

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

FORM 10-K

(Mark One)



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

For the fiscal year ended December 31, 2000 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 1-15827

VISTEON CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation)

5500 Auto Club Drive, Dearborn, Michigan
(Address or principal executive offices)

38-3519512
(I.R.S. employer
identification no.)
48126
(Zip code)

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

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

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	New York Stock Exchange
7.95% Notes due August 1, 2005	Luxembourg Stock Exchange
8.25% Notes due August 1, 2010	Luxembourg Stock Exchange

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

Yes No

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

As of February 15, 2001, the registrant had outstanding 130,952,775 shares of Common Stock. The aggregate market value of such Common Stock held by non-affiliates of the registrant as of such date was \$1,923,696,265, based on the closing price of the Common Stock on that date (\$14.69 a share) as reported by the New York Stock Exchange.

Document Incorporated by Reference*

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

PART I

ITEM 1. BUSINESS

Overview

Visteon Corporation is a leading, global supplier of automotive systems, modules and components. We sell our products primarily to global vehicle manufacturers, and also sell to the worldwide aftermarket for replacement and vehicle appearance enhancement parts. We operate in three business segments: Comfort, Communication & Safety; Dynamics & Energy Conversion; and Glass.

Our world headquarters is located in Dearborn, Michigan. We also maintain regional headquarters in Cologne, Germany (Europe/ Africa/ Middle East region), Tokyo, Japan (Asia-Pacific region), and Sao Paulo, Brazil (South America region). We maintain technical facilities/sales offices and plants in 25 countries throughout the world.

Ford Motor Company established Visteon as a wholly-owned subsidiary in January 2000, and subsequently transferred to Visteon the assets and liabilities comprising Ford's automotive components and systems business. Ford completed its spin-off of Visteon on June 28, 2000. Visteon is a Delaware corporation, incorporated on January 5, 2000.

Business Segments

Business segment financial information can be found on pages 39-41 of this Annual Report on Form 10K (Note 15, "Segment Information", of our Consolidated Financial Statements).

Comfort, Communication & Safety

Through our Comfort, Communication & Safety segment, Visteon is a leading global supplier of automotive climate control, interior/ exterior and telematics/ multimedia systems, modules and components. Products within this segment include heating, ventilation and air conditioning components and systems; powertrain cooling components and systems; cockpit modules, seating and interior trim; exterior and interior lighting; bumpers; fascias; and in-vehicle entertainment, driver information, navigation, wireless communication, and safety and security electronics.

Dynamics & Energy Conversion

Visteon is, through our Dynamics & Energy Conversion segment, a leading global supplier of automotive energy transformation and chassis systems, modules and components. Products within this segment include products for energy management, electrical conversion, fuel storage and delivery (such as electronic engine controls, alternators, starters and fuel tanks) and distributed power generation; and axle and driveline, steering and chassis products.

Glass

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

In December 2000, Visteon recorded a pre-tax, non-cash impairment write-down of \$220 million (\$138 million after-tax) to reduce the net book value of the assets associated with the Glass segment to estimated fair value. The write-down reflects revised operating projections following the end of discussions regarding a joint venture involving the business, which reflected continuing pressures on costs and prices. Visteon remains committed to finding solutions for the Glass segment during the coming months.

Customers and Competitors

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

Vehicle Manufacturers. Visteon does business with all of the world's largest vehicle manufacturers. Ford is our largest customer. In 2000, our sales to Ford accounted for about 84% of our total sales. Our top five customers other than Ford accounted for 5.8% of our total 2000 sales. Mazda Motor Corporation, of which Ford owns a 33.4% equity interest, is one of our top five non-Ford customers, accounting for 0.7% of our 2000 sales. In 2000, 37% of the new business we were awarded for delivery in future years was non-Ford business.

Most of our products are sold under purchase agreements that require us to provide price reductions each year. In turn, Visteon has an aggressive cost reduction program that focuses on reducing total costs. These cost reductions are expected to offset customer price reductions.

Aftermarket. We sell products to the worldwide aftermarket as replacement parts or as customized products, such as body appearance packages and in-car entertainment systems, for current production and older vehicles. In 2000, our aftermarket sales were \$897 million, representing 4.6% of our total sales. We currently sell 54% of these products to the independent aftermarket and 46% to Ford's Automotive Consumer Service Group, the principal aftermarket sales organization of Ford. In 2000, aftermarket sales of our glass products were \$180 million, representing less than 1% of our total sales and about 20% of our total aftermarket sales.

Competition. The principal competitors of our Comfort, Communication and Safety segment include Delphi Automotive Systems Corporation, Denso Corporation, Johnson Controls, Inc., Lear Corporation, Magna International, Inc., Valéo S.A., Mannesman VDO AG and Nippon Seiki Co., Ltd. The principal competitors of our Dynamics & Energy Conversion segment include American Axle & Manufacturing Holdings, Inc., Robert Bosch GmbH, Dana Corporation, Delphi Automotive Systems Corporation, Denso Corporation, Siemens AG and TRW, Inc. The principal competitors of our Glass segment include Asahi Glass Company Limited, AFG Industries, Inc., Pilkington Plc. and PPG Industries, Inc.

International

Financial information about sales and net property by major geographic area can be found on page 41 of this Annual Report on Form 10-K (Note 15, "Segment Information", of our Consolidated Financial Statements).

Seasonality

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

Product Research and Development

Visteon's research and development efforts are intended to maintain our leadership position in the industry and provide us with a competitive edge as we seek additional business with new and existing customers. Total research and development expenditures were \$1.2 billion in 2000, \$1.1 billion in 1999 and \$1.0 billion in 1998.

Raw Materials

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

Workforce

Visteon's workforce as of December 31, 2000, included approximately 82,000 persons, of whom approximately 18,000 were salaried and 64,000 were hourly. Of the hourly workforce, approximately 24,000 are Ford employees in the United States, who are covered under the Ford UAW Master Agreement. Under an agreement between Ford and Visteon, we have agreed to reimburse Ford for the cost of the Ford employees working in our facilities. This includes amounts (limited to \$50 million per year in each of 2000-2004) for profit sharing, which may be based in whole or in part on Ford's profits. The present Ford UAW agreement expires in September 2003.

In Europe, all Ford employees (both hourly and salaried) working in Visteon facilities at the time of the spin-off from Ford became Visteon employees. Visteon has agreed that, during their employment and retirement, Visteon will provide these employees with wages, benefits and other terms of employment that closely reflect those required to be provided by Ford to its employees in the respective countries. Visteon's national agreement with the British trade unions expires in November 2002, and its national agreement with the German trade unions expires in February 2002.

Intellectual Property

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

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

Environmental Matters

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

We are aware of contamination at some of our properties and have agreed to an allocation of liability at various third party superfund sites at which Ford has been named as a potentially responsible party. We are in various stages of investigation and cleanup at these sites. At December 31, 2000, Visteon had recorded a reserve of \$11.1 million for this environmental investigation and cleanup.

ITEM 2. PROPERTIES

Our principal executive offices are located in Dearborn, Michigan. We occupy this facility, as well as a number of other facilities, under arrangements with Ford.

We also maintain regional headquarters for our Europe/ Africa/ Middle East region in Cologne, Germany, for our Asia-Pacific region in Tokyo, Japan and for our South America region in Sao Paulo, Brazil. We maintain 54 technical facilities/ sales offices and 85 owned and leased plants in 25 countries throughout the world. The following table shows the total square footage of our principal owned and leased manufacturing facilities by region as of December 31, 2000:

Region	Number of Manufacturing Sites	Total Manufacturing Sites Square Footage
		(in millions)
North America	33	27.4
Europe	32	10.0
South America	3	0.9
Asia-Pacific	17	4.3
Total	85	42.6

Our Comfort, Communication & Safety segment operates in 59 manufacturing facilities throughout the world, of which 42 are outside of North America and 12 are non-unionized. Our Dynamics & Energy Conversion segment operates in 21 manufacturing facilities throughout the world, of which 10 are outside of North America and 12 are non-unionized. Our Glass segment operates in five manufacturing facilities in North America and two are non-unionized.

In some locations, we have combined a manufacturing facility, technical center and/or customer service center and sales office at a single multi-purpose site. The following table shows the number of various types of facilities by region as of December 31, 2000:

Region	Manufacturing Sites	Technical Centers	Customer Centers and Sales Offices
North America	33	14	11
Europe	32	8	13
South America	3	0	1
Asia-Pacific	17	1	6
Total	85	23	31

We believe that our facilities are suitable and adequate, and have sufficient productive capacity, to meet our present and anticipated needs.

ITEM 3. LEGAL PROCEEDINGS

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

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ITEM 3. LEGAL PROCEEDINGS — (Continued)

In connection with our spin-off from Ford, Ford has retained liability for all product liability, warranty or recall claims that involve parts made or sold by us for 1996 or earlier model year Ford vehicles. Visteon is responsible for these types of claims relating to 1997 or later model year Ford vehicles, subject to Ford's global terms and conditions, with the understanding that we will be treated by Ford as any other third party supplier, and in accordance with Ford's customary treatment of other suppliers. We have assumed liability for all product liability, warranty or recall claims relating to parts made by us and delivered to third parties other than Ford at any time.

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

None

ITEM 4A. EXECUTIVE OFFICERS OF VISTEON

The following table shows information about the directors, director nominees and executive officers of our company. All ages are as of March 1, 2001:

Name	Age	Position
Peter J. Pestillo	62	Chairman of the Board and Chief Executive Officer
Michael F. Johnston	53	President and Chief Operating Officer
Robert J. Womac	57	Executive Vice President of Operations
Daniel R. Coulson	57	Executive Vice President and Chief Financial Officer
Stacy L. Fox	47	Senior Vice President, General Counsel and Secretary
Robert H. Marcin	55	Senior Vice President of Human Resources
Susan F. Skerker	56	Senior Vice President of Business Strategy and Corporate Relations

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

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

Robert J. Womac has been the company's Executive Vice President of Operations since the company's formation in January 2000. Before that, he had been Executive Vice President of Ford's parts operations, a Vice President of Ford and General Manager of the Automotive Components Division, and previously General Manager of Ford's Electrical and Fuel Handling Division. Mr. Womac had been, prior to the Visteon spin-off in June 2000, a Ford employee since 1966.

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

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

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

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

Susan F. Skerker has been the company's Senior Vice President of Business Strategy and Corporate Relations since the company's formation in January 2000. Before that, she was Senior Director, Global Public Policy for Ford. Ms. Skerker had been, prior to the Visteon spin-off in June 2000, a Ford employee since 1973.

PART II

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

Our common stock is listed on the New York Stock Exchange in the United States under the symbol "VC". As of February 15, 2001, Visteon had 130,952,775 shares of its common stock \$1.00 par value outstanding, which were owned by 138,661 stockholders of record. The table below shows the high and low sales prices for our Common Stock as reported by the New York Stock Exchange, and the dividends we paid per share of Common Stock for each quarterly period in 2000, since the Visteon spin-off in June 2000.

	2000	
	Third Quarter	Fourth Quarter
Common Stock price per share		
High	\$19.25	\$17.94
Low	\$12.00	\$ 9.75
Dividends per share of Common Stock	\$.06	\$.06

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ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data as of December 31, 2000 and for periods subsequent to our spin-off from Ford reflect our financial condition, results of operations and cash flows. Selected consolidated financial data for periods prior to our spin-off reflect the historical financial condition, results of operations and cash flows of the businesses that were considered part of the Visteon business of Ford during each respective period. The historical consolidated statement of income data set forth below do not reflect many significant changes that occurred in the operations and funding of our company as a result of our spin-off from Ford. The historical consolidated balance sheet data set forth below reflect the assets and liabilities that were transferred or expected to be transferred to our company in accordance with the master transfer agreement.

The selected consolidated financial data should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes included elsewhere in this report. The consolidated statement of income and cash flow data set forth for the years ended December 31, 2000, 1999, 1998, 1997 and 1996, and the consolidated balance sheet data as of December 31, 2000, 1999, 1998 and 1997 have been derived from our audited financial statements. The consolidated balance sheet data as of December 31, 1996 has been derived from our unaudited balance sheet as of December 31, 1996 which, in our opinion, includes all adjustments necessary for a fair statement of financial condition as of this date.

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

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ITEM 6. SELECTED FINANCIAL DATA — (Continued)

	Year Ended December 31,				
	2000	1999	1998	1997	1996
	(in millions, except per share amounts and percentages)				
Statement of Income Data:					
Sales:					
Ford and affiliates	\$16,448	\$17,105	\$16,350	\$16,003	\$15,129
Other customers	3,019	2,261	1,412	1,217	1,368
Total sales	19,467	19,366	17,762	17,220	16,497
Costs and expenses:					
Costs of sales	18,025	17,503	15,969	15,794	15,392
Selling, administrative and other expenses	781	674	659	575	485
Asset impairment charge	220	—	—	—	—

Total costs and expenses	19,026	18,177	16,628	16,369	15,877
Operating income	441	1,189	1,134	851	620
Interest income	109	79	38	17	16
Interest expense	167	143	82	82	79
Net interest expense	(58)	(64)	(44)	(65)	(63)
Equity in net income of affiliated companies	56	47	26	29	47
Income before income taxes	439	1,172	1,116	815	604
Provision for income taxes	143	422	416	305	223
Income before minority interests	296	750	700	510	381
Minority interests in net income (loss) of subsidiaries	26	15	(3)	(1)	(3)
Net income	\$ 270	\$ 735	\$ 703	\$ 511	\$ 384
Basic and diluted earnings per share based on 130,000,000 shares outstanding	\$ 2.08	\$ 5.65	\$ 5.41	\$ 3.93	\$ 2.95
Cash dividends declared	\$ 0.12	—	—	—	—
Statement of Cash Flows Data:					
Cash (used in) provided by operating activities	\$ (526)	\$ 2,482	\$ 1,376	\$ 1,411	\$ 1,178
Cash (used in) investing activities	(842)	(1,453)	(940)	(943)	(996)
Cash provided by (used in) financing activities	924	290	(234)	(251)	(189)
Other Financial Data:					
Depreciation and amortization	\$ 676	\$ 651	\$ 565	\$ 590	\$ 510
EBITDA	1,337	1,840	1,699	1,441	1,130
Capital spending	793	876	861	917	969
After tax return on:					
Sales	1.5%	3.9%	3.9%	3.0%	2.3%
Average assets	2.5%	6.9%	7.8%	6.3%	4.9%

At December 31,

	2000	1999	1998	1997	1996
	(in millions)				
Balance Sheet Data:					
Total assets	\$11,325	\$12,449	\$9,373	\$8,471	\$7,967
Total debt	2,019	2,319	1,125	1,136	1,136
Total equity	3,505	1,499	1,655	1,204	977

“EBITDA” is defined as income before provision for interest expense and interest income, income taxes, depreciation and amortization, asset impairment charges, equity in net income of affiliated companies and minority interests. EBITDA is not presented as an alternative measure of operating results or cash flow from operations, as determined in accordance with generally accepted accounting principles, but is presented because we believe it is a widely accepted indicator of our ability to incur and service debt. EBITDA does not give effect to cash used for debt service requirements and thus does not reflect funds available for dividends, reinvestment or other discretionary uses. In addition, EBITDA as presented may not be comparable to similarly titled measures reported by other companies.

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

This section summarizes significant factors affecting the company’s consolidated operating results, financial condition and liquidity for the three-year period ended December 31, 2000. This section should be read in conjunction with the company’s Consolidated Financial Statements and related notes appearing elsewhere in this report.

Overview

Visteon Corporation (“Visteon”) is a leading, global supplier of automotive systems, modules and components. We sell our products primarily to global vehicle manufacturers, and also to the worldwide aftermarket for replacement and vehicle appearance enhancement parts. We operate in three business segments: Comfort, Communication & Safety; Dynamics & Energy Conversion; and Glass.

Our world headquarters is located in Dearborn, Michigan. We also maintain regional headquarters in Cologne, Germany (Europe/ Africa/ Middle East region), Tokyo, Japan (Asia-Pacific region) and Sao Paulo, Brazil (South America region). We maintain technical facilities/sales offices and plants in 25 countries throughout the world.

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

Worldwide sales were \$19.5 billion in 2000, compared with 1999 sales of \$19.4 billion. Our worldwide net income was \$270 million in 2000, compared with 1999 actual net income of \$735 million. The decrease in net income compared with 1999 reflects price reductions and a non-cash impairment write-down in 2000 associated with our Glass segment, offset partially by cost reductions achieved in material and manufacturing costs. The 2000 price reductions included a one-time price realignment of 5% that resulted from a joint Ford-Visteon competitive pricing study intended to make Visteon’s prices competitive with third party competitors. The Glass impairment write-down of \$138 million after taxes reflects an adjustment to the net book value of assets associated with the Glass segment based on revised estimates of the fair value of the Glass assets. We presently are evaluating alternatives for the Glass business and are committed to finding an acceptable business solution. Excluding the 2000 Glass impairment charge, 2000 net income would have been \$408 million, an increase of \$127 million compared with 1999 pro forma net income of \$281 million. For further discussion of pro forma adjustments, please refer to “Results of Operations — Pro Forma 1999 Results” below.

Our focus during 2000 was to solidly establish Visteon as an independent company. We believe we achieved this goal. We also achieved our 2000 milestones:

- *Earnings* — Excluding the one-time Glass impairment charge, 2000 earnings were \$408 million, up 45% compared with 1999 pro forma levels. Our milestone was to improve earnings by 35% before any major unusual factors.
- *New Business* — Visteon exceeded its milestone of securing \$2.5 billion in new business in 2000. The company won a record \$2.6 billion in annual new business. Of the new business won, 37% was non-Ford and 31% was outside of North America.
- *Cost Reduction* — We achieved cost savings totaling \$590 million. This exceeded our milestone by \$140 million.
- *Operating Cash Flow* — Our operating cash flow adjusted for acquisitions, dividends, and independence actions totaled \$225 million in 2000. This exceeded Visteon’s milestone, which was to achieve positive operating cash flow in 2000.

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

- *Quality* — Visteon improved 2000 quality by 44%, exceeding our milestone of a 30% improvement.

Results of Operations

2000 Compared with 1999

The following table shows the increase/(decrease) in full year 2000 sales for each of our segments:

	Year Ended December 31,		2000 over/(under) 1999
	2000	1999	Amount
	(in millions)		
Comfort, Communication & Safety	\$ 9,782	\$ 9,377	\$ 405
Dynamics & Energy Conversion	8,939	9,216	(277)
Glass	746	773	(27)
	\$19,467	\$19,366	\$ 101

Sales in 2000 totaled \$19.5 billion compared with \$19.4 billion in 1999, an increase of \$101 million or 0.5%. Sales for our Comfort, Communication & Safety segment were \$9.8 billion, compared with \$9.4 billion in 1999. Sales for our Dynamics & Energy Conversion segment were \$8.9 billion, down \$277 million or 3% from 1999. Glass sales were \$746 million in 2000, compared with \$773 million in 1999. The increase in sales for our Comfort, Communication & Safety segment reflected the full year impact of about \$620 million associated with the consolidations of prior year acquisitions, including Halla Climate Control Corporation, Duck Yang Industry Co., Ltd., and the automotive interiors division of Compagnie Plastic Omnium. In addition, sales for our Comfort, Communication & Safety segment also increased due to increased Ford sales volume. These increases were offset partially by price reductions granted to Ford and other customers, and unfavorable currency fluctuations. The decrease in sales for the Dynamics & Energy Conversion and Glass segments reflected primarily price reductions granted to Ford and other customers, offset partially by increased Ford sales volumes. Price reductions granted to Ford in 2000 included a one-time 5% price reduction

on production parts that Visteon was supplying to Ford, based on a market pricing review conducted by Ford and Visteon, and a 3.5% productivity price reduction on those same parts.

