection and continuity of the business and goodwill of the Company and that, due to the proprietary nature of the Business of the Company, the restrictions set forth herein are reasonable as to geography, duration and scope.

9.03. Confidential Information.

The Officer or Executive will not, at any time after the termination of the Officer's or Executive's employment with the Company, divulge, furnish or make available to any person any confidential knowledge, information or materials, whether tangible or intangible, regarding proprietary matters relating to the Company, including, without limitation, trade secrets, customer and supplier lists, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition or disposition plans, new personnel employment plans, methods of manufacture, technical processes, designs and design projects, inventions and research projects and financial budgets and forecasts of the Company except (a) information which at the time is available to others in the business or generally known to the public other than as a result of disclosure by the Executive not permitted hereunder, and (b) when required to do so by a court of competent jurisdiction, by any governmental agency or by any administrative body or legislative body (including a committee thereof) with purported or apparent jurisdiction to order the Officer or Executive to divulge, disclose or make accessible such information.

9.04. Non-Disparagement.

The Officer or Executive will not, at any time after the termination of the Officer's or Executive's employment with the Company, make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments or statements concerning the Company or its businesses, or any of its employees, officers, and existing and prospective customers, suppliers, investors and other associated third parties. The obligation set forth in this Section 9.04 does not, in any way, restrict or impede the Officer or Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation or order. The Officer or Executive shall promptly provide written notice of any such order to the Board of Directors of the Company and to the Company's General Counsel.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.01. Non-Guarantee of Employment or Other Benefits.

Neither the establishment of the Plan, nor any modification or amendment hereof, nor the payment of any benefits hereunder shall be construed as giving any person any legal or equitable right against the Company, a subsidiary or affiliate of the Company, or the Plan Administrator, or the right to payment of any benefits (other than those specifically provided herein), or as giving any person the right to be retained in the service of the Company or a subsidiary or affiliate of the Company.

Section 10.02. Participant Rights Unsecured.

The right of an Executive to receive severance benefits hereunder shall be an unsecured claim, and the Executive shall not have any rights in or against any specific assets of the Company. The right of an Executive to payment of benefits under this Plan shall not be subject to attachment or garnishment (except as otherwise provided in the Plan) and may not be assigned, encumbered, or transferred, except by will or the laws of descent and distribution. The rights of an Executive under this Plan are exercisable during the Executive's lifetime only by the Executive or the Executive's guardian or legal representative.

The undersigned, on behalf of the Company, has executed this Plan effective February 3, 2017.

VISTEON CORPORATION

/s/
By: Steven Fitzgerald
Its: Chief Human Resources Officer

266156

Exhibit 10.5

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, 2016.

Name
Christian A. Garcia
Sunil K. Bilolikar
Matthew M. Cole
Steven S. Fitzgerald
Brett D. Pynnonen
Markus J. Schupfner
Robert R. Vallance
William M. Robertson

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Sachin Lawande, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: April 27, 2017

/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, Christian A. Garcia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: April 27, 2017

/s/ Christian A. Garcia
Christian A. Garcia
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 Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017 (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

April 27, 2017

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 Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017 (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/Christian A. Garcia
Christian A. Garcia

April 27, 2017