The following table shows the change in net income/(loss) for each of our segments:

	Year Ended December 31,		2000 (under) 1999
	2000	1999	Amount
	(in millions)		
Comfort, Communication & Safety	\$ 302	\$422	\$(120)
Dynamics & Energy Conversion	154	344	(190)
Glass	(156)	3	(159)
	\$ 270	\$735	\$(465)

Net income in 2000 totaled \$270 million compared with \$735 million in 1999, a decrease of \$465 million or 63.3%. The decline reflected primarily price reductions granted to Ford and other customers and a non-cash impairment write-down of our Glass segment of \$138 million after taxes. Net income for the Comfort, Communication & Safety segment was \$302 million in 2000,

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

down \$120 million from 1999. The reduction reflected primarily price reductions and unfavorable currency fluctuations, offset partially by higher Ford sales volume and the full year impact of prior year's acquisitions, and lower material and manufacturing cost. Net income for our Dynamics & Energy Conversion segment was \$154 million in 2000, a decrease of \$190 million compared with 1999. The decline reflected primarily price reductions, offset partially by material and manufacturing cost savings. The net loss for our Glass segment was \$156 million compared with net income of \$3 million a year ago. The decline reflected primarily the non-cash impairment write-down of \$138 million after taxes and price reductions, offset partially by manufacturing cost reductions.

1999 Compared with 1998

The following table shows the increase in sales for each of our segments:

	Year Ended December 31,		1999 over 1998
	1999	1998	Amount
	(in millions)		
Comfort, Communication & Safety	\$ 9,377	\$ 8,337	\$1,040
Dynamics & Energy Conversion	9,216	8,673	543
Glass	773	752	21
	\$19,366	\$17,762	\$1,604

Sales in 1999 totaled \$19.4 billion compared with \$17.8 billion in 1998, an increase of \$1.6 billion or 9%. Sales for our Comfort, Communication & Safety segment were \$9.4 billion, compared with \$8.3 billion in 1998, an increase of 12.5%. Sales for the Dynamics & Energy Conversion segment were \$9.2 billion, up \$543 million or 6.3% from 1998. Glass sales were \$773 million in 1999, compared with \$752 million in 1998, an increase of 2.8%. The increase in sales for each segment reflected primarily higher sales to Ford and other customers. In addition, sales for our Comfort, Communication & Safety segment increased by \$415 million because of the consolidation of Halla Climate Control Corporation and by \$260 million as a result of our June 1999 acquisition of the automotive interiors division of Compagnie Plastic Omnium. These increases were offset partially by price reductions granted to Ford and our other customers.

The following table shows the change in net income/(loss) for each of our segments:

Year Ended December 31,	1999 over/(under) 1998
----------------------------	------------------------------

	1999	1998	Amount
		(in millions)	
Comfort, Communication & Safety	\$422	\$452	\$(30)
Dynamics & Energy Conversion	344	294	50
Glass	3	(15)	18
	—	—	—
Total net income (including unallocated interest)	\$735	\$703	\$ 32

Net income for our Comfort, Communication & Safety segment was \$422 million in 1999, down \$30 million from 1998. The reduction reflected primarily price reductions and increased costs associated with engineering future products, offset largely by material and manufacturing cost reductions and to a lesser extent by higher sales volume. Net income for our Dynamics & Energy Conversion segment was \$344 million in 1999, an increase of \$50 million, reflecting lower costs and higher sales volume, offset partially by price reductions. Net income for our Glass segment was \$3 million, an improvement of \$18 million from 1998. The improvement was

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)
accounted for primarily by lower costs and higher sales volume, offset partially by reduced prices.

Pro Forma 1999 Results

We have prepared unaudited pro forma condensed consolidated financial statements, which appear in the "Unaudited Pro Forma Condensed Consolidated Financial Statements" section of our prospectus dated June 13, 2000, as filed with the SEC on June 14, 2000. The pro forma condensed consolidated statement of income for 1999 provides additional information on our operations as if the spin-off and our separation from Ford had occurred as of January 1, 1999. The pro forma condensed consolidated statement of income does not purport to be indicative of what our operations actually would have been had these events occurred as of that date.

In connection with the preparation of the unaudited pro forma statement of income, we made the following significant adjustments:

- Our sales in 1999 would have decreased by about \$690 million, to \$18.7 billion had the one-time 5% price reduction effective as of January 1, 2000 been in effect for 1999. The 5% reduction, which is based on a market pricing review conducted by Ford and us, was designed to make our prices competitive with third party competitors.
- Our costs of sales in 1999 would have decreased by about \$142 million, to about \$17.4 billion, primarily as a result of a \$146 million decrease in compensation for our hourly workforce. This adjustment reflects our agreement with Ford that our profit sharing payment liability, based on Ford's profits and paid to Ford workers that are assigned to us, will be limited to \$50 million per year in each of the years 2000-2004.
- Our selling, administrative and other expenses in 1999 would have increased by about \$102 million, to \$776 million, principally as a result of management's operating Visteon as a stand-alone company. These added costs are comprised of incremental corporate costs and, to a lesser extent, incremental insurance and risk management costs.
- Our interest income in 1999 would have decreased by about \$44 million, to \$35 million, as a result of reductions in our pro forma cash balances. Because of an increase in our average outstanding debt levels, our interest expense would have increased by about \$33 million, to \$176 million.
- As a result of these and other adjustments, our net income in 1999 would have decreased from \$735 million to \$281 million.

Recent Factors that May Affect Future Results

Excluding the 2000 fourth quarter Glass impairment write-down, Visteon's 2000 second half results were down from strong 2000 first half results (See Note 16 "Summary Quarterly Financial Data", of our Consolidated Financial Statements, on page 41 of this report). We expect automotive industry conditions in 2001 to be consistent with conditions existing late in 2000. Lower automotive industry volume, the general slowing of the U.S. economy, continued price pressures on vehicle manufacturers and automotive suppliers, and possible customer program deferrals are contributing to an uncertain outlook. Although most underlying fundamentals remain strong, the impact of the vehicle manufacturer's ability to rebalance inventories and the trend of retail sales are important unknowns that may impact 2001, particularly early in the year.

In December 2000, we announced that we would be streamlining our organization to improve our customer focus, while maintaining our strong heritage as a manufacturing and engineering

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

organization. This organizational realignment is presently in process and is expected to be completed in early 2001.

Liquidity and Capital Resources

Our balance sheet reflects cash and marketable securities of \$1.5 billion and total debt of \$2.0 billion at December 31, 2000, and cash and marketable securities of \$1.8 billion and total debt of \$2.3 billion at December 31, 1999. All debt at December 31, 2000, was owed to third parties. Total debt at December 31, 1999, consisted of \$1.1 billion owed to Ford under an intra-company revolving loan agreement, about \$800 million owed by Visteon subsidiaries to Ford subsidiaries, and the remainder owed to third parties.

Total debt exceeded cash and marketable securities by \$542 million at December 31, 2000, and by \$470 million at December 31, 1999. Our ratio of total debt to total capital, which consists of total debt plus equity, was 37% at December 31, 2000, and 61% at December 31, 1999. The change in the ratio of total debt to total capital is primarily due to effects associated with our spin-off from Ford and lower debt levels.

During 2000, we established a commercial paper program providing up to \$2 billion of borrowing ability. We also entered into financing arrangements with third-party lenders to provide up to a total of \$2 billion of contractually committed, unsecured revolving credit facilities. These facilities are evenly split between 364-day and 5-year commitments, maturing in June 2001 and June 2005, respectively. Any borrowings under the revolving credit facilities would bear interest based on a variable interest rate option selected at the time of borrowing. We intend to use the commercial paper program as our primary short-term financing source and do not intend to exceed \$2 billion of aggregate borrowing under the commercial paper program and revolving credit facilities. As of December 31, 2000, the outstanding balance under our commercial paper program was \$352 million, and we had no borrowings under our revolving credit facilities.

On August 3, 2000, we completed a public offering of unsecured term debt securities totaling \$1.2 billion with maturities of five years and ten years. The proceeds of the offering were used to repay an amount previously outstanding under an unsecured, third-party financing arrangement. We have about \$800 million available under a shelf registration statement on file with the Securities and Exchange Commission through which we are able to issue a variety of debt instruments.

Our intra-year cash fluctuations are impacted by the volume and timing of worldwide vehicle production. Examples of seasonal effects in the industry include the shut-down of operations for about two weeks in July, the subsequent ramp-up of new model production and the additional one-week shut-down in December by our primary North American customers. We believe that we have sufficient financial flexibility to fund these fluctuations and to access the capital markets on satisfactory terms and in adequate amounts, although there can be no assurance that this will be the case. We expect cash flow from operations and borrowings to fund requirements for working capital, capital expenditures, research and development, pension funding, dividend and debt service for at least the next year.

Cash Flows

Operating Activities

Net cash flows used by operating activities totaled \$526 million for the year ended December 31, 2000, compared with net cash flows provided by operating activities of \$2.5 billion and \$1.4 billion in 1999 and 1998, respectively. The decrease in 2000 was caused primarily by

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

changes in payables, receivables and other working capital items resulting primarily from effects associated with our spin-off from Ford.

Investing Activities

Cash used in investing activities was \$842 million, \$1.5 billion and \$940 million in 2000, 1999 and 1998, respectively. The primary use of cash for investing activities in each year was for capital expenditures. In addition, in 1999 Visteon acquired the automotive interiors division of Compagnie Plastic Omnium, headquartered in France, for about \$479 million, and increased our ownership in Halla Climate Control Corporation to 70% by purchasing an additional 35% interest, for \$84 million. In 1998, we made several acquisitions totaling \$108 million, including PABA, Inc. (now Visteon Climate Control Systems), two manufacturing sites in Poland, and Zexel Innovation.

Our capital expenditures were \$793 million in 2000, \$876 million in 1999 and \$861 million in 1998, with about 46% in each year spent on Comfort, Communications & Safety and about 46% in each year spent on Dynamics & Energy Conversion, and the remaining expenditures attributed to the Glass Division. We plan to manage our capital spending in 2001 so that it is about equal to

or below 2000 levels. Our capital expenditures are used primarily for machinery and equipment to support our customers' new product programs. Our capital expenditure program promotes our growth-oriented business strategy by investing in core areas, where efficiencies and profitability can be enhanced, and by targeting funds for new innovative technologies, where long-term growth opportunities can be realized. Capital expenditures also will be used for expansion into new markets outside of the United States and the continued implementation of lean manufacturing strategies.

Financing Activities

Cash provided by financing activities totaled \$924 million and \$290 million in 2000 and 1999, respectively, compared with cash used in financing activities of \$234 million in 1998. Cash provided by financing activities in 2000 included primarily proceeds from issuance of commercial paper and the net increase of other third party debt. Proceeds from our offering of unsecured term debt securities were used to repay the amount previously outstanding under an unsecured, short-term financing arrangement. Cash provided by financing activities in 1999 included primarily additional debt associated with acquisition activities.

On January 10, 2001, the Visteon Board of Directors declared a dividend of \$0.06 per share on the company's common stock, payable on March 1, 2001 to shareholders of record as of January 30, 2001. The dividend declared by the Visteon Board of Directors on October 11, 2000, was paid on December 1, 2000.

Pension and Postretirement Benefits

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

Ford retained pension and postretirement health care and life insurance obligations for certain Visteon-designated employees of Ford who retired prior to the spin-off. In addition, Ford retained the pension obligation related to benefits earned through the spin-off date for certain active U.S. salaried Visteon employees that met specific age and years of service requirements. Visteon-assigned Ford-UAW hourly employees participate in the Ford-UAW Retirement Plan,

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

sponsored by Ford. By agreement, Visteon compensates Ford for the pension expense incurred by Ford for these employees. Also by agreement, Visteon is required to pre-fund postretirement health care and life insurance benefit obligations related to Visteon-assigned Ford-UAW hourly employees as well as certain salaried employees. For the hourly employees, the required pre-funding is over a 15 year period beginning in 2006, for salaried employees, over a 10 year period beginning in 2011. The annual pre-funding requirement during this period will be determined based upon amortization of the unfunded liability at the beginning of the period, plus annual expense. In December 2000, the company pre-funded a portion of this obligation by contributing \$25 million to a Voluntary Employees' Beneficiary Association (VEBA) trust.

New Accounting Standards and Changes

New Standards

Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," was issued by the Financial Accounting Standards Board in June 1998. SFAS 133 (as amended by SFAS 138) establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities, and must be adopted beginning January 1, 2001. It requires recognition of all derivatives as either assets or liabilities on the balance sheet and measurement of those instruments at fair value. We have determined that the impact of adopting the new standard on Visteon's financial condition and results of operations will not be material.

Staff Accounting Bulletin No. 101 ("SAB No. 101"), "Revenue Recognition in Financial Statements," was issued by the Securities and Exchange Commission in December 1999. SAB No. 101 provides guidance on applying generally accepted accounting principles to the recognition, presentation and disclosure of revenue in financial statements, and must be implemented by the fourth quarter of 2000. The implementation of SAB No. 101 did not have a significant impact on our financial condition or results of operations.

Accounting Changes

Beginning in 1999, we changed from an accelerated method to the straight-line method for amortization of special tooling. This change was made to recognize that special tooling retains its value more uniformly over time.

Beginning in 1999, we also modified our plant and equipment retirement policy to reflect gains and losses in income in the year of retirement. Previously, the cost of retired assets, net of salvage proceeds, was charged to accumulated depreciation. The change in accounting principle for plant and equipment retirement was made to better reflect the results of asset disposal/sale decisions.

Adoption of these accounting changes did not have a material effect on our financial statements.

Cautionary Statement for Forward-Looking Information

This section contains forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “expect,” “intend,” “plan,” “believe,” “seek” and “estimate” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are and will be identified as “Risk Factors” in our SEC filings. See the “Risk Factors” section of our Report on Form 8-K as filed with the

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

SEC on February 27, 2001. The risks and uncertainties so identified are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may adversely affect us. Should any risks and uncertainties develop into actual events, these developments could have material adverse effects on our business, financial condition and results of operations. For these reasons, we caution you not to place undue reliance on our forward-looking statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Foreign Currency Risk

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

As of December 31, 2000, our primary foreign exchange exposure includes the euro, the Mexican peso, and the Canadian dollar. Because of the mix between our costs and our revenues in various regions, we generally are exposed to weakening of the euro and to strengthening of the Mexican peso and Canadian dollar. For transactions in these currencies, we utilize a strategy of partial coverage. As of December 31, 2000, our coverage for projected transactions in these currencies was about 50% for 2001. As of December 31, 2000, a 10% adverse change in exchange rates from prevailing rates for all of these currencies would result in an adverse impact on net income of about \$20 million on an annual basis. The impact of a comparable change in exchange rates on net income as of December 31, 1999, would not be materially different.

Interest Rate Risk

As of December 31, 2000 about two-thirds of our borrowings were on a fixed rate basis. The remainder of Visteon’s borrowing is on a variable rate basis and is subject to changes in short-term interest rates. We believe our overall exposure to changes in interest rates is not material. Because our exposure to interest rate fluctuations is limited, we did not enter into any derivative instruments to manage interest rate risk during 2000.

Commodity Risk

We have entered into long term agreements with some of our key suppliers of non-ferrous metals to protect Visteon from changes in market prices. In addition, some products Visteon manufactures and sells to Ford containing non-ferrous metals are price adjusted monthly based on metal content and market price. Precious metals (for catalytic converter production) are purchased through a Ford directed-source; Ford accepts all market price risk. As a result, we have no need presently to enter into financial derivatives to hedge these potential exposures. The risk to these exposures may be managed with the use of financial derivatives if, in the future, we enter into floating price contracts with our key suppliers.

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

Natural gas is a commodity Visteon uses in its manufacturing processing, related primarily to glass production, as well as for heating our facilities. Historical risk has been low for this commodity because of plentiful supply and a stable market over the last 5 years. It has been Visteon’s practice to purchase short term, fixed-priced contracts for approximately 50% of our usage. Based on recent natural gas price volatility in the United States, we are partially exposed to market price risk. As of December 31, 2000, a 10% adverse change in natural gas prices would result in an adverse impact on net income of about \$6 million on an annual basis.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our Consolidated Financial Statements, the accompanying Notes and the Report of Independent Accountants that are filed as part of this Report are listed under Item 14, "Exhibits, Financial Statement Schedules, and Reports on Form 8-K", and are set forth on pages 20 through 41 of this Report.

Selected quarterly financial data for us and our consolidated subsidiaries for 2000 and 1999 are presented in Note 16 of our Notes to Financial Statements on page 41 of this Report.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF VISTEON

The information required by Item 10 regarding our directors is incorporated by reference from the information under the captions "Proposals — Election of Directors", "Board of Directors — Directors Continuing in Office" and "Appendix B — Stockholdings" in our 2001 Proxy Statement. The information required by Item 10 regarding our executive officers appears as Item 4A under Part I of this Report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the information under the following captions in our 2001 Proxy Statement: "Board of Directors — Director Compensation", "Compensation Committee Report on Executive Compensation", "Executive Compensation" and "Appendix C — Executive Compensation".

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by Item 12 is incorporated by reference from the information under the caption "Appendix B — Stockholdings" in our 2001 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 13 is incorporated by reference from the information under the caption "Proposals — Election of Directors" in our 2001 Proxy Statement.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

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(a) 1. Consolidated Financial Statements	
Report of Independent Accountants	20
Consolidated Statement of Income for the years ended December 31, 2000, 1999 and 1998	21
Consolidated Balance Sheet at December 31, 2000 and 1999	22
Consolidated Statement of Cash Flows for the years ended December 31, 2000, 1999 and 1998	23
Consolidated Statement of Stockholders' Equity for the years ended December 31, 2000, 1999 and 1998	24
Notes to Financial Statements	25
2. Financial Statement Schedules	
None	
3. Exhibits	
Refer to the "Exhibit Index" on page 42 of this report.	
(b) Reports on Form 8-K	

Visteon filed the following Current Reports on Form 8-K during the quarter ended December 31, 2000:

Current Report on Form 8-K dated October 13, 2000, included information relating to Visteon's Board of Directors declaring a cash dividend.

Visteon Corporation

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) on page 18 present fairly, in all material respects, the financial position of Visteon Corporation and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Detroit, Michigan

January 17, 2001

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VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

	For the Years Ended December 31,		
	2000	1999	1998
	(in millions, except per share amounts)		
Sales (Notes 2 and 11)			
Ford and affiliates	\$16,448	\$17,105	\$16,350
Other customers	3,019	2,261	1,412
	<hr/>	<hr/>	<hr/>
Total sales	19,467	19,366	17,762
Costs and expenses (Notes 2, 11 and 13)			
Costs of sales	18,025	17,503	15,969
Selling, administrative and other expenses	781	674	659
Asset impairment charge (Note 13)	220	—	—
	<hr/>	<hr/>	<hr/>
Total costs and expenses	19,026	18,177	16,628
Operating income	441	1,189	1,134
Interest income	109	79	38
Interest expense	167	143	82
	<hr/>	<hr/>	<hr/>
Net interest expense	(58)	(64)	(44)
Equity in net income of affiliated companies (Notes 2 and 13)	56	47	26
	<hr/>	<hr/>	<hr/>
Income before income taxes	439	1,172	1,116
Provision for income taxes (Note 5)	143	422	416
	<hr/>	<hr/>	<hr/>
Income before minority interests	296	750	700
Minority interests in net income/(loss) of subsidiaries	26	15	(3)
	<hr/>	<hr/>	<hr/>
Net income	\$ 270	\$ 735	\$ 703
	<hr/>	<hr/>	<hr/>
Average number of shares of Common Stock outstanding (Note 2)	130	130	130
Earnings and dividends per share (Note 2)			
Basic and diluted	\$ 2.08	\$ 5.65	\$ 5.41
Cash dividends	\$ 0.12	\$ —	\$ —

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	December 31,	
	2000	1999
	(in millions)	
Assets		
Cash and cash equivalents	\$ 1,412	\$ 1,849
Marketable securities	65	—
	—	—
Total cash and marketable securities	1,477	1,849
Accounts and notes receivable — Ford and affiliates	1,333	1,578
Accounts receivable — other customers	857	613
	—	—
Total receivables	2,190	2,191
Inventories (Note 3)	948	751
Deferred income taxes	192	110
Prepaid expenses and other current assets	198	295
	—	—
Total current assets	5,005	5,196
Equity in net assets of affiliated companies	142	205
Net property (Note 4)	5,497	5,789
Deferred income taxes	100	362
Other assets	581	897
	—	—
Total assets	\$11,325	\$12,449
	—	—
Liabilities and Stockholders' Equity		
Trade payables	\$ 1,949	\$ 3,150
Accrued liabilities (Note 6)	1,086	1,211
Income taxes payable	147	153
Debt payable within one year (Note 8)	622	961
	—	—
Total current liabilities	3,804	5,475
Long-term debt (Note 8)	1,397	1,358
Other liabilities (Note 6)	2,601	3,964
Deferred income taxes	18	153
	—	—
Total liabilities	7,820	10,950
Stockholders' equity		
Capital stock (Note 9)		
Preferred Stock, par value \$1.00, 50 million shares authorized, none outstanding	—	—
Common Stock, par value \$1.00, 500 million shares authorized, 131 million shares issued and outstanding	131	—
Capital in excess of par value of stock	3,311	—
Prior owner's net investment	—	1,566
Accumulated other comprehensive income	(179)	(67)
Other	(12)	—
Earnings retained for use in business	254	—
	—	—
Total stockholders' equity	3,505	1,499
	—	—
Total liabilities and stockholders' equity	\$11,325	\$12,449
	—	—

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Years Ended
December 31,

	2000	1999	1998
	(in millions)		
Cash and cash equivalents at January 1	\$ 1,849	\$ 542	\$ 344
Cash flows (used in)/provided by operating activities (Note 14)	(526)	2,482	1,376
Cash flows from investing activities			
Capital expenditures	(793)	(876)	(861)
Acquisitions and investments in joint ventures, net	(28)	(579)	(108)
Purchases of securities	(126)	—	—
Sales and maturities of securities	61	—	—
Other	44	2	29
Net cash used in investing activities	(842)	(1,453)	(940)
Cash flows from financing activities			
Cash distributions from/(to) prior owner	85	(558)	(267)
Commercial paper issuances, net	352	—	—
Payments on short-term debt	(1,775)	—	—
Proceeds from issuance of short-term debt	1,374	493	34
Proceeds from issuance of other debt	1,279	816	96
Principal payments on other debt	(290)	(361)	(149)
Cash dividends	(16)	—	—
Other	(85)	(100)	52
Net cash provided by/(used in) financing activities	924	290	(234)
Effect of exchange rate changes on cash	7	(12)	(4)
Net (decrease)/increase in cash and cash equivalents	(437)	1,307	198
Cash and cash equivalents at December 31	\$ 1,412	\$ 1,849	\$ 542

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Capital In Excess of Par Value	Earnings Retained for Use in Business	Accumulated Other Comprehensive Income	Prior Owner's Net Investment	Other	Total
	Shares	Amount						
(in millions)								
Year Ended December 31, 1998								
Beginning balance	—	\$ —	\$ —	\$ —	\$ (53)	\$ 1,257	\$ —	\$1,204
Net transfers to prior owner						(280)		(280)
Comprehensive income								
Net income						703		703
Foreign currency translation					28			28
Comprehensive income								731
Ending balance	—	\$ —	\$ —	\$ —	\$ (25)	\$ 1,680	\$ —	\$1,655
Year Ended December 31, 1999								
Beginning balance	—	\$ —	\$ —	\$ —	\$ (25)	\$ 1,680	\$ —	\$1,655
Net transfers to prior owner						(849)		(849)
Comprehensive income								
Net income						735		735
Foreign currency translation					(42)			(42)
Comprehensive income								693
Ending balance	—	\$ —	\$ —	\$ —	\$ (67)	\$ 1,566	\$ —	\$1,499
Year Ended December 31, 2000								
Beginning balance	—	\$ —	\$ —	\$ —	\$ (67)	\$ 1,566	\$ —	\$1,499
Net transfers and settlements of						1,864		1,864

balances with prior owner								
Capitalization/reclassification of prior owner's net investment	130	130	3,300			(3,430)		0
Issuance of restricted stock	1	1	11				(12)	0
Comprehensive income								
Net income				270				270
Foreign currency translation					(112)			(112)
Comprehensive income								158
Cash dividends				(16)				(16)
Ending balance	<u>131</u>	<u>\$131</u>	<u>\$3,311</u>	<u>\$254</u>	<u>\$(179)</u>	<u>\$ 0</u>	<u>\$(12)</u>	<u>\$3,505</u>

The accompanying notes are part of the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Background and Basis of Presentation

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

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

Basis of Presentation

The consolidated financial statements as of December 31, 2000 and for periods subsequent to the spin-off include the accounts of Visteon and its wholly-owned and majority-owned subsidiaries. The consolidated financial statements of Visteon for periods prior to the spin-off reflect the historical results of operations and cash flows of the businesses that were considered part of the Visteon business of Ford.

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

NOTE 2. Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the company and its majority-owned subsidiaries. Intra-Visteon transactions have been eliminated in consolidation. Companies that are 20% to 50% owned by Visteon are included and accounted for on an equity basis in these statements. Use of estimates and assumptions as determined by management are required in the preparation of financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates and assumptions.

Revenue Recognition

Sales are recorded when products are shipped. Frequently, design modifications to products produced are implemented in advance of completing the process for negotiating a change in prices. These retroactive price adjustments are measured and included in revenue in the period in which Visteon reaches agreement with its customers.

NOTE 2. Accounting Policies — (Continued)*Other Costs*

Advertising and sales promotion costs are expensed as incurred. Advertising costs were \$29 million in 2000, \$42 million in 1999 and \$39 million in 1998.

Research and development costs are expensed as incurred and were \$1,198 million in 2000, \$1,115 million in 1999 and \$1,004 million in 1998.

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

Income Per Share of Common Stock

Basic income per share of Common Stock is calculated by dividing the income attributable to Common Stock by the average number of shares of Common Stock outstanding during the applicable period, adjusted for restricted stock. For purposes of the earnings per share calculations, 130 million shares of common stock are treated as outstanding for periods prior to the spin-off from Ford. The calculation of diluted income per share of Common Stock takes into account the effect of dilutive potential common stock, such as stock options and other stock-based awards.

Derivative Financial Instruments

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

Visteon's primary foreign currency exposures, in terms of net corporate exposure are in the euro, Mexican Peso and Canadian Dollar. Agreements to manage foreign currency exposure typically would include forward contracts, swaps and options. The company uses these derivative instruments to hedge expected future cash flows in foreign currencies and firm commitments. Gains and losses on hedges are deferred and recognized upon settlement of the related transaction. All other gains and losses are recognized in costs of sales. These instruments usually mature in two years or less, consistent with the underlying transactions. The effect of changes in exchange rates may not be fully offset by gains or losses on currency derivatives, depending on the extent to which the exposures are hedged.

VISTEON CORPORATION AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS — (Continued)****NOTE 2. Accounting Policies — (Continued)***Foreign Currency Translation*

Assets and liabilities of Visteon's non-U.S. businesses generally are translated to U.S. Dollars at end-of-period exchange rates. The effects of this translation for Visteon are reported in other comprehensive income. Remeasurement of assets and liabilities of Visteon's non-U.S. businesses that use the U.S. Dollar as their functional currency are included in income as transaction gains and losses. Income statement elements of Visteon's non-U.S. businesses are translated to U.S. Dollars at average-period exchange rates and are recognized as part of revenues, costs and expenses. Also included in income are gains and losses arising from transactions denominated in a currency other than the functional currency of the business involved. Net transaction gains and losses, as described above, increased net income \$2 million in 2000, decreased net income \$24 million in 1999 and increased net income \$13 million in 1998.

Cash and Cash Equivalents

Visteon considers all highly liquid investments purchased with a maturity of three months or less, including short-term time deposits and government agency and corporate obligations, to be cash equivalents. For periods prior to the spin-off, cash and cash equivalents consisted primarily of a share of Ford's cash and cash equivalents.

Marketable Securities

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

Impairment of Long-Lived Assets and Certain Identifiable Intangibles

Visteon evaluates the carrying value of goodwill for potential impairment on an ongoing basis. Such evaluations compare operating income before amortization of goodwill to the amortization recorded for the operations to which the goodwill relates. Visteon also evaluates the carrying value of long-lived assets and long-lived assets to be disposed of for potential impairment. Visteon considers projected future undiscounted cash flows, trends and other circumstances in making such estimates and evaluations.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of acquired companies and is amortized using the straight-line method for periods up to 20 years. Total goodwill included in other assets was \$394 million and \$409 million at December 31, 2000 and 1999, respectively, net of accumulated amortization of \$58 million and \$35 million as of those same dates.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 3. Inventories

	December 31,	
	2000	1999
	(in millions)	
Raw materials, work-in-process and supplies	\$829	\$653
Finished products	119	98
	—	—
Total inventories	\$948	\$751
	—	—
U.S. inventories	\$586	\$434

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

If the FIFO method had been used instead of the LIFO method, inventories would have been higher by \$83 million and \$101 million at December 31, 2000 and 1999, respectively.

NOTE 4. Net Property, Depreciation and Amortization

	December 31,	
	2000	1999
	(in millions)	
Land	\$ 88	\$ 85
Buildings and land improvements	1,389	1,343
Machinery, equipment and other	8,541	8,540
Construction in progress	306	427
	—	—
Total land, plant and equipment	10,324	10,395
Accumulated depreciation	(5,130)	(4,856)
	—	—
Net land, plant and equipment	5,194	5,539
Special tools, net of amortization	303	250
	—	—
Net property	\$ 5,497	\$ 5,789

Property, equipment and special tools are stated at cost, less accumulated depreciation and amortization. Property and equipment placed in service before January 1, 1993 are depreciated using an accelerated method that results in accumulated depreciation of approximately two-thirds of asset cost during the first half of the estimated life of the asset. Property and equipment

placed in service after December 31, 1992 are depreciated using the straight-line method of depreciation over the estimated useful life of the asset. On average, buildings and land improvements are depreciated based on a 30-year life; machinery and equipment are depreciated based on a 14-year life. Cost of computer software developed or obtained for internal use is capitalized beginning January 1, 1999. Special tools placed in service before January 1, 1999 are amortized using an accelerated method over periods of time representing the estimated life of those tools. Special tools placed in service after December 31, 1998 are amortized using the straight-line method.

For property and equipment retired before January 1, 1999, the general policy was to charge the cost of those assets, reduced by net salvage proceeds, to accumulated depreciation. For property and equipment retired after December 31, 1998, the general policy is to charge the net book value of those assets, reduced by net salvage proceeds, to gain or loss on disposal of assets. These changes did not have a material impact on the financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 4. Net Property, Depreciation and Amortization — (Continued)

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

	2000	1999	1998
	(in millions)		
Depreciation	\$585	\$572	\$503
Amortization	68	66	56
Total	\$653	\$638	\$559

Maintenance, repairs and rearrangement costs are expensed as incurred and were \$521 million in 2000, \$549 million in 1999 and \$493 million in 1998. Expenditures that increase the value or productive capacity of assets are capitalized. Pre-production costs related to new facilities are expensed as incurred.

At December 31, 2000, Visteon had the following minimum rental commitments under non-cancelable operating leases (in millions): 2001 — \$105; 2002 — \$74; 2003 — \$52; 2004 — \$25; 2005 — \$19; thereafter — \$64.

NOTE 5. Income Taxes

Income before income taxes for U.S. and non-U.S. operations, excluding equity in net income of affiliated companies, was as follows (in millions):

	2000	1999	1998
U.S.	\$104	\$ 974	\$ 746
Non-U.S.	279	151	344
Total income before income taxes	\$383	\$1,125	\$1,090

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

	2000	1999	1998
Current tax provision			
U.S. federal	\$127	\$264	\$165
Non-U.S.	91	112	149
State and local	12	26	26
Total current	230	402	340
Deferred tax provision			
U.S. federal	(91)	47	71
Non-U.S.	7	(27)	5
State and local	(3)	—	—

Total deferred	(87)	20	76
Total provision	\$143	\$422	\$416

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 5. Income Taxes — (Continued)

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

	2000	1999	1998
Tax provision at U.S. statutory rate of 35%	35%	35%	35%
Effect of:			
Tax on non-U.S. income	—	2	3
State and local income taxes	2	2	2
Other	—	(1)	(2)
Provision for income taxes	37%	38%	38%

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

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

	December 31,	
	2000	1999
Deferred tax assets		
Employee benefit plans	\$ 902	\$1,152
Customer allowances and claims	30	58
All other	148	148
Total deferred tax assets	1,080	1,358
Deferred tax liabilities		
Depreciation and amortization	713	931
Employee benefit plans	10	34
All other	83	91
Total deferred tax liabilities	806	1,056
Net deferred tax assets	\$ 274	\$ 302

Non-U.S. net operating loss carryforwards for tax purposes were \$33 million at December 31, 2000. The majority of these losses have an indefinite carryforward period. For financial statement purposes, the tax benefit of operating losses is recognized as a deferred tax asset, subject to appropriate valuation allowances when it is determined that recovery of the deferred tax asset is unlikely. The company evaluates the tax benefits of operating loss carryforwards on an ongoing basis. Such evaluations include a review of historical and projected future operating results, the eligible carryforward period and other circumstances.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 6. Liabilities

Current Liabilities

Included in accrued liabilities at December 31 were the following (in millions):

	December 31,	
	2000	1999
Salaries, wages and employer taxes	\$ 390	\$ 514
Employee benefit plans	308	239
Postretirement benefits other than pensions	32	186
Other	356	272
Total accrued liabilities	\$1,086	\$1,211

Noncurrent Liabilities

Included in other liabilities at December 31 were the following (in millions):

	December 31,	
	2000	1999
Postretirement benefits other than pensions	\$1,829	\$3,300
Employee benefit plans	394	331
Minority interests in net assets of subsidiaries	93	91
Other	285	242
Total other liabilities	\$2,601	\$3,964

NOTE 7. Employee Retirement Benefits

Employee Retirement Plans

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

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

Visteon-assigned Ford-UAW employees participate in the Ford-UAW Retirement Plan, sponsored by Ford. By agreement, Visteon compensates Ford for the pension expense incurred by Ford for Visteon-assigned employees.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 7. Employee Retirement Benefits — (Continued)

Postretirement Health Care and Life Insurance Benefits

In the U.S., Visteon has a financial obligation for the cost of providing selected health care and life insurance benefits to its employees, as well as Visteon-assigned Ford-UAW employees who retire after July 1, 2000. The estimated cost for these benefits is

accrued over periods of employee service on an actuarially determined basis. Ford retained the financial obligation and related prepayments for postretirement health care and life insurance benefits to its employees who retired on or before July 1, 2000.

Under the terms of the separation agreement with Ford and in addition to regular benefit payments, Visteon is required to pre-fund postretirement health care and life insurance benefit obligations related to Visteon-assigned Ford-UAW hourly employees as well as many transferred salaried employees. The required pre-funding is over a 15 year period beginning in 2006 for the Ford-UAW hourly employees, and over a 10 year period beginning in 2011 for those salaried employees. The annual pre-funding requirement during this period will be determined based upon amortization of the unfunded liability at the beginning of the period, plus annual expense. In December 2000, the company pre-funded a portion of this obligation by contributing \$25 million to a Voluntary Employees' Beneficiary Association ("VEBA") trust.

The company's expense for retirement benefits was as follows (in millions):

	Retirement Plans						Health Care and Life Insurance Benefits		
	U.S. Plans			Non-U.S. Plans			2000	1999	1998
	2000	1999	1998	2000	1999	1998			
Costs Recognized in Income									
Service cost	\$ 55	\$ 72	\$ 59	\$ 37	\$ 34	\$ 30	\$ 26	\$ 29	\$ 20
Interest cost	82	167	152	41	67	65	61	75	67
Expected return on plan assets	(106)	(248)	(215)	(58)	(95)	(88)	—	—	—
Amortization of:									
Transition (asset)/ obligation	(7)	(16)	(16)	—	(1)	(2)	1	—	—
Plan amendments	12	18	45	6	13	11	—	(1)	(1)
(Gains)/losses and other	(9)	11	2	7	12	2	—	6	9
Expense for Visteon-assigned Ford-UAW employees	74	53	82	—	—	—	170	206	198
Net pension/ postretirement expense	\$ 101	\$ 57	\$ 109	\$ 33	\$ 30	\$ 18	\$ 258	\$ 315	\$ 293
Discount rate for expense	7.75%	6.25%	6.75%	6.10%	5.70%	6.50%	7.75%	6.50%	7.00%
Assumed long-term rate of return on assets	9.00%	9.00%	9.00%	9.40%	9.30%	9.20%	6.00%	6.00%	6.20%
Initial health care cost trend rate	—	—	—	—	—	—	8.75%	7.00%	6.60%
Ultimate health care cost trend rate	—	—	—	—	—	—	5.00%	5.00%	5.00%
Number of years to ultimate trend rate	—	—	—	—	—	—	8	9	10

Pension and postretirement health care and life insurance benefit expense for 1999 and prior years included the costs of Visteon-assigned Ford employees who retired on or before July 1, 2000. Pension expense for 1999 and prior years also included an allocated benefit for plan assets in excess of benefit obligations. Under the terms of the separation agreement, Ford generally retained plan assets in excess of actuarially determined benefit obligations for pensions and retained all plan assets related to postretirement health care and life insurance benefits.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 7. Employee Retirement Benefits — (Continued)

Increasing the assumed health care cost trend rates by one percentage point is estimated to increase the aggregate service and interest cost components of Visteon's net postretirement benefit expense for 2000 by about \$50 million and the accumulated postretirement benefit obligation at December 31, 2000 by about \$375 million. A decrease of one percentage point would reduce service and interest costs by \$38 million and decrease the December 31, 2000 obligation by about \$290 million.

For 1999, the funded status of retirement plans reflects only plans sponsored by Visteon Systems, LLC (formerly Ford Electronics and Refrigeration) and Visteon Systems Canada (formerly Ford Electronics and Manufacturing Company). The status of these plans as of their most recent measurement dates was as follows (in millions):

	Retirement Plans				Health Care and Life Insurance Benefits	
	U.S. Plans		Non-U.S. Plans		2000	1999
	2000	1999	2000	1999		

Change in Benefit Obligation

Benefit obligation — beginning	\$ 478	\$ 532	\$ 23	\$ 23	\$ 4,141	\$ 4,203
Service cost	32	13	19	2	64	81
Interest cost	40	33	20	2	170	261
Amendments/other	14	—	(7)	—	(24)	21
Actuarial (gain)/loss	(5)	(73)	(147)	(4)	267	(246)
Effects of separation	93	—	624	—	(2,293)	—
Foreign exchange translation	—	—	(17)	1	—	—
Benefits paid	(28)	(27)	(1)	(1)	(93)	(179)
	<u> </u>					
Benefit obligation — ending	\$ 624	\$ 478	\$ 514	\$ 23	\$ 2,232	\$ 4,141
	<u> </u>					

Change in Plan Assets

Plan assets — beginning	\$ 760	\$ 705	\$ 26	\$ 19	\$ 419	\$ 500
Actual return on plan assets	35	86	7	3	6	18
Contributions	2	—	12	4	118	85
Effects of separation	(89)	—	482	—	(425)	—
Foreign exchange translation	—	—	(18)	1	—	—
Benefits paid/other	(28)	(31)	(1)	(1)	(93)	(184)
	<u> </u>					
Plan assets — ending	\$ 680	\$ 760	\$ 508	\$ 26	\$ 25	\$ 419
	<u> </u>					

Funded Status of the Plans

Plan assets in excess of/(less than) benefit obligations	\$ 56	\$ 282	\$ (6)	\$ 3	\$(2,207)	\$(3,722)
Unrecognized:						
Net (gains)/losses	(191)	(205)	(165)	(5)	351	228
Prior service cost/other	62	25	77	8	(5)	8
	<u> </u>					
Net amount recognized	\$ (73)	\$ 102	\$ (94)	\$ 6	\$(1,861)	\$(3,486)
	<u> </u>					

Amount Recognized in Balance Sheet

Prepaid assets	\$ 13	\$ 102	\$ —	\$ 6	\$ —	\$ —
Accrued liabilities	(86)	—	(98)	(5)	(1,861)	(3,486)
Intangible assets	—	—	4	5	—	—
	<u> </u>					
Net amount recognized	\$ (73)	\$ 102	\$ (94)	\$ 6	\$(1,861)	\$(3,486)
	<u> </u>					

Assumptions

Discount rate	7.75%	7.75%	6.25%	7.00%	7.50%	7.75%
Expected rate of return	9.50%	9.00%	10.00%	10.00%	6.00%	6.00%
Rate of increase in compensation	5.00%	5.00%	3.75%	4.00%	—	—
Initial health care cost trend rate	—	—	—	—	8.97%	8.75%
Ultimate health care cost trend rate	—	—	—	—	5.00%	5.00%
Number of years to ultimate trend rate	—	—	—	—	7	8

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for employee retirement plans with accumulated benefit obligations in excess of plan assets were \$118 million, \$81 million and \$47 million, respectively, for 2000 and \$11 million, \$11 million and \$8 million, respectively, for 1999.

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

VISTEON CORPORATION AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS — (Continued)****NOTE 8. Debt**

Debt at December 31 was as follows (in millions):

Maturity	Weighted Average Interest Rate		Book Value	
	2000	1999	2000	1999
Debt payable within one year				
Commercial paper	7.3%	—	\$ 352	\$ —

Other — short term		6.9%	7.8%	191	151
Current portion of long term debt		6.9%	7.5%	79	113
Ford and affiliates		—	4.8%	—	697
				622	961
Long-term debt					
Unsecured debt securities	2005-2010	8.1%	—	1,200	—
Other	2002-2018	8.5%	8.3%	197	144
Borrowings under revolving loan arrangement with					
Ford		—	7.9%	—	1,099
Ford and affiliates		—	6.9%	—	115
				1,397	1,358
Total long-term debt				1,397	1,358
Total debt				\$2,019	\$2,319

On August 3, 2000, Visteon completed a public offering of unsecured term debt securities totaling \$1.2 billion with maturities of five years and ten years. The offering included \$500 million of securities maturing on August 1, 2005 and \$700 million of securities maturing on August 1, 2010. The five and ten year securities were issued at a slight discount to the stated rates of interest of 7.95% and 8.25%, respectively. Interest on these debt securities is payable semi-annually on February 1 and August 1. The unsecured term debt securities agreement contains certain restrictions including, among others, a limitation relating to liens and sale lease-back transactions, as defined in the agreement. In the opinion of management, Visteon was in compliance with all of these restrictions.

During 2000, Visteon established a commercial paper program under which, at December 31, 2000, \$352 million was outstanding with a weighted average remaining maturity of 12 days and a weighted average interest rate of about 7.3%.

In addition, Visteon entered into financing arrangements with third-party lenders to provide up to \$2 billion of contractually committed, unsecured revolving credit facilities. The revolving credit facilities are split evenly between 364-day and 5-year commitments, maturing in June 2001 and June 2005, respectively. Any borrowings under the revolving credit facilities would bear interest based on a variable interest rate option selected at the time of borrowing. As of December 31, 2000, there were no amounts outstanding under the revolving credit facilities. The credit facilities contain certain affirmative and negative covenants including a covenant not to exceed a specified leverage ratio. In the opinion of management, Visteon was in compliance with all covenants since the inception of the revolving credit facilities.

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

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 8. Debt — (Continued)

Prior to the spin-off from Ford, Visteon had a number of debt and support facility arrangements directly with Ford or its wholly-owned subsidiaries, including a revolving loan arrangement under which Visteon could borrow up to \$1,250 million. Interest on this debt was determined quarterly based on Ford's average interest rate on its U.S. Dollar denominated, publicly traded automotive debt. No fair value was estimated on this debt.

Upon completing the spin-off from Ford, all debt and support facility arrangements with Ford were terminated. Amounts outstanding under the revolving loan arrangement of about \$1,120 million were converted into an equity investment by Ford, and any remaining amounts outstanding under the arrangements were repaid by Visteon to Ford.

Debt at December 31, 2000 included maturities as follows (in millions): 2001 — \$622; 2002 — \$69; 2003 — \$65; 2004 — \$25; 2005 — \$513; thereafter — \$725.

NOTE 9. Capital Stock and Stock Award Plans

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

Visteon has adopted, subject to shareholder approval, a stock-based incentive plan (“Long-Term Incentive Plan” or “LTIP”) which is administered by the Compensation Committee of the Board of Directors. The LTIP provides for the grant of incentive and nonqualified stock options, stock appreciation rights, performance stock rights and stock and various other rights based on stock (collectively referred to as “Awards”). The total number of shares of Visteon common stock subject to Awards under the LTIP is 13 million shares.

Effective at the date of spin-off and subject to shareholder approval, Visteon granted under the LTIP to some employees about 800,000 shares of restricted stock and about 2 million stock options with an exercise price equal to the average of the highest and lowest prices at which Visteon common stock was traded on the New York Stock Exchange on that date. Net issuances of restricted stock during the second half of 2000 were about 130,000 shares. Restricted stock awards generally vest on the fifth anniversary of the date of grant. Restricted stock awards issued to the company’s Board of Directors vest on the third anniversary of the date of the grant. Stock options will become exercisable one-third after one year from the date of grant, an additional one-third after two years and in full after three years, and expire 10 years from the date of grant. Shareholder approval will be sought at the May 2001 Annual Meeting of the Visteon Shareholders.

In addition, Visteon has adopted a stock-based incentive plan (“Employees Equity Incentive Plan” or “EEIP”) which is administered by an Administrator appointed by the Board of Directors. The EEIP provides for the grant of nonqualified stock options, stock appreciation rights, performance stock rights and stock and various other rights based on stock. The total number of shares of Visteon common stock subject to awards under the EEIP is 6.5 million shares. No awards were granted under the EEIP in 2000.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 10. Litigation and Claims

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

Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves have been established by Visteon for matters discussed in the foregoing paragraph where losses are deemed probable. It is reasonably possible, however, that some of the matters discussed in the foregoing paragraph for which reserves have not been established could be decided unfavorably to Visteon and could require Visteon to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated at December 31, 2000. Visteon does not reasonably expect, based on its analysis, that any adverse outcome from such matters would have a material effect on future consolidated financial statements for a particular year, although such an outcome is possible.

NOTE 11. Transactions with Ford and its Affiliates

Revenues from Ford and its affiliates approximated 84% in 2000, 88% in 1999 and 92% in 1998 of total sales.

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

Master Transfer Agreement

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

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

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

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

Supply Agreement and Pricing Letter Agreement

The supply agreement provides that Visteon's existing purchase orders with Ford as of January 1, 2000 will generally remain in effect at least through the end of 2003, subject to Ford's right to terminate any particular purchase order for quality or other reasons. In addition, the pricing letter required a one-time 5% price reduction on products that Visteon was supplying to Ford as of January 1, 2000 based on a market pricing review conducted by Ford and Visteon. The pricing letter also requires productivity price adjustments in each of 2000, 2001, 2002 and 2003 to reflect competitive price reductions obtained each year by Ford from its other Tier 1 suppliers. Visteon and Ford agreed on a 3.5% productivity price reduction for 2000 on such products, which is consistent with (i) price reductions between Visteon and Ford in prior years and (ii) the amount of annual productivity improvement that Ford generally expects from its other Tier 1 suppliers.

Until May 2003, Visteon has the right of last refusal to meet competitive terms, including with respect to price, on replacement products that (i) Visteon produces in the United States, Canada, Europe and Mexico and (ii) Visteon supplied to Ford on January 1, 2000, subject to certain conditions and exceptions.

Master Separation Agreement

The master separation agreement provides for Ford to provide transitional services to Visteon until December 31, 2001. These services include information technology, human resources, accounting, customs, product development technology and real estate services which have been historically provided to Visteon by Ford. Visteon has agreed to pay Ford amounts which reflect its fully accounted cost for these services, including a reasonable allocation of internal overhead costs, as well as any direct costs incurred from outside suppliers. Visteon may terminate any transitional service upon six months' written notice. Transitional services may be extended an additional six months to June 30, 2002, provided Visteon notifies Ford by June 30, 2001. For 2000, 1999 and 1998, assessments for these services totaled approximately \$179 million, \$211 million and \$185 million, respectively.

Hourly Employee Assignment Agreement

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

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

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 12. Financial Instruments

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

The fair value of debt was \$2,028 million at December 31, 2000, based on quoted market prices or current rates for similar debt with the same remaining maturities, compared with book value of \$2,019 million. The fair value of debt, excluding borrowings under a revolving loan arrangement with Ford, approximated book value at December 31, 1999. The fair value of foreign currency instruments was estimated using current market rates provided by outside quotation services. The notional amount of foreign currency instruments was \$1,178 million and \$410 million at December 31, 2000 and 1999, respectively. The notional amount represents the contract amount, not the amount at risk. The recorded carrying value of the company's foreign currency instruments exceeds the fair value by approximately \$14 million in each year. For all other financial instruments recorded at December 31, 2000 and 1999, fair value approximates book value.

NOTE 13. Acquisitions, Dispositions and Special Charges

In December 2000, Visteon recorded a pre-tax, non-cash impairment write-down of \$220 million (\$138 million after-tax) to reduce the net book value of the assets associated with the Glass Segment to estimated fair value. The write-down reflects revised operating projections following the end of discussions regarding a joint venture involving the business, which reflected continuing pressures on costs and prices.

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

In June 1999, Visteon acquired the automotive interiors division of Compagnie Plastic Omnium for approximately 2.9 billion French Francs, net of cash acquired. This business consisted of 14 facilities located in four countries: France, Spain, Italy and the United Kingdom, and generated 1998 revenues of approximately 2.8 billion French Francs. The acquisition was accounted for as a purchase with the purchase price allocated to the assets acquired and liabilities assumed based on estimated fair values as of the acquisition date. The excess of the purchase price over the estimated fair value of the net assets acquired approximated \$300 million and is being amortized on a straight-line basis over 20 years. The assets purchased, liabilities assumed and the results of operations, since the date of acquisition, are included in the financial statements on a consolidated basis. Assuming the acquisition had taken place January 1, 1999 and 1998, Visteon's pro forma revenue and net income for the related periods would not be materially affected.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 14. Cash Flows

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

	2000	1999	1998
		(in millions)	
Net income	\$ 270	\$ 735	\$ 703
Adjustment to reconcile net income to cash flows from operating activities:			
Depreciation and amortization	676	651	565
Asset impairment charge	220	—	—
Earnings of affiliated companies in excess of dividends remitted	(39)	(23)	(9)
Foreign currency adjustments	8	32	(16)
Provision for deferred income taxes	(87)	20	76
Changes in assets and liabilities:			
Increase in accounts receivable and other current assets	(85)	(285)	(137)
Increase in inventory	(205)	(62)	(81)
(Decrease)/increase in accounts payable, accrued and other liabilities	(1,447)	1,494	436
Other	163	(80)	(161)
Cash flows (used in)/provided by operating activities	\$ (526)	\$2,482	\$1,376

Cash paid for interest and income taxes was as follows:

	2000	1999	1998
		(in millions)	
Interest	\$138	\$143	\$ 81
Income taxes	243	281	308

NOTE 15. Segment Information

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

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision makers, or a decision making group, in deciding how to allocate resources and

in assessing performance. Visteon's chief operating decision-making group is the Strategy Council, which is comprised of the Chairman and Chief Executive Officer and six other senior executives.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 15. Segment Information — (Continued)

Visteon's reportable operating segments are Dynamics & Energy Conversion; Comfort, Communication & Safety; and Glass. The Dynamics & Energy Conversion segment supplies various chassis and energy transformation components and systems mainly to OEM customers. The Comfort, Communication & Safety segment supplies various interior, exterior and climate control components and systems mainly to OEM customers. The Glass segment supplies architectural and flat glass to a broad customer base, including OEMs.

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

Financial information for the reportable operating segments is summarized as follows (in millions):

	Dynamics & Energy Conversion	Comfort, Communication & Safety	Glass	Other	Total Visteon
2000					
Sales	\$8,939	\$9,782	\$ 746	\$ —	\$19,467
Income/(loss) before taxes	242	494	(250)	(47)	439
Net income/(loss)	154	302	(156)	(30)	270
Depreciation/amortization	296	345	35	—	676
Capital expenditures	392	379	22	—	793
Unconsolidated affiliates:					
Equity in net income	—	50	6	—	56
Investments in	—	122	20	—	142
Average assets	5,266	6,090	531	—	11,887
1999					
Sales	\$9,216	\$9,377	\$ 773	\$ —	\$19,366
Income before taxes	549	676	2	(55)	1,172
Net income	344	422	3	(34)	735
Depreciation/amortization	278	338	35	—	651
Capital expenditures	388	444	44	—	876
Unconsolidated affiliates:					
Equity in net income	—	39	8	—	47
Investments in	—	184	21	—	205
Average assets	5,048	5,204	682	—	10,934
1998					
Sales	\$8,673	\$8,337	\$ 752	\$ —	\$17,762
Income/(loss) before taxes	473	716	(29)	(44)	1,116
Net income/(loss)	294	452	(15)	(28)	703
Depreciation/amortization	263	268	34	—	565
Capital expenditures	399	378	84	—	861
Unconsolidated affiliates:					
Equity in net income	—	17	9	—	26
Investments in	—	190	24	—	214
Average assets	4,306	4,070	548	—	8,924

Other includes net interest expense not allocated to the reportable operating segments.

VISTEON CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS — (Continued)

NOTE 15. Segment Information — (Continued)

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

Geographic Areas	United States	Europe	All Other	Total Visteon
2000				
Sales	\$14,374	\$2,560	\$2,533	\$19,467
Net property	3,253	1,339	905	5,497
1999				
Sales	\$14,814	\$2,732	\$1,820	\$19,366
Net property	3,592	1,274	923	5,789
1998				
Sales	\$13,543	\$2,638	\$1,581	\$17,762
Net property	3,494	1,244	653	5,391

NOTE 16. Summary Quarterly Financial Data (Unaudited)

	2000				1999			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions, except per share amounts)							
Sales	\$5,225	\$5,309	\$4,404	\$4,529	\$4,772	\$5,063	\$4,600	\$4,931
Operating income/(loss)	253	268	93	(173)	298	461	280	150
Income/(loss) before income taxes	237	266	82	(146)	313	449	260	150
Net income/(loss)	147	162	48	(87)	205	280	155	95
Earnings/(loss) per share	\$ 1.13	\$ 1.25	\$ 0.37	\$ (0.67)	\$ 1.58	\$ 2.15	\$ 1.19	\$ 0.73

As discussed further in Note 13, results for the fourth quarter of 2000 include a pre-tax, non-cash impairment write-down of \$220 million to reduce the net book value of the assets associated with the Glass Segment and an after-tax gain of about \$20 million related to the sale of Visteon's 49% interest in the "Conix Group" of companies.

Visteon recorded pre-tax charges of \$13 million and \$5 million in the second and third quarters of 2000, respectively, and \$40 million in the fourth quarter of 1998 for special voluntary and involuntary employee retirement and separation programs.

EXHIBIT INDEX

Exhibit Number	Exhibit Name
3.1	Amended and Restated Certificate of Incorporation (1)
3.2	Amended and Restated By-laws (1)
4.1	Indenture dated as of June 23, 2000 with Bank One Trust Company, N.A., as Trustee (2)
4.2	Form of Visteon Common Stock Certificate (3)
10.1	Master Transfer Agreement (4)
10.2	Purchase and Supply Agreement (4)
10.3	Letter Relating to Price Reductions (4)
10.4	Master Separation Agreement (5)
10.5	Aftermarket Relationship Agreement (3)
10.6	Hourly Employee Assignment Agreement (3)
10.7	Employee Transition Agreement (3)
10.8	Tax Sharing Agreement (4)
10.9	Long-Term Incentive Plan (4)
10.10	Form of Revised Change in Control Agreement
10.11	Issuing and Paying Agency Agreement (1)
10.12	Master Note (1)
10.13	Letter Loan Agreement (1)
10.14	Deferred Compensation for Non-Employee Directors
10.15	Restricted Stock Plan for Non-Employee Directors
10.16	Deferred Compensation Plan
10.17	Form of Savings Parity Plan
10.18	Form of Pension Parity Plan
10.19	Form of Supplemental Executive Retirement Plan
12.1	Statement re: Computation of Ratios

21.1	Subsidiaries of Visteon
23.1	Consent of PricewaterhouseCoopers LLP
24.1	Powers of Attorney (see signature pages hereof)

- (1) Incorporated by reference to the exhibit of the same name filed with Visteon's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000, filed July 24, 2000 (File No. 001-15827).
- (2) Incorporated by reference to exhibit 4.1 filed with Visteon's Current Report on Form 8-K, dated July 31, 2000, filed August 16, 2000 (File No. 001-15827).
- (3) Incorporated by reference to the exhibit of the same name filed with Amendment No. 1 to Visteon's Registration Statement on Form 10, filed May 19, 2000 (File No. 001-15827).
- (4) Incorporated by reference to the exhibit of the same name filed with Visteon's Registration Statement on Form S-1, filed June 2, 2000 (File No. 333-38388).
- (5) Incorporated by reference to the exhibit of the same name filed with Amendment No. 1 to Visteon's Registration Statement on Form S-1, filed June 6, 2000 (Registration No. 333-38388).

FORM OF CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, dated as of _____ (the "Effective Date"), is made by and between Visteon Corporation, a Delaware corporation (the "Company"), and _____ (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its stockholders to foster the continued employment of key management personnel; and

WHEREAS, the Board recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the Effective Date and shall continue in effect through the fifth anniversary of the Effective Date; provided, however, that commencing on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the Term shall automatically be extended for one additional year unless, not later than 90 days prior to each such date, the Company or the Executive shall have given notice not to extend the Term; and provided, further, that if a Change in Control shall have occurred during the Term, the Term shall

expire no earlier than 36 months beyond the month in which such Change in Control occurred.

3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants set forth in Section 4 hereof, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described herein. Except as provided in Section 9.1 hereof, no Severance Payments shall be payable under this Agreement unless there shall have been (or, under the terms of the second sentence of Section 6.1 hereof, there shall be deemed to have been) a termination of the Executive's employment with the Company following a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.

4. The Executive's Covenants.

4.1 The Executive agrees that, subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control during the Term, the Executive will remain in the employ of the Company until the earliest of (i) a date which is six months from the date of such Potential Change of Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Executive's employment for any reason.

4.2 The Executive agrees that, during the Term and for a period ending on the second anniversary of a termination of the Executive's employment following a Change in Control under circumstances entitling the Executive to payments and benefits under Section 6 hereof, the Executive will not, without the prior written consent of the Chairman of the Board or the Chief Executive Officer of the Company, engage in or perform any services of a similar nature to those performed by the Executive at the Company for any other corporation or business which is engaged in the design, manufacture, development, promotion, sale or financing of automobile or truck components within North America, Latin America, Asia, Australia or Europe in competition

with the Company or any of the Company's subsidiaries or Affiliates, or any joint ventures to which the Company or any of the Company's subsidiaries or Affiliates are a party.

4.3 During the Term and thereafter, the Executive will not (other than in the regular course and in furtherance of the Company's business) divulge, furnish or make available to any person any confidential knowledge, information or materials, whether tangible or intangible, regarding proprietary matters relating to the Company, including, without limitation, trade secrets, customer and supplier lists, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition or disposition plans, new personnel employment plans, methods of manufacture, technical processes, designs and design projects, inventions and research projects and financial budgets and forecasts of the Company except (1) information which at the time is available to others in the business or generally known to the public other than as a result of disclosure by the Executive not permitted hereunder, and (2) when required to do so by a court of competent jurisdiction, by any governmental agency or by any administrative body or legislative body (including a committee thereof) with purported or apparent jurisdiction to order the Executive to divulge, disclose or make accessible such information.

5. Compensation Other Than Severance Payments.

5.1 Following a Change in Control and during the Term, during any period that the Executive fails to perform the Executive's full-time duties with the Company as a result of incapacity due to physical or mental illness, the Company shall pay to the Executive an amount that when added to the amount paid to the Executive under the Company's short-term and/or long-term disability plans, will result in the Executive receiving his full salary at the rate in effect at the commencement of any such period, together with all compensation and benefits payable to the Executive under the terms of any other compensation or benefit plan, program or arrangement maintained by the Company during such period, until the Executive's employment is terminated by the Company for Disability.

5.2 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall

pay the Executive's full salary to the Executive through the Date of Termination at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

5.3 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation or benefit plans, programs and arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason.

6. Severance Payments.

6.1 If (i) the Executive's employment is terminated following a Change in Control and within three (3) years after a Change in Control, other than (A) by the Company for Cause, (B) by reason of death or Disability, or (C) by the Executive without Good Reason, or (ii) the Executive voluntarily terminates his employment for any reason during the 30 day period commencing on the first anniversary of a Change in Control, then, in either such case, the Company shall pay the Executive the amounts, and provide the Executive the benefits, described in this Section 6.1 ("Severance Payments") and Section 6.2, in addition to any payments and benefits to which the Executive is entitled under Section 5 hereof. For purposes of this Agreement, the Executive's employment shall be deemed to have been terminated following a Change in Control by the Company without Cause or by the Executive with Good Reason, if (i) the Executive's employment is terminated by the Company without Cause prior to a Change in Control (whether or not a Change in Control ever occurs) and such termination was at the request or direction of a Person who has entered

into an agreement with the Company the consummation of which would constitute a Change in Control, or (ii) the Executive terminates his employment for Good Reason prior to a Change in Control (whether or not a Change in Control ever occurs) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person. For purposes of any determination regarding the applicability of the immediately preceding sentence, any position taken by the Executive shall be presumed to be correct unless the Company establishes to the Board by clear and convincing evidence that such position is not correct.

(A) In lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay to the Executive within five (5) business days after the Date of Termination, a lump sum severance payment, in cash, equal to three (3) times the sum of (i) the Executive's base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, and (ii) the Executive's target annual bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, the fiscal year in which occurs the first event or circumstance constituting Good Reason. The amount payable pursuant to this Section 6.1(A) shall be reduced by the amount of any cash severance or salary continuation benefit paid or payable to the Executive under any other plan, policy or program of the Company or any of its Affiliates or any written employment agreement between the Executive and the Company or any of its Affiliates.

(B) For the 36 month period immediately following the Date of Termination, the Company shall arrange to provide the Executive and his dependents life, accident and health insurance benefits substantially similar to those provided to the Executive and his dependents immediately prior to the Date of Termination or, if more favorable to the Executive, those provided to the Executive and his dependents immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Executive than the cost to the Executive immediately prior to such date or occurrence; provided, however, that, unless the Executive consents to a different method (after taking into account the effect of such method on the calculation of "parachute payments" pursuant to Section 6.2 hereof), such health

and life insurance benefits shall be provided through a third-party insurer. Benefits otherwise receivable by the Executive pursuant to this Section 6.1(B) shall be reduced to the extent benefits of the same type are received by or made available to the Executive during the 36 month period following the Executive's termination of employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive); provided, however, that the Company shall reimburse the Executive for the excess, if any, of the cost of such benefits to the Executive over such cost immediately prior to the Date of Termination or, if more favorable to the Executive, the first occurrence of an event or circumstance constituting Good Reason.

(C) Each option to purchase shares of common stock of the Company outstanding as of the Date of Termination shall become fully vested and exercisable as of such date and shall remain exercisable during the remaining term of such option (such remaining term to be determined as if the Executive were still actively employed), and each grant of restricted stock or similar grant, the award of which is contingent only upon the continued employment of the Executive to a subsequent date, shall become fully vested as of the Date of Termination.

(D) Unless payable to the Executive under the terms of any annual or long-term incentive plan, the Company shall pay to the Executive within five (5) business days after the Date of Termination, a lump sum amount, in cash, equal to the sum of (i) any unpaid incentive compensation (including performance share awards) which has been allocated or awarded to the Executive for a completed fiscal year or other measuring period preceding the Date of Termination under any such plan and which, as of the Date of Termination, is contingent only upon the continued employment of the Executive to a subsequent date, and (ii) a pro rata portion to the Date of Termination of the aggregate value of all contingent incentive compensation awards (including performance share awards) to the Executive for all then uncompleted periods under any such plan, calculated as to each such award by multiplying the award that the Executive would have earned on the last day of the performance award period, assuming the achievement, at the target level (or if higher, at the then projected actual final level), of the individual and corporate performance goals established with respect to such award, by the fraction obtained by dividing the number of full months and any fractional portion of a

month during such performance award period through the Date of Termination by the total number of months contained in such performance award period.

(E) The benefits then accrued by or payable to the Executive under the Company's Supplemental Executive Retirement Plan, Executive Separation Allowance Plan, Deferred Compensation Plan, Savings Parity Plan, or any successor to any such plan, and the benefits then accrued by or payable to the Executive under any other nonqualified plan providing supplemental retirement or deferred compensation benefits (other than the Select Retirement Plan), shall become fully vested and payable notwithstanding any eligibility conditions that would otherwise apply with respect to such benefits; provided that if the Executive has not attained fifty-five (55) years of age, the Executive's benefit under the Executive Separation Allowance Plan will commence to be paid upon the Executive's attainment of age fifty-five (55). With respect to the Supplemental Executive Retirement Plan, Executive Separation Allowance Plan, and any other nonqualified nonaccount balance plan or portion of a plan providing supplemental retirement or deferred compensation benefits (other than the Select Retirement Plan), the Company shall transfer an amount in cash sufficient to pay all benefits then accrued by or payable to the Executive under the terms of such plans into an irrevocable grantor trust (a so-called "Rabbi Trust") whose trustee shall be an entity unaffiliated with and independent of the Company, which trust shall be required to pay such benefits in accordance with and subject to the applicable terms of each plan (as modified by this Agreement) and the trust instrument; provided that any amendment or termination of any such plan on or after the Change in Control date the effect of which would be to reduce or eliminate the benefit payable to the Executive shall be disregarded. With respect to the Deferred Compensation Plan, Savings Parity Plan, and any other nonqualified account balance plan or portion of a plan providing supplemental retirement or deferred compensation benefits, the Company shall pay to the Executive, within five (5) business days after the Date of Termination, a lump sum amount, in cash, equal to the sum of the aggregate account balances of the Executive under such plans or portions of plans as of the date of such payment.

(F) The Company shall reimburse the Executive for expenses incurred for outplacement services suitable to the Executive's position for a period of three (3) years following the Date of Termination (or, if earlier, until the first acceptance by the Executive of an offer of employment) in an

amount not exceeding 25% of the sum of the Executive's annual base salary as in effect immediately prior to the Date of Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstances constituting Good Reason, and target annual bonus pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which occurs the Date of Termination or, if higher, the fiscal year in which occurs the first event or circumstance constituting Good Reason.

(G) For the six (6) month period immediately following the Date of Termination, the Company shall provide the Executive with the use of any Company provided automobile on the same terms and conditions that were applicable immediately prior to the Date of Termination or, if more favorable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

6.2 (A) Whether or not the Executive becomes entitled to the Severance Payments, if any of the payments or benefits received or to be received by the Executive in connection with a Change in Control or the Executive's termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (such payments or benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") will be subject to the Excise Tax, the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments.

(B) For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) all of the Total Payments shall be treated as "parachute payments" (within the meaning of section 280G(b)(2) of the Code) unless, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm which was, immediately prior to the Change in Control, the Company's independent auditor (the "Auditor"), such payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of section 280G(b)(4)(A) of the Code, (ii) all "excess parachute

payments" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the opinion of Tax Counsel, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of section 280G(b)(4)(B) of the Code) in excess of the Base Amount allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, and (iii) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Date of Termination (or if there is no Date of Termination, then the date on which the Gross-Up Payment is calculated for purposes of this Section 6.2), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(C) In the event that the Excise Tax is finally determined to be less than the amount taken into account hereunder in calculating the Gross-Up Payment, the Executive shall repay to the Company, within five business days following the time that the amount of such reduction in the Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus that portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income and employment taxes imposed on the Gross-Up Payment being repaid by the Executive), to the extent that such repayment results in a reduction in the Excise Tax and a dollar-for-dollar reduction in the Executive's taxable income and wages for purposes of federal, state and local income and employment taxes, plus interest on the amount of such repayment at 120% of the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder in calculating the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Executive with respect to such excess) within five business days following the time that the amount of such excess is finally determined. The Executive and the Company shall each reasonably cooperate

with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

6.3 The payments provided in subsections (A), (D) and (E) of Section 6.1 hereof and in Section 6.2 hereof shall be made not later than the fifth day following the Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate, as determined in good faith by the Executive or, in the case of payments under Section 6.2 hereof, in accordance with Section 6.2 hereof, of the minimum amount of such payments to which the Executive is clearly entitled and shall pay the remainder of such payments (together with interest on the unpaid remainder (or on all such payments to the extent the Company fails to make such payments when due) at 120% of the rate provided in section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the 30th day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth business day after demand by the Company (together with interest at 120% of the rate provided in section 1274(b)(2)(B) of the Code). At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

6.4 The Company also shall pay to the Executive all legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder. Such payments shall be made within five business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require.

7. Termination Procedures and Compensation During Dispute.

7.1. Notice of Termination. After a Change in Control and during the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (i) or (ii) of the definition of Cause herein, and specifying the particulars thereof in detail.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control and during the Term, shall mean (i) if the Executive's employment is terminated for Disability, 30 days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such 30 day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than 30 days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than 15 days nor more than 60 days, respectively, from the date such Notice of Termination is given).

7.3 Dispute Concerning Termination. If within 15 days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 7.3), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the earlier of (i)

the date on which the Term ends or (ii) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

7.4 Compensation During Dispute. If a purported termination occurs following a Change in Control and during the Term and the Date of Termination is extended in accordance with Section 7.3 hereof, the Company shall continue to pay the Executive the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, salary) and continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was participating when the notice giving rise to the dispute was given, until the Date of Termination, as determined in accordance with Section 7.3 hereof. Amounts paid under this Section 7.4 are in addition to all other amounts due under this Agreement (other than those due under Section 5.2 hereof) and shall not be offset against or reduce any other amounts due under this Agreement.

8. No Mitigation. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 hereof or Section 7.4 hereof. Further, the amount of any payment or benefit provided for in this Agreement (other than Section 6.1(B) hereof) shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly

assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the address inserted below the Executive's signature on the final page hereof and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Visteon Corporation
10th Floor
Fairline Plaza North
290 Town Center Drive
Dearborn, Michigan 48126
Attention: General Counsel

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party; provided, however, that this Agreement shall supersede any agreement setting forth the terms and conditions of the Executive's employment with the Company only in the event that the Executive's employment with the Company is terminated on or following a Change in Control, by the Company other than for Cause or by the Executive other than for Good Reason. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6 and 7 hereof) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes. All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board

and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within 60 days after notification by the Board that the Executive's claim has been denied.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(B) "Auditor" shall have the meaning set forth in Section 6.2 hereof.

(C) "Base Amount" shall have the meaning set forth in section 280G(b)(3) of the Code.

(D) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(E) "Board" shall mean the Board of Directors of the Company.

(F) "Cause" for termination by the Company of the Executive's employment shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Executive pursuant to Section 7.1 hereof) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, or (ii) the willful engaging by the Executive in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise. For purposes of clauses (i) and (ii) of this

definition, (x) no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's act, or failure to act, was in the best interest of the Company and (y) in the event of a dispute concerning the application of this provision, no claim by the Company that Cause exists shall be given effect unless the Company establishes to the Board by clear and convincing evidence that Cause exists.

(G) "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (III) below;

(II) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (a) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of

directors of the Company, the surviving entity or any parent thereof or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

(V) any other event that the Board, in its sole discretion, determines to be a Change in Control for purposes of this Agreement.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Company" shall mean Visteon Corporation, a Delaware corporation, and, except in determining under Section 15(G) hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(J) "Date of Termination" shall have the meaning set forth in Section 7.2 hereof.

(K) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within 30 days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(L) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(M) "Excise Tax" shall mean any excise tax imposed under section 4999 of the Code.

(N) "Executive" shall mean the individual named in the first paragraph of this Agreement.

(O) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control, or prior to a Change in Control under the circumstances described in clauses (ii) and (iii) of the second sentence of Section 6.1 hereof (treating all references in paragraphs (I) through (VI) below to a "Change in Control" as references to a "Potential Change in Control"), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (IV), or (V) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(I) the assignment to the Executive of any duties inconsistent with the Executive's status as a senior executive officer of the Company or a material adverse alteration in the nature or status of the Executive's responsibilities from those in effect immediately prior to the

Change in Control (including, without limitation, the Executive ceasing to be an executive officer of a public company);

(II) a reduction by the Company in the Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time, except for across-the-board salary reductions similarly affecting all senior executives of the Company and all senior executives of any Person in control of the Company;

(III) the relocation of the Executive's principal place of employment to a location more than 50 miles from the Executive's principal place of employment immediately prior to the Change in Control or the Company's requiring the Executive to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the Company's business to an extent substantially consistent with the Executive's present business travel obligations;

(IV) the failure by the Company to pay to the Executive any portion of the Executive's current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;

(V) the failure by the Company to continue to provide the Executive with benefits substantially similar to the material benefits enjoyed by the Executive under any of the Company's executive compensation (including bonus, equity or incentive compensation), pension, savings, life insurance, medical, health and accident, or disability plans in which the Executive was participating immediately prior to the Change in Control (except for across the board changes similarly affecting all senior executives of the Company and all senior executives of any Person in control of the Company), the taking of any other action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control, or the failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Change in Control; or

(VI) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 7.1 hereof; for purposes of this Agreement, no such purported termination shall be effective.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. For purposes of any determination regarding the existence of Good Reason, any claim by the Executive that Good Reason exists shall be presumed to be correct unless the Company establishes to the Board by clear and convincing evidence that Good Reason does not exist.

(P) "Gross-Up Payment" shall have the meaning set forth in Section 6.2 hereof.

(Q) "Notice of Termination" shall have the meaning set forth in Section 7.1 hereof.

(R) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(S) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(I) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(II) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(III) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 15% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates); or

(IV) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(T) "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

(U) "Severance Payments" shall have the meaning set forth in Section 6.1 hereof.

(V) "Tax Counsel" shall have the meaning set forth in Section 6.2 hereof.

(W) "Term" shall mean the period of time described in Section 2 hereof (including any extension, continuation or termination described therein).

(X) "Total Payments" shall mean those payments so described in Section 6.2 hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective as of the Effective Date.

VISTEON CORPORATION

By: -----

Name: -----

Title: -----

EXECUTIVE

Address: -----

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN
FOR NON-EMPLOYEE DIRECTORS

SECTION 1. EFFECTIVE DATE

The Board of Directors of Visteon Corporation have adopted this Deferred Compensation Plan, effective October 11, 2000, for the benefit of the non-employee directors of Visteon Corporation.

SECTION 2. DEFINITIONS

When used herein the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise:

- (a) "Account" means the recordkeeping account maintained by the Company in the name of the Participant.
- (b) "Administrative Committee" means the non-participating members of the Board.
- (c) "Board" means the Board of Directors of the Company.
- (d) "Code" means the Internal Revenue Code of 1986, as interpreted by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time.
- (e) "Company" means Visteon Corporation, or any successor thereto.
- (f) "Company Stock" means the common stock of the Company, par value \$1.00.
- (g) "Exchange" means the New York Stock Exchange.
- (h) "Participant" means each member of the Board who is not a common-law employee of the Company.
- (i) "Plan" means the Visteon Corporation Deferred Compensation Plan for Non-Employee Directors, as amended from time to time.
- (j) "Plan Year" means the period beginning on the effective date of the Plan and ending on December 31, 2000, and thereafter, the twelve month period beginning on January 1 and ending December 31 of each year.
- (k) "Visteon Stock Units" mean the hypothetical shares of Company Stock that are credited to a Participant's Account as a result of the Participant's Voluntary Deferrals.

- (1) "Voluntary Deferrals" mean remuneration that would otherwise be paid to a Participant but that, in accordance with the Participant's election, is converted into Visteon Stock Units and credited to the Participant's Account.

SECTION 3. ADMINISTRATION

- (a) General Authority. The Administrative Committee shall have the full power and discretionary authority to: (1) interpret and administer the Plan and any instrument relating to or made under the Plan; (2) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (3) make any other determination, and take any other action, that the Administrative Committee deems necessary or desirable for the administration of the Plan. The decisions and determinations of the Administrative Committee need not be uniform and may be made differently among Participants, and shall be final, binding and conclusive on all interested parties.
- (b) Recordkeeping. The Administrative Committee shall be responsible for maintaining all Accounts; provided that the Administrative Committee may in its discretion appoint or remove a third-party recordkeeper to maintain the Accounts as provided herein.
- (c) Effectiveness of Elections. Any elections or beneficiary designations made under this Plan shall be effective only upon the delivery of the appropriate form to the Secretary of the Company and its acceptance by the Administrative Committee.

SECTION 4. DEFERRALS AND CREDITS TO ACCOUNT

- (a) Participant Deferrals. Each Participant may elect, in such form and manner specified by the Administrative Committee, to defer the receipt of any cash remuneration to be earned with respect to services to be performed as a non-employee member of the Board after the effective date of the election. Such election shall be irrevocable for the Plan Year for which it is made, and shall be effective on the first day of the Plan Year following its acceptance by the Administrative Committee, provided that a Participant may elect within 30 days of first becoming a Participant to have an election take effect immediately with respect to any compensation that a Participant may receive in the future and as to which the Participant currently has no legal right or claim through the rendering of past services. An election shall continue in effect for subsequent Plan Years unless modified by the Participant in accordance with this Section 4. A Participant may modify an existing election effective on the first day of the Plan Year following the date on which the revised election is accepted by the Administrative Committee.

- (b) Credits to Accounts. As of the last day of each month, all Voluntary Deferrals made by or on behalf of a Participant during that month shall be converted, for recordkeeping purposes, into whole and fractional shares of Visteon Stock Units, with fractional shares calculated to four decimal places. The conversion shall be accomplished by dividing each Participant's Voluntary Deferrals by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the last day of such month on which the Exchange is open to transact trades. Likewise, any dividends that would have been payable on the Visteon Stock Units credited to a Participant's Account had such units been actual shares of Company Stock during any month shall be converted, for recordkeeping purposes, into whole and fractional Visteon Stock Units based on the average of the high and low prices at which a share of Common Stock shall have been sold regular way on the Exchange on the last day of such month on which the Exchange is open to transact trades.
- (c) Vesting. Each Participant shall at all times be 100% vested in his or her Account.

SECTION 5. DISTRIBUTIONS FROM ACCOUNTS

- (a) Distribution Election. Distribution of a Participant's Account shall be made or commence to be made on or about January 15 of the calendar year following the calendar year in which the Participant terminates service as a non-employee director of the Company in the form or forms of distribution elected by the Participant. The Participant may elect to have a distribution made either in (i) a single sum, or (ii) ten (10) annual installments. Such election shall be irrevocable with respect to the deferrals (and earnings thereon) for the Plan Year for which it is made, and shall be effective on the first day of the Plan Year following its acceptance by the Administrative Committee, provided that a Participant may elect within 30 days of first becoming a Participant to have an election take effect immediately with respect to any compensation that the Participant has elected to defer. An election shall continue in effect for compensation deferred in subsequent Plan Years unless modified by the Participant in accordance with this Section 5. A Participant may modify an existing election effective on the first day of the Plan Year following the date on which the revised election is accepted by the Administrative Committee, and such revised election shall apply to compensation deferred after the effective date of such election. A Participant who fails to make any distribution election shall be deemed to have elected the single sum payment option.
1. Single Sum Distribution. If the Participant has elected the single sum distribution option, the Company, in accordance with directions from the Administrative Committee, will distribute to the Participant shares of Company Stock equal to the number of Visteon Stock Units credited to the Participant's Account (and cash in lieu of any fractional share) for which such election is in effect; provided that the Administrative Committee may direct that all or any part of the Participant's distribution be satisfied in cash rather than by a distribution of Visteon Stock, in which case the cash

payment shall be determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the 5th trading day preceding the date on which distribution is made.

2. Installment Distributions. If the Participant has elected the installment distribution option, the first installment will be paid on or about January 15 of the calendar year following the calendar year in which the Participant terminates service as a non-employee member of the Board, and each subsequent installment will be paid on or about January 15 of each succeeding year during the installment period. The annual installment distribution amount for any year shall be initially determined on a share basis by dividing the number of Visteon Stock Units credited to the Participant's Account as of January 1 of the year for which the distribution is being made and for which such an election is in effect by the number of installment payments remaining to be made, and then rounding the quotient obtained for all but the final installment to the next lowest whole number. The Company, in accordance with directions from the Administrative Committee, will distribute to the Participant shares of Company Stock equal to the number of Visteon Stock Units that are being redeemed as part of the installment (and cash in lieu of any fractional share); provided that the Administrative Committee may direct that all or any part of the installment distribution be satisfied in cash rather than by a distribution of Visteon Stock, in which case the cash payment shall be determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment by the average of the high and low prices at which a share of Company Stock shall have been sold regular way on the Exchange on the 5th trading day preceding the date on which distribution is made.

- (b) Securities Restrictions. With respect to any shares of Company Stock distributed to a Participant, the Participant will not sell or otherwise dispose of such Company Stock except pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Act") and applicable state securities laws, which the Company may but shall not be required to file, or in a transaction which, in the opinion of counsel for the Company, is exempt from such registration, and a legend may be placed on the certificates for the Company Stock to such effect. In addition, in the event of any underwritten public offering of the Company's securities pursuant to an effective registration statement filed under the Act and upon the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Participant shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any shares of Company Stock (other than those included in the registration) acquired under this Plan without the prior written consent of the Company or such

underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters.

SECTION 6. BENEFICIARY

- (a) Death Benefits. If a Participant dies before his or her entire Account has been distributed, then the remainder of the Participant's Account shall be distributed in a lump sum to the Participant's beneficiary as soon as practicable following the date of the Participant's death.
- (b) Designation of Beneficiary. Each Participant may designate one or more beneficiaries in such form and manner specified by the Administrative Committee, which beneficiary shall be entitled to receive the balance of the Participant's Account as provided under subsection (a) in the event of the Participant's death. The Participant may from time to time revoke or change the beneficiary without the consent of any prior beneficiary by filing a new designation with the Secretary of the Company. The last such designation received by the Secretary of the Company shall be controlling. If no beneficiary designation is in effect at the time the Participant dies, or if no designated beneficiary survives the Participant, the Participant's beneficiary shall be the Participant's estate.

SECTION 7. SOURCE OF BENEFITS

Benefits accumulated under the Plan shall constitute an unfunded, unsecured promise by the Company to provide such payments in the future, as and to the extent such amounts become payable. Benefits attributable to service as a non-employee member of the Board shall be paid from the general assets of the Company, and no person shall, by virtue of this Plan, have any interest in such assets, other than as an unsecured creditor of the Company.

SECTION 8. NON-ALIENATION

Except as otherwise expressly provided by this Plan, neither the Participant nor his or her beneficiary or beneficiaries, including, without limitation, the Participant's executors and administrators, heirs, legatees, distributees, and any other person or persons claiming any benefits through the Participant under this Plan shall have any right to assign, transfer, pledge, hypothecate, sell, transfer, alienate and encumber or otherwise convey the right to receive any benefits hereunder, which benefits and the rights thereto are expressly declared to be nontransferable. The right to receive benefits under this Plan also shall not be subject to execution, attachment, garnishment, or similar legal, equitable or other process for the benefit of the Participant's or beneficiary's creditors. Any attempted assignment, transfer, pledge hypothecation or other disposition of the Participant's or beneficiary's rights to receive benefits under this Plan or the levy of any attachment, garnishment or similar process thereupon, shall be null and void and without effect.

SECTION 9. CHANGE OF CONTROL

The Company will not merge or consolidate with any other corporation or organization, or permit its business activities to be taken over by any other organization, unless and until the succeeding or continuing corporation or other organization shall expressly assume the rights and obligations of the Company hereunder. The Company will not cease its business activities or terminate its existence without having made adequate provision for the fulfillment of its obligation hereunder.

SECTION 10. DURATION OF PLAN

Unless terminated earlier pursuant to Section 11, this Plan shall remain in effect during the term of service of the Participants and until the Account of each Participant has been distributed as provided herein.

SECTION 11. AMENDMENT AND TERMINATION

The Board reserves the right to amend or terminate this Plan at any time; provided that the authority of the Administrative Committee to administer the Plan shall extend beyond the date of the Plan's termination; and provided further that no amendment or termination of the Plan shall adversely affect the rights of any Participant or beneficiary to benefits then accrued without the written consent of the affected Participant or beneficiary.

SECTION 12. MISCELLANEOUS

- (a) Governing Law. This Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware, without reference to conflict of law principles thereof.
- (b) Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person, or under any law deemed applicable by the Administrative Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrative Committee, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Plan shall remain in full force and effect.
- (c) Successors and Assigns. The Plan shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

VISTEON CORPORATION
RESTRICTED STOCK PLAN
FOR NON-EMPLOYEE DIRECTORS

SECTION 1. PURPOSE AND EFFECTIVE DATE

The Visteon Corporation Restricted Stock Plan for Non-Employee Directors (the "Plan") has been established to align the interests of the non-employee members of the Board of Directors (the "Board") of Visteon Corporation (the "Company") with those of the Company's stockholders by providing equity incentives that will motivate the non-employee Board members to achieve long-range goals, thereby promoting the long-term financial interest of the Company, including the growth in value of the Company's equity and enhancement of long-term stockholder return. The Plan is effective as of September 14, 2000.

SECTION 2. DEFINITIONS

- (a) "Act" means the Securities Act of 1933, as amended.
- (b) "Administrative Committee" means the non-participating members of the Board.
- (c) "Affiliate" or "Affiliates" means affiliate as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act.
- (d) "Beneficial Owner" means beneficial owner as defined in Rule 13d-3 under the Exchange Act.
- (e) "Board" means the Board of Directors of the Company.
- (f) "Change in Control" means the occurrence of any one of the following events:
 - i. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below;
 - ii. within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of this Plan, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved

or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

- iii. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;
- iv. the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of more than 50% of the Company's assets, other than a sale or disposition by the Company of more than 50% of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or
- v. any other event that the Administrative Committee, in its sole discretion, determines to be a Change in Control for purposes of this Plan.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

- (g) "Company" means Visteon Corporation, or any successor thereto.
- (h) "Date of Grant" means the date that Restricted Shares are granted to a Participant.
- (i) "Disability" means unable to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.
- (j) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

- (k) "Participant" means each member of the Board who is not a common-law employee of the Company.
- (l) "Person" means person as defined in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include: (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Company stock.
- (m) "Plan" means this Visteon Corporation Restricted Stock Plan for Non-Employee Directors, as amended from time to time.
- (n) "Restricted Shares" means Shares which are subject to the restrictions set forth in Section 5 of the Plan.
- (o) "Shares" means shares of the Company's common stock, par value \$1.00 per share.

SECTION 3. ADMINISTRATION BY THE ADMINISTRATIVE COMMITTEE

While the Plan is intended to be generally self-administering, the Administrative Committee shall have the full power and discretionary authority to: (a) interpret and administer the Plan and any instrument or award agreement relating to or made under the Plan; (b) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (c) make any other determination, and take any other action, that the Administrative Committee deems necessary or desirable for the administration of the Plan. The decisions and determinations of the Administrative Committee need not be uniform and may be made differently among Participants, and shall be final, binding and conclusive on all interested parties.

SECTION 4. AWARD OF RESTRICTED STOCK

Subject to the restrictions set forth in Section 5 below, Participants shall automatically receive Restricted Shares, without payment therefor, on the following Dates of Grant and in accordance with the following terms:

- (a) On the date this Plan is approved by the Board, each Participant shall receive a grant of 3,000 Restricted Shares.
- (b) On the date of each annual meeting of the Company's stockholders, each Participant (including a newly-elected non-employee member of the Board) shall receive a grant of 3,000 Restricted Shares.

In addition, the Board may establish such additional Dates of Grant as may be necessary or appropriate in order to make a grant of Restricted Shares in such amount as the Board may determine to a newly-appointed Participant whose appointment to the Board does not coincide with the date of the annual meeting of the Company's stockholders; provided that any such grants shall be made by the Board, excluding the participation of the affected Board member.

Each grant of Restricted Shares shall be evidenced by a written award agreement between the Company and Participant, in such form as is determined by the Administrative Committee.

SECTION 5. RESTRICTIONS

Restricted Shares granted to a Participant may not be sold, transferred or otherwise alienated or hypothecated, and shall be forfeited by the Participant if the Participant terminates his service as a member of the Board, during the period beginning on the Date of Grant of such Restricted Shares and ending on the earlier to occur of: (a) the Participant's death or Disability, (b) the third (3rd) anniversary of the Date of Grant, or (c) the date of a Change in Control.

SECTION 6. CERTIFICATE LEGEND; TRANSFER AFTER LAPSE OF RESTRICTIONS

(a) In addition to any legends placed on certificates for Shares under Subsection (b) hereof, each certificate for Restricted Shares shall bear the following legend:

"The sale or other transfer of the shares of stock represented by this certificate, whether voluntarily or by operation of law, is subject to certain restrictions set forth in the Visteon Corporation Restricted Stock Plan for Non-Employee Directors and an Award Agreement between Visteon Corporation and the registered owner hereof. A copy of such Plan and Agreement may be obtained from the Secretary of Visteon Corporation."

(b) Except as otherwise provided herein, after the lapse of the restrictions described in Section 5, the Restricted Shares shall thereafter be freely transferable by the Participant and new certificates for the Shares without the legend described in Subsection (a) above shall be issued to the Participant upon his or her request. Notwithstanding the foregoing, the Participant agrees and acknowledges with respect to the Shares that: (i) the Participant will not sell or otherwise dispose of such Shares except pursuant to an effective registration statement under the Act and any applicable state securities laws, which the Company may but shall not be required to file, or in a transaction which, in the opinion of counsel for the Company, is exempt from such registration, and (ii) a legend may be placed on the certificates for the Shares to such effect.

(c) Notwithstanding anything herein to the contrary, in the event of any underwritten public offering of the Company's securities pursuant to an effective registration

statement filed under the Act and upon the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Participant shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares (other than those included in the registration) acquired under this Plan without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters.

SECTION 7. BENEFICIARY

Each Participant may designate one or more beneficiaries who shall be entitled to receive the Restricted Shares in the event the Participant dies while a member of the Board. The Participant may from time to time revoke or change the beneficiary without the consent of any prior beneficiary by filing a new designation with the Secretary of the Company. The last such designation received by the Secretary of the Company shall be controlling. If no beneficiary designation is in effect at the time the Participant dies, or if no designated beneficiary survives the Participant, the Participant's Restricted Shares shall be transferred to the Participant's estate.

If the Participant dies after ceasing to be a member of the Board, any non-forfeited Shares held by the Participant shall be transferred to the Participant's estate.

SECTION 8. VOTING RIGHTS; DIVIDENDS AND OTHER DISTRIBUTIONS

During the restriction period described in Section 5 hereof, the Participant shall be entitled to exercise full voting rights with respect to the Restricted Shares and shall be entitled to receive all dividends and other distributions paid with respect to such Restricted Shares. If any such dividends or distributions are paid in shares of the Company's common stock, such shares shall be subject to the same restrictions as the Restricted Shares with respect to which they were paid.

SECTION 9. ADJUSTMENTS

In the event that the Administrative Committee shall determine that any dividend or other distribution (whether in the form of cash, stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of stock or other securities of the Company, issuance of warrants or other rights to purchase stock or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Administrative Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Administrative Committee may, in such manner as it may deem equitable, adjust any or all of: (a) the number and type of Shares subject to the Plan and which thereafter may be made the subject of awards under the Plan, and (b) the number and type of Shares subject to outstanding awards.

SECTION 10. AMENDMENT AND TERMINATION

- (a) The Board reserves the right to amend or terminate this Plan, or amend any award agreement, at any time; provided that the authority of the Administrative Committee to administer the Plan and the Board to amend any award agreement shall extend beyond the date of the Plan's termination.
- (b) No amendment or termination of the Plan, and no amendment of any award agreement, shall adversely affect the rights of any Participant with respect to any Restricted Shares then outstanding without the written consent of the Participant.

SECTION 11. MISCELLANEOUS

- (a) The granting of awards of Restricted Shares under the Plan and the issuance of Shares in connection therewith shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (b) This Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware, without reference to conflict of law principles thereof.
- (c) If any provision of the Plan or any award agreement or any award of Restricted Shares is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or award, or would disqualify the Plan, any award agreement or any award under any law deemed applicable by the Administrative Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrative Committee, materially altering the intent of the Plan, any award agreement or the award, such provision shall be stricken as to such jurisdiction, person or award, and the remainder of the Plan, any such award agreement and any such award shall remain in full force and effect.

- (d) The Plan shall be binding upon, and inure to the benefit, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN

Effective July 1, 2000

VISTEON CORPORATION
DEFERRED COMPENSATION PLAN

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

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

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

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

(b) AIC Plan: The Visteon Corporation Annual Incentive Compensation Plan, as amended, including for the period from July 1, 2000 to June 30, 2000, the Ford Annual Incentive Compensation Plan and, for the period from July 1, 2000 to December 31, 2000, any transitional plan of the Company.

(c) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the

Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation is filed and approved by the Committee prior to the Participant's death. If a Participant designates his spouse as a Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at time of the Participant's death, the estate of the Participant is deemed to be the sole Beneficiary. Beneficiary designations shall be in writing, filed with the Committee, and in such form as the Committee may prescribe for this purpose.

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

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

(f) Committee: The Compensation Committee of the Board.

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

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

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

(j) ERISA: The Employee Retirement Income Security Act of 1974, as interpreted

by regulations and rulings issued pursuant thereto, all as amended and in effect from time to time. Any reference to a specific provision of ERISA shall be deemed to include reference to any successor provision thereto.

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

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

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

(n) Investment Options: Subject to Section 4.04, the hypothetical investment accounts that the Committee may from time to time establish, which may, but need not, be based upon one or more of the investment options available under the Visteon Investment Plan. The Committee may determine to discontinue any previously established Investment Option, may make an Investment Option available only for reallocations or transfer of Account balances out of it, and may determine the timing for any applicable "sunset" period.

(o) LTIP: The Visteon Corporation 2000 Long-Term Incentive Plan, the Visteon Corporation Equity Incentive Plan, or any other long-term incentive plans subsequently adopted by the Company that are successors to or are similar to such plans.

(p) Participant: Subject to Section 2.02, a common law Employee of a Participating

Employer who has been designated by the Committee as being eligible to participate in this Plan and, where the context so requires, a former Employee entitled to receive a benefit hereunder; provided, that the participation in the Plan is limited to United States citizens (whether residing in or outside of the United States) or citizens of another country permanently assigned to and residing in the United States, such that citizens of other countries who are not permanently assigned to the United States, regardless of whether or not they are on the United States payroll, are not eligible to participate in the Plan.

(q) Participating Employer: The Company and any subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company or a limited liability company a majority of the membership interest of which is owned directly or indirectly by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more Participants in its employ.

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

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

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

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

Section 1.02. Construction and Applicable Law.

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

where they would so apply. Titles of articles and sections are for general information only, and the Plan is not to be construed by reference to such items.

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

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

An Employee shall become a Participant in the Plan only if the Employee has been designated for participation under the terms of the Plan or by the Committee.

Section 2.02. Certain Transfers of Employment.

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

ARTICLE III. DEFERRALS AND MATCHING CONTRIBUTION CREDITS

Section 3.01. Participant Deferrals.

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

Section 3.02. Base Salary Deferrals.

(a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States and who is eligible to participate in the AIC Plan and who is actively employed by the Company in Leadership Level 1-5 or the equivalent (or any successor employment classification to Leadership Levels 1-5) at the time of the election to defer and at the time the deferral will be made is eligible to defer payment of from 1% to 50% of base salary in 1% increments, provided that the Committee has determined that base salary Deferrals may be made for the employment period covered by such Deferral election. Notwithstanding the foregoing, the Committee may impose such additional limitations on eligibility as it deems appropriate in its sole discretion.

(b) A validly executed election shall become effective with respect to base salary earned by the Participant in the calendar year following the calendar year in which the Participant's Deferral election is received and accepted by the Committee, or as soon thereafter as practicable. A Participant's Deferral election, once effective, shall remain in effect until modified by the Participant in accordance with subsection (c) below or otherwise revoked in accordance with Plan rules.

(c) A Participant may modify his then current Deferral election by filing a revised election form, properly completed and signed, with the Committee. A validly executed revised election will be effective with respect to base salary earned by the Participant in the calendar year following the calendar year in which the Participant's revised Deferral election is received and accepted by the Committee, or as soon thereafter as practicable. A Participant's revised Deferral election, once effective, shall remain in effect until again modified by the Participant in accordance with this subsection (c) or otherwise revoked in accordance with Plan rules.

Section 3.03. Annual Incentive Compensation Deferrals. (a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States may elect to defer cash award that would otherwise be payable under the AIC Plan. An eligible Participant may elect to defer payment under the Plan from 1% to 100%, in 1% increments, of the award amount net of applicable taxes, but not less than \$1,000, provided that such Participants are actively employed by the Company in Leadership Level 1-5 or the equivalent (or any successor employment classification to Leadership Levels 1-5) at the time of the election to defer. Notwithstanding the foregoing, the Committee may in its sole discretion allow Deferrals under this subsection (a) by persons who do not meet the eligibility requirements described above; provided that any such action does not cause the Plan to be other than a program of deferred compensation for a select group of management and highly compensated employees for purposes of Title I of the ERISA, as amended.

(b) A Participant's election to defer payment of an AIC Plan award payable in 2001 based upon the 2000 performance year must be made by October 31, 2000. A Participant's election to defer payment of an AIC Plan award payable with respect to the 2001 or subsequent performance years must be made on or before June 30 of the performance year for which the award is determined.

Section 3.04. Deferrals of LTIP Compensation. (a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States and who is eligible to participate in the AIC Plan and the LTIP Plan, may elect to defer a cash or stock award under the LTIP. An eligible Participant may elect to defer payment under the Plan from 1% to 100%, in 1% increments, of the cash portion of an award, net of applicable taxes, but not less than \$1,000, provided that such Participant is actively employed in Leadership Level 1-5 or the equivalent (or any successor employment classification to Leadership Levels 1-5) at the time of the election to defer. An eligible Participant may elect to defer payment of a specified whole number of shares up to 100% of such shares, net of applicable taxes, but not less than a whole number of shares with a value of at least \$1,000 at the time the deferral election is made; and provided that such Participant is actively employed in Leadership Level 1-5 or the equivalent at the time of the election to defer. A Participant's election to defer and/or LTIP Plan award shall be effective only for the performance period to which the election relates, and a Participant's election does not carry over from performance period to performance period.

(b) The Committee shall determine the required timing for participants to make elections to defer payment of cash or stock LTIP Plan awards.

(c) Without limiting the Committee's authority under this Section 3.04, the Committee may impose additional restrictions on the number of Participants who are eligible to defer LTIP awards, and/or impose additional requirements with respect to the deemed investment of stock awards.

Section 3.05. Deferral of New Hire Payments. (a) In accordance with rules prescribed by the Committee, a Participant who is employed in the United States, who is eligible to participate in the AIC Plan, and who received an employment offer from the Company that included a new hire payment in cash is eligible to defer from 1% to 100%, in 1%

increments, of such new hire payment net of applicable taxes, but not less than \$1,000, provided that such Participants are actively employed by the Company in Leadership Level 1-5 or the equivalent (or any successor employment classification to Leadership Levels 1-5) at the time the new hire payment would otherwise be payable in the absence of such Deferral.

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

Section 3.06. Mandatory Deferrals. The Committee may determine the extent to which it may mandatorily defer payment under the Plan of a portion of any incentive compensation awards made under the AIC Plan or the LTIP Plan.

Section 3.07. Revocation of Deferral Elections.

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

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

ARTICLE IV. ACCOUNTING AND HYPOTHETICAL INVESTMENT

Section 4.01. Accounting.

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

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

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

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

(d) any distributions from the Account.

Section 4.02. Hypothetical Investment of Participant Accounts.

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

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

(c) Limitations. Without limiting the Committee's authority under this Section 4.03, the Committee may direct that Deferrals of stock awards be mandatorily converted into Visteon Stock Units such that the investment designation and reallocation rules set forth in subsections (a) and (b) above shall not apply to such Deferral.

Section 4.03. Deemed Investment Gain or Loss. On a daily basis or such other basis as the Committee may prescribe, the Account of each Participant will be credited (or charged) based upon the investment gain (or loss) that the Participant would have realized with respect to his or her Account had the Account been invested in accordance with the terms of the Plan and any investment reallocation elections made by the Participant. Unless otherwise determined by the Committee, where an Investment Option is also an available investment option under the Visteon Investment Plan, the methodology for valuing the Investment Option under this Plan and for calculating amounts to be

credited or debited or other adjustments to any Account with respect to that Investment Option shall be the same as the methodology used for valuing the corresponding investment option under the Visteon Investment Plan.

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

(a) The bookkeeping account accrued by certain Participants under the Ford Motor Company Deferred Compensation Plan was transferred to this Plan. One the hypothetical investment options available under the Ford Motor Company Deferred Compensation Plan was an investment in Ford Stock Units. In addition to the Investment Options otherwise established by the Committee, the Plan shall have a Ford Stock Unit fund with respect to amounts transferred from the Ford Motor Company Deferred Compensation Plan that were deemed to be invested in the Ford Stock Unit fund at the time of transfer, but the Ford Stock Unit fund shall be a "sell only" fund that is not available for the deemed investment of new Deferrals under Section 4.02(a) above or the reallocation of Deferrals from other Investment Options in accordance with Section 4.02(b) above.

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

Section 4.05. Accounts are For Record Keeping Purposes Only.

Plan Accounts and the record keeping procedures described herein serve

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

Section 5.01. Distribution of Account.

(a) Subject to subsection (b) below, each participant shall make a distribution election with respect to each Deferred to this Plan. The Plan will honor a Participant's distribution election made under the Ford Motor Company Deferred Compensation Plan with respect to Deferrals transferred from the Ford Motor Company Deferred Compensation Plan to this Plan; provided that a Participant, on or before March 31, 2001, may make a one-time election on or before March 31, 2001 to revoke the Participant's prior election with respect to the form and time of distribution of any such Deferral and make a new election with respect to such Deferral in accordance with subsection (b) below.

(b) Except as otherwise provided in Section 5.02, 5.03 or 7.07, or as otherwise

determined by the Committee, distribution of the Participant's Ford Deferral Subaccount shall be made on, or as soon thereafter as practicable, (i) March 15 of the year selected by the Participant for distribution with respect to the particular Deferral if the Participant is an active employee of the Company on the distribution date, (ii) the March 15 following death or termination for reasons other than retirement, notwithstanding any prior selection by the Participant of a subsequent year for distribution with respect to the particular Deferral, (iii) the March 15 following retirement if the Participant selected distribution upon retirement with respect to the particular Deferral and a lump sum distribution was selected, or if the Participant selected a particular year for distribution with respect to the particular Deferral but retired prior to the year selected, or (iv) the March 15 following retirement with respect to the first annual installment and continuing on the applicable number of consecutive anniversaries of such date for the number of annual installments (not to exceed ten) as were selected by the Participant with respect to the particular Deferral.

(c) If installment distributions are payable, the amount of the first installment will be an amount determined by dividing the value of the Participant's Ford Deferral Subaccount or part thereof relating to a particular distribution, as of the applicable valuation date as determined below, by the number of installments selected by the Participant. Each subsequent distribution will be an amount determined by dividing the value of the Participant's Account or part thereof relating to a particular distribution, as of the applicable valuation date as determined below, by the number of remaining installment payments under the method selected by the Participant. Except for installment distributions under clause (iv) of subsection (b) above, all distributions shall be in the form of a lump sum payment. Unless otherwise determined by the Committee, the Account or part thereof relating to a particular distribution shall be valued, for purposes of the distribution, as of the following applicable date or as soon thereafter as practicable: March 15 of the year of

distribution or the next preceding day for which valuation information is available.

Section 5.03. Hardship Distributions. At the written request of a Participant, the Committee, in its sole discretion, may authorize the cessation of Deferrals under the Plan by such Participant and distribution of all or any part of the Participant's Account prior to his or her scheduled distribution date or dates, or accelerate payment of any installment payable with respect to any Deferral, upon a showing of unforeseeable emergency by the Participant. For purposes of this Section, "unforeseeable emergency" shall mean severe financial hardship resulting from extraordinary and unforeseeable circumstances arising as a result of one or more recent events beyond the control of the Participant. In any event, payment shall not be made to the extent such emergency is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship and (iii) by cessation of Deferrals under the Plan. Withdrawals of amounts because of unforeseeable emergency shall only be permitted to the extent reasonably necessary to satisfy the emergency. Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home. The Committee shall determine the applicable distribution date and the date as of which the amount to be distributed shall be valued with respect to any financial hardship withdrawal or distribution. Any Participant whose Deferrals have ceased under the Plan pursuant to this Section may not elect to recommence Deferrals until the next applicable Deferral period.

Section 5.04. Distribution Upon Death.

Notwithstanding anything to the contrary herein, in the event of the death of any Participant prior to distribution of the Participant's entire Account, the undistributed Account, shall be distributed to the Participant's Beneficiary, in cash, on or about March 15 following the Participant's death.

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

Section 6.01. Transactions Affecting Visteon Common Stock.

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

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

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

ARTICLE VII. GENERAL PROVISIONS

Section 7.01. Administration.

(a) The Committee shall administer and interpret the Plan and supervise preparation of Participant elections, forms, and any amendments thereto. To the extent necessary to comply with applicable conditions of Rule 16b-3, the Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3. If at any time the Committee shall not be in existence or not be composed of members of the Board who qualify as "non-employee directors", then all determinations affecting Participants who are subject to Section 16 of the Exchange Act shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board. The Committee may, in its discretion, delegate any or all of its authority and responsibility; provided that the Committee shall not delegate authority and responsibility with respect to non-ministerial functions that relate to the participation by Participants who are subject to Section 16 of the Exchange Act at the time any such delegated authority or responsibility is exercised. To the extent of any such delegation, any references herein to the Committee shall be deemed references to such delegee. The Committee (or where applicable, the Board) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. If any delegee of the Committee shall also be a Participant or Beneficiary, any determinations affecting the delegee's participation in the Plan shall be made by the Committee.

(b) The Committee (or where applicable, the Board) shall have the discretionary authority to interpret and construe the Plan, to make benefit determination under the Plan, and to take all other actions that may be necessary or appropriate for the administration of the Plan. Each determination, interpretation or other action made or

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

Section 7.02. Restrictions to Comply with Applicable Law.

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

Section 7.03. Claims Procedures.

(a) If a Participant or Beneficiary believes that he or she has not received the full benefit provided for in the Plan, the Participant or Beneficiary may file a claim for benefits with the Committee. If the Committee denies the claim, the Committee shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other information as may be pertinent and a description of the procedures to be followed by the claimant in obtaining a review of his or her claim. For purposes of this subsection, the claimant's claim shall be deemed filed when presented in writing to the Committee and the Committee's explanation shall be provided to the claimant within ninety (90) days of the date the claim is filed.

(b) The claimant shall be provided sixty (60) days following his or her receipt of the denial of the claim to file a written request for appeal to the Committee. The claimant and his or her representative may present additional information or documents pertinent to the Committee's review. The Committee shall decide the issue on appeal, which decision shall be final, and furnish the claimant with a written decision of his or her claim on review within sixty (60) days of receipt of claimant's request for appeal. The Committee's decision shall indicate the specific reasons for the decision and the pertinent provisions of the Plan on which the decision is based. If the Committee does not furnish a written decision to the claimant within such sixty (60) day period, the claim shall be deemed denied on appeal.

Section 7.04. Participant Rights Unsecured.

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

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

trust of any kind, or a fiduciary relationship between a Participating Employer and any Participant or Beneficiary, or any other person.

Section 7.05. Income Tax Withholding.

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

Section 7.06. Amendment or Termination of Plan.

There shall be no time limit on the duration of the Plan. The Board (or where specified herein, the Committee) may at any time amend or terminate the Plan; provided, however, that no amendment or termination may reduce or eliminate any Account balance accrued to the date of such amendment or termination (except as such Account balance may be reduced as a result of investment losses allocable to such Account).

Section 7.07. Effect of Inimical Conduct. Anything contained in the Plan notwithstanding, all rights of a Participant under the Plan to receive distribution of all or any part of his or her Account shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such Participant's employment) acted in a manner inimical to the best interests of the Company or a subsidiary or affiliate thereof.

Section 7.08. No Assignment of Benefits. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant to subsection (c) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Beneficiary.

Section 7.09. Administrative Expenses.

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

Section 7.10. Effect on Other Employee Benefit Plans.

Deferrals credited to a Participant's Account under this Plan shall not be considered "compensation" for the purpose of computing benefits under any qualified retirement plan maintained by a Participating Employer, but shall be considered compensation for welfare benefit plans, such as life and disability insurance programs sponsored by a Participating Employer, unless otherwise specifically provided by the terms of such plan.

Section 7.11. Successors and Assigns.

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

FORM OF
VISTEON CORPORATION
SAVINGS PARITY PLAN
Effective July 1, 2000

VISTEON CORPORATION
SAVINGS PARITY PLAN

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

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

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

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

(b) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation is filed and approved by the Committee prior to the Participant's death. If a Participant designates his spouse as a beneficiary, such beneficiary designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at time of the Participant's death, the estate of the Participant is deemed to be the sole Beneficiary. Beneficiary designations shall be in writing, filed with the Committee, and in such form as the Committee may prescribe for this purpose.

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

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

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

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

(g) Deferrals: An amount credited, in accordance with a Participant's election under Section 3.01, to the Participant's Account in lieu of the payment of an equal amount of cash compensation to the Participant.

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

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

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

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

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

(m) Participant: Subject to Section 2.02, a common law Employee of a Participating Employer who has been designated by the Committee as being eligible to participate in this Plan and, where the context so requires, a former Employee entitled to receive a benefit hereunder.

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

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

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

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

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

Section 1.02. Construction and Applicable Law.

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

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

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

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

An Employee shall become a Participant in the Plan only if the Employee has been designated for participation under the terms of the Plan or by the Committee.

Section 2.02. Certain Transfers of Employment.

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

ARTICLE III. MATCHING CONTRIBUTION CREDITS

Section 3.01. Matching Contribution Credits. If contributions by or on behalf of a Participant under the Visteon Investment Plan, and the related Company matching contributions under the Visteon Investment Plan, for any plan year beginning on or after July 1, 2000, are restricted in order to comply with the Limitations, there shall be credited to the Participant's Account an amount equal to the difference between (i) the matching contribution which would have been made under the Visteon Investment Plan based upon the Participant's actual elections under that plan had the Participant's elections been applied without regard to the Limitations, and (ii) the matching contribution actually allocated to the Participant's account under the Visteon Investment Plan for the plan year.

ARTICLE IV. ACCOUNTING, HYPOTHETICAL INVESTMENT

AND DISTRIBUTION

Section 4.01. Accounting.

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

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

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

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

(d) any withdrawals or distributions from the Account.

Section 4.02. Hypothetical Investment of Participant Accounts.

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

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

Section 4.03. Deemed Investment Gain or Loss. On a daily basis or such other basis as the Committee may prescribe, the Account of each Participant will be credited (or charged) based upon the investment gain (or loss) that the Participant would have realized with respect to his or her Account had the Account been invested in accordance with the terms of the Plan and any investment reallocation elections made by the Participant. Unless otherwise determined by the Committee, where an Investment Option is also an available investment option under the Visteon Investment Plan, the methodology for valuing the Investment Option under this Plan and for calculating amounts to be credited or debited or other adjustments to any Account with respect to that Investment Option shall be the same as the methodology used for valuing the corresponding investment option under the Visteon Investment Plan.

Section 4.04. Distribution,

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

Section 4.05. Accounts are For Record Keeping Purposes Only.

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

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

Section 5.01. Transactions Affecting Visteon Common Stock.

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

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

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

ARTICLE VI. GENERAL PROVISIONS

Section 6.01. Administration.

(a) The Committee shall administer and interpret the Plan and supervise preparation of Participant elections, forms, and any amendments thereto. To the extent necessary to comply with applicable conditions of Rule 16b-3, the Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3. If at any time the Committee shall not be in existence or not be composed of members of the Board who qualify as "non-employee directors", then all determinations affecting Participants who are subject to Section 16 of the Exchange Act shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board. The Committee may, in its discretion, delegate any or all of its authority and responsibility; provided that the Committee shall not delegate authority and responsibility with respect to non-ministerial functions that relate to the participation by Participants who are subject to Section 16 of the Exchange Act at the time any such delegated authority or responsibility is exercised. To the extent of any such delegation, any references herein to the Committee shall be deemed references to such delegee. The Committee (or where applicable, the Board) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. If any delegee of the Committee shall also be a Participant or Beneficiary, any determinations affecting the delegee's participation in the Plan shall be made by the Committee.

(b) The Committee (or where applicable, the Board) shall have the discretionary authority to interpret and construe the Plan, to make benefit determination under the Plan, and to take all other actions that may be necessary or appropriate for the administration of the Plan. Each determination, interpretation or other action made or taken pursuant to the provisions of the Plan by the Committee shall be final and shall be binding and conclusive for all purposes and upon all persons, including, but without limitation thereto, the Company, its stockholders, the Participating Employers, the directors, officers and employees of the Company or a Participating Employer, the Plan participants, and their respective successor in interest.

Section 6.02. Restrictions to Comply with Applicable Law.

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

Section 6.03. Claims Procedures.

(a) If a Participant or Beneficiary believes that he or she has not received the full benefit provided for in the Plan, the Participant or Beneficiary may file a claim for benefits with the Committee. If the Committee denies the claim, the Committee shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other information as may be pertinent and a description of the procedures to be followed by the claimant in obtaining a review of his or her claim. For purposes of this subsection, the claimant's claim shall be deemed filed when presented in writing to the Committee and the Committee's explanation shall be provided to the claimant within ninety (90) days of the date the claim is filed.

(b) The claimant shall be provided sixty (60) days following his or her receipt of the denial of the claim to file a written request for appeal to the Committee. The claimant and his or her representative may present additional information or documents pertinent to the Committee's review. The Committee shall decide the issue on appeal, which decision shall be final, and furnish the claimant with a written decision of his or her claim on review within sixty (60) days of receipt of claimant's request for appeal. The Committee's decision shall indicate the specific reasons for the decision and the pertinent provisions of the Plan on which the decision is based. If the Committee does not furnish a written decision to the claimant within such sixty (60) day period, the claim shall be deemed denied on appeal.

Section 6.04. Participant Rights Unsecured.

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

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

Section 6.05. Income Tax Withholding.

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

Section 6.06. Amendment or Termination of Plan.

There shall be no time limit on the duration of the Plan. The Board (or where specified herein, the Committee) may at any time amend or terminate the Plan; provided, however, that no amendment or termination may reduce or eliminate any Account balance accrued to the date of such amendment or termination (except as such Account balance may be reduced as a result of investment losses allocable to such Account).

Section 6.07. Effect of Inimical Conduct. Anything contained in the Plan notwithstanding, all rights of a Participant under the Plan to receive distribution of all or any part of his or her Account shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such

Participant's employment) acted in a manner inimical to the best interests of the Company or a subsidiary or affiliate thereof.

Section 6.08. No Assignment of Benefits. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant to subsection (b) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her Beneficiary.

Section 6.09. Administrative Expenses.

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

Section 6.10. Effect on Other Employee Benefit Plans.

Deferrals credited to a Participant's Account under this Plan shall not be considered "compensation" for the purpose of computing benefits under any qualified retirement plan maintained by a Participating Employer, but shall be considered compensation for welfare benefit plans, such as life and disability insurance programs sponsored by a Participating Employer, unless otherwise specifically provided by the terms of such plan.

Section 6.11. Successors and Assigns.

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

FORM OF
VISTEON CORPORATION
PENSION PARITY PLAN
Effective July 1, 2000

VISTEON CORPORATION
PENSION PARITY PLAN

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

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

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

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

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

(c) Committee: The Compensation Committee of the Board.

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

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

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

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

(h) Participant: Subject to Section 2.02, an Employee of a Participating Employer

who has been designated by the Committee as being eligible to participate in this Plan and, where the context so requires, a former Employee entitled to receive a benefit hereunder.

(i) Participating Employer: The Company and any subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company or a limited liability company a majority of the membership interest of which is owned directly or indirectly by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more Participants in its employ.

(j) Retirement Plan: The Visteon Pension Plan, the Salaried Retirement Plan of Visteon Systems, LLC, or such other qualified defined benefit retirement plans as the Committee may designate.

Section 1.02. Construction and Applicable Law.

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

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

the Plan shall, to the extent possible, be construed and enforced as if the illegal or invalid provision had never been inserted.

ARTICLE II. PARTICIPATION

Section 2.01. Eligibility.

An Employee shall become a Participant in the Plan only if the Employee has been designated for participation under the terms of the Plan or by the Committee.

Section 2.02. Certain Transfers of Employment.

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

ARTICLE III. PENSION PARITY BENEFIT

Section 3.01. Pension Parity Benefit. A Pension Parity Benefit shall be provided to each Participant whose benefit under the Retirement Plan is restricted because of the Limitations.

Section 3.02. Calculation and Payment of Pension Parity Benefit.

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

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

Section 3.03. Optional Distribution Method.

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

- (i) The actuarial equivalent lump sum payment shall be determined on the

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

- (ii) The agreement must be entered into (A) prior to the year in which the Participant's retirement occurs and (B) not later than six months before the actual retirement date.
- (iii) The agreement, once entered, is irrevocable.
- (iv) Evidence of good health at the time of the agreement will be required.

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

Section 3.04. Pension Parity Calculation Is For Record Keeping Purposes Only.

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

ARTICLE IV. GENERAL PROVISIONS

Section 4.01. Administration.

(a) The Committee shall administer and interpret the Plan and supervise preparation of Participant elections, forms, and any amendments thereto. The Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934. If at any time the Committee shall not be in existence then all determinations shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board. The Committee may, in its discretion, delegate any or all of its authority and responsibility. To the extent of any such delegation, any references herein to the Committee shall be deemed references to such delegee. The Committee (or where applicable, the Board) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. If any delegee of the Committee shall also be a Participant or Beneficiary, any determinations affecting the delegee's participation in the Plan shall be made by the Committee.

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

Section 4.02. Restrictions to Comply with Applicable Law.

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

Section 4.03. Claims Procedures.

(a) If a Participant (or a beneficiary who is entitled to benefits under the Retirement Plan following the Participant's death) believes that he or she has not received the full benefit provided for in the Plan, the Participant or beneficiary may file a claim for benefits with the Committee. If the Committee denies the claim, the Committee shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other information as may be pertinent and a description of the procedures to be followed by the claimant in obtaining a review of his or her claim. For purposes of this subsection, the claimant's claim shall be deemed filed when presented in writing to the Committee and the Committee's explanation shall be provided to the claimant within ninety (90) days of the date the claim is filed.

(b) The claimant shall be provided sixty (60) days following his or her receipt of the denial of the claim to file a written request for appeal to the Committee. The claimant and his or her representative may present additional information or documents pertinent to the Committee's review. The Committee shall decide the issue on appeal, which decision shall be final, and furnish the claimant with a written decision of his or her claim on review within sixty (60) days of receipt of claimant's request for appeal. The Committee's decision shall indicate the specific reasons for the decision and the pertinent provisions of the Plan on which the decision is based. If the Committee does not furnish a written decision to the claimant within such sixty (60) day period, the claim shall be deemed denied on appeal.

Section 4.04. Participant Rights Unsecured.

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

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

Section 4.05. Income Tax Withholding.

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

Section 4.06. Amendment or Termination of Plan.

There shall be no time limit on the duration of the Plan. The Board (or where specified herein, the Committee) may at any time amend or terminate the Plan; provided, however, that no amendment or termination may reduce or eliminate any benefit accrued to the date of such amendment or termination.

Section 4.07. Effect of Inimical Conduct. Anything contained in the Plan notwithstanding, all rights of a Participant under the Plan to receive distribution of all or any part of his or her benefit shall cease on and as of the date on which it has been determined by the Committee that such Participant at any time (whether before or subsequent to termination of such Participant's employment) acted in a manner inimical to the best interests of the Company or a subsidiary or affiliate thereof.

Section 4.08. No Assignment of Benefits. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment nor shall such rights or benefits be subject to attachment or legal process for or against a Participant or his or her beneficiary.

Section 4.09. Administrative Expenses.

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

Section 4.10. Successors and Assigns.

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

FORM OF
VISTEON CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
Effective July 1, 2000

VISTEON CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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

The Company has established this Plan for the purpose of providing Eligible Executives with a monthly Supplemental Benefit for their lifetime in the event of their retirement from employment with the Company under certain circumstances. The Plan also provides for the award of Conditional Annuities to selected Eligible Executives under certain circumstances.

The Plan is adopted effective July 1, 2000.

ARTICLE I. DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions.

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

(a) Beneficiary: The person or entity designated by a Participant to be his beneficiary for purposes of this Plan (subject to such limitations as to the classes and number of beneficiaries and contingent beneficiaries and such other limitations as the Committee may prescribe). A Participant's designation of Beneficiary shall be valid and in effect only if a properly executed designation is filed and approved by the Committee prior to the Participant's death. If a Participant designates his spouse as a Beneficiary, such designation automatically shall become null and void on the date of the Participant's divorce or legal separation from such spouse. If a valid designation of Beneficiary is not in effect at time of the Participant's death, the estate of the Participant is deemed to be the sole Beneficiary. Beneficiary designations shall be in writing, filed with the Committee, and in such form as the Committee may prescribe for this purpose.

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

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

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

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

(f) "Credited Service":

- (i) for an Eligible Executive who is a Group I or II Employee under the Visteon Pension Plan, the years and any fractional year of credited service at retirement, without duplication and not exceeding one year for any calendar year, of the Eligible Executive under all the Retirement Plans, to the extent that such credited service relates to employment with a Participating Employer on or after July 1, 2000.
- (ii) for any other Eligible Executive, the years and any fractional year of credited service at retirement, without duplication and not exceeding one year for any calendar year, of the Eligible Executive under all the Retirement Plans.

(g) Eligible Executive: A person who is the Chairman of the Board, the President, an Executive Vice President, a Senior Vice President, a Vice President General Manager or a Vice President of the Company (excluding any such person who is an employee of a foreign Affiliate of the Company), or an Employee of a Participating Employer who is assigned to Leadership Levels Two, Three or Four or the equivalent (or any successor employment classification to Leadership Levels Two, Three and Four) and who has been designated for participation by the Committee.

(h) Eligible Retired Executive:

- (i) with respect to Supplemental Benefits under Article II, an Eligible Executive who:
 - (A) shall retire directly from employment with a Participating Employer (i) on normal or disability retirement or (ii) with the approval of the Participating Employer at or after age 55 on early retirement;
 - (B) will receive a normal, disability or early retirement benefit under one or more Retirement Plans;

- (C) has at least ten years of credited service, without duplication, under all Retirement Plans; provided solely for the purpose of determining whether an Eligible Executive who is a Transferred Employee under the Visteon Corporation Pension Plan has at least ten years of credited service for purposes of this subparagraph (C), the Eligible Executive's years of credited service under the Ford Motor Company General Retirement Plan, to the extent not otherwise included in the Eligible Executive's credited service under the Retirement Plans, shall be recognized; and
- (D) has at least five continuous years of Eligibility Service immediately preceding retirement, unless the eligibility condition set forth in this subparagraph (D) is waived by the Chairman of the Board or the President of the Company.
- (ii) With respect to Conditional Annuity awards under Article III, an Eligible Executive (other than an Eligible Executive assigned to Leadership Levels Two, Three and Four) who shall retire directly from employment with a Participating Employer, (i) on normal or disability retirement or (ii) with the approval of the Participating Employer at or after age 55 on early retirement.

(i) Eligibility Service: Service with a Participating Employer while an Eligible Executive; provided, that in the case of an Eligible Executive who was an Eligible Executive under the Ford Motor Company Supplemental Executive Retirement Plan on June 30, 2000, Eligibility Service recognized for such Eligible Executive under the Ford Motor Company Supplemental Executive Retirement Plan as of June 30, 2000 shall be recognized as Eligibility Service under this Plan.

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

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

(l) Final Five Year Average Base Salary: The average of the final five year-end Monthly Base Salaries immediately preceding retirement of the Eligible Retired Executive.

(m) Final Three Year Average Base Salary: The average of the final three year-end Monthly Base Salaries immediately preceding retirement or death of the Eligible Retired Executive.

(n) Monthly Base Salary of an Eligible Executive: The monthly base salary paid to such person while an Eligible Executive on December 31, prior to giving effect to any salary reduction agreement to which Section 125 or Section 402(a)(8) of the Code apply. For purposes of this subsection, base salary paid by Ford Motor Company prior to July 1, 2000 shall be treated as if paid by the Company. It does not include supplemental compensation or any other kind of extra or additional compensation.

(o) Participating Employer: The Company and any subsidiary a majority of the voting stock of which is owned directly or indirectly by the Company or a limited liability company a majority of the membership interest of which is owned directly or indirectly

by the Company, that with the consent of the Committee, participates in the Plan for the benefit of one or more of its Employees.

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

(q) Retirement Plans: The Visteon Corporation Pension Plan and the Salaried Retirement Plan of Visteon Systems, LLC, as amended and in effect from time to time.

Section 1.02. Construction and Applicable Law.

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

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

ARTICLE II. SUPPLEMENTAL BENEFITS.

Section 2.01. Eligibility. An Eligible Retired Executive shall be eligible to receive a Supplemental Benefit as provided herein.

Section 2.02. Amount of Supplemental Benefit.

(a) Subject to any reductions pursuant to subsection (b) below and to any limitations and reductions pursuant to other provisions of the Plan, the monthly Supplemental Benefit shall be an amount equal to the Eligible Executive's Final Five Year Average Base Salary multiplied by the Eligible Executive's years of Credited Service at retirement, and further multiplied by the Applicable Percentage based on the Eligible Executive's position or salary grade immediately preceding retirement, as follows:

Status at Retirement -----	Applicable Percentage -----
Chairman	0.90%
President	0.80%
Executive Vice President	0.80%
Senior Vice President	0.75%
Vice President General Manager	0.70%
Vice President	0.70%
Non-Vice Presidents	
Leadership Level Two (Salary Grade 87)	0.60%
Leadership Level Two (All Other Eligible Employees)	0.40%
Leadership Levels Three and Four	0.20%

(b) For an Eligible Retired Executive who shall retire before age 62, the monthly Supplemental Benefit payable hereunder shall equal the amount calculated in accordance with the immediately preceding subsection (a) reduced by $\frac{5}{18}$ of 1% multiplied by the number of months from the later of the date the Supplemental Benefit commences or age 55 in the case of earlier receipt by reason of disability retirement to the first day of the month after the Eligible Retired Executive would attain age 62.

Section 2.03. Payments. Subject to the earning-out conditions set forth in Article IV, Supplemental Benefits, in the amount determined under Section 2.02, shall be payable out of the Company's general funds monthly beginning on the first day of the month when the Eligible Retired Executive's retirement benefit under any Retirement Plan or under the Company's Executive Separation Allowance Plan begins. Payments to an Eligible Retired Executive hereunder shall cease at the end of the month in which the Eligible Retired Executive dies.

ARTICLE III. CONDITIONAL ANNUITIES.

Section 3.01. Eligibility. The Committee may, in its discretion, award to an Eligible Executive (other than an Eligible Executive assigned to Leadership Levels Two, Three or Four) additional retirement income in the form of a Conditional Annuity.

Section 3.02. Amount of Conditional Annuity.

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

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

Number of Years for Which a Conditional Annuity is Awarded -----	Applicable Percentage -----	
	Chairman And President -----	All Other Eligible Executives -----
1	30%	20%
2	35	25
3	40	30
4	45	35
5 or more	50	40

The percentage shall be reduced pro rata to the extent that Credited Service at retirement is less than 30 years. Solely for the purpose of determining whether an Eligible Executive who is a Transferred Employee under the Visteon Pension Plan has 30 years of service under this Section 3.02(b), an Eligible Executive's years of credited service under the Ford Motor Company General Retirement Plan, to the extent not otherwise included in the Eligible Executive's Credited Service, shall be recognized.

Section 3.03. Payments.

(a) Subject to the earning-out conditions set forth in Article IV, Conditional Annuities, in the amount determined under Section 3.02, shall be payable out of the Company's general funds monthly beginning on the first day of the month when the Eligible Retired Executive's retirement benefit under any Retirement Plan or under the Company's Executive Separation Allowance Plan begins. Except as provided in Section 3.04, payments with respect to an Eligible Retired Executive hereunder shall cease at the end of the month in which such Eligible Retired Executive dies.

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

Section 3.04. Death Benefits. Upon death before retirement but at or after age 55, the Eligible Executive's Beneficiary shall be paid a lump sum equal to 30 times (representing 30 months) the aggregate monthly amount payable under such Eligible Executive's Conditional Annuities if the Eligible Executive had been age 55 at death, increased by one-third of one month for each full month by which such Eligible Executive's age at death shall exceed age 55. If death occurs within 120 months following retirement, the monthly payments under the Conditional Annuity shall be continued to the Beneficiary for the remaining balance of the 120 month period following retirement.

ARTICLE IV. EARNING OUT CONDITIONS.

Section 4.01. Conditions Applicable to Continued Payment of Award.

(a) Anything herein contained to the contrary notwithstanding, the right of any Eligible Retired Executive to receive Supplemental Benefit or Conditional Annuity payments hereunder for any month shall accrue only if, during the entire period from the date of retirement to the end of such month, the Eligible Retired Executive shall have earned out such payment by refraining from engaging in any activity that is directly or indirectly in competition with any activity of the Company or any subsidiary or affiliate thereof.

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

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

of Visteon Corporation (or any committee appointed by it for the purpose) upon its determination that in its sole judgment there shall not have been and will not be any such substantial adverse effect.

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

ARTICLE V. GENERAL PROVISIONS.

Section 5.01. Administration and Interpretation.

(a) The Committee shall administer and interpret the Plan and supervise preparation of Participant elections, forms, and any amendments thereto. The Committee shall consist of not less than two members of the Board, each of whom is also a director of the Company and qualifies as a "non-employee director" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934. If at any time the Committee shall not be in existence then all determinations shall be made by the full Board, and all determinations affecting other Participants shall be made by the Board or an officer appointed by the Board. The Committee may, in its discretion, delegate any or all of its authority and responsibility. To the extent of any such delegation, any references herein to the Committee shall be deemed references to such delegee. The Committee (or where applicable, the Board) may adopt and modify rules and regulations relating to the Plan as it deems necessary or advisable for the administration of the Plan. If any delegee of the Committee shall also be a Participant or Beneficiary, any determinations affecting the delegee's participation in the Plan shall be made by the Committee.

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

Section 5.02. Restrictions to Comply with Applicable Law. Notwithstanding any other provision of the Plan, the Company shall have no liability to make any payment under the Plan unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity.

Section 5.03. Deductions. The Company may deduct from any payment of Supplemental Benefits and/or Conditional Annuity awards to an Eligible Retired Executive all amounts owing to it by such Eligible Retired Executive for any reason, and all taxes required by law or government regulation to be deducted or withheld.

Section 5.04. Claims Procedure.

(a) If a Participant or Beneficiary believes that he or she has not received the full benefit provided for in the Plan, the Participant or Beneficiary may file a claim for benefits with the Committee. If the Committee denies the claim, the Committee shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other information as may be pertinent and a description of the procedures to be followed by the claimant in obtaining a review of his or her claim. For purposes of this subsection, the claimant's claim shall be deemed filed when presented in writing to the Committee and the Committee's explanation shall be provided to the claimant within ninety (90) days of the date the claim is filed.

(b) The claimant shall be provided sixty (60) days following his or her receipt of the denial of the claim to file a written request for appeal to the Committee. The claimant and his or her representative may present additional information or documents pertinent to the Committee's review. The Committee shall decide the issue on appeal, which decision shall be final, and furnish the claimant with a written decision of his or her claim on review within sixty (60) days of receipt of claimant's request for appeal. The

Committee's decision shall indicate the specific reasons for the decision and the pertinent provisions of the Plan on which the decision is based. If the Committee does not furnish a written decision to the claimant within such sixty (60) day period, the claim shall be deemed denied on appeal.

Section 5.05. Participant Rights Unsecured.

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

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

Section 5.06. No Contract of Employment. The Plan is an expression of the Company's present policy with respect to Company executives who meet the eligibility requirements set forth herein; it is not a part of any contract of employment. No Eligible Executive,

Beneficiary or other person shall have any legal or other right to any Supplemental Benefit or Conditional Annuity.

Section 5.07. Governing Law. Except as otherwise provided under federal law, the Plan and all rights thereunder shall be governed, construed and administered in accordance with the laws of the State of Delaware.

Section 5.08. Amendment or Termination. The Company reserves the right to modify or amend, in whole or in part, or to terminate this Plan, at any time, with or without notice.

Section 5.09. Administrative Expenses. Costs of establishing and administering the Plan will be paid by the Participating Employers.

Section 5.10. No Assignment of Benefits. No rights or benefits under the Plan shall, except as otherwise specifically provided by law, be subject to assignment (except for the designation of beneficiaries pursuant to subsection (a) of Section 1.01), nor shall such rights or benefits be subject to attachment or legal process for or against an Eligible Executive, Eligible Retired Executive or his or her Beneficiary.

Section 5.11. Successors and Assigns. This Plan shall be binding upon and inure to the benefit of the Participating Employers, their successors and assigns and the Participants and their heirs, executors, administrators, and legal representatives.

Visteon Corporation and Subsidiaries
 CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES
 (in millions)

	For the Years Ended December 31,				
	2000	1999	1998	1997	1996
Earnings					
Income before income taxes	\$ 439	\$ 1,172	\$ 1,116	\$ 815	\$ 604
Equity in net (income)/loss of affiliates plus dividends from affiliates	(39)	(23)	(9)	(13)	(31)
Adjusted fixed charges a/	212	172	104	98	90
Earnings	\$ 612	\$ 1,321	\$ 1,211	\$ 900	\$ 663
Fixed Charges					
Interest expense b/	\$ 176	\$ 149	\$ 86	\$ 94	\$ 79
Interest portion of rental expense c/	39	24	17	12	7
Fixed charges	\$ 215	\$ 173	\$ 103	\$ 106	\$ 86
Ratios					
Ratios of earnings to fixed charges	2.8	7.6	11.8	8.5	7.7

a/ Fixed charges, as shown below, adjusted to exclude the amount of interest capitalized during the period.

b/ Includes interest, whether expensed or capitalized, and amortization of debt issuance expense and discount or premium relating to any indebtedness.

c/ One-third of all rental expense is deemed to be interest.

SUBSIDIARIES OF VISTEON CORPORATION AS OF DECEMBER 31, 2000 *

Organization -----	Jurisdiction -----
Atlantic Automotive Components, L.L.C.	Michigan, U.S.A.
Visteon Climate Control Systems Limited	Delaware, U.S.A.
Visteon Domestic Holdings, LLC	Delaware, U.S.A.
LTD Parts, Incorporated	Tennessee, U.S.A.
Visteon Export Services, Inc.	Barbados
Visteon Global Technologies, Inc.	Delaware, U.S.A.
Visteon Holdings GmbH	Germany
Visteon Deutschland GmbH	Germany
Visteon International Holdings, Inc.	Delaware, U.S.A.
Autopal s.r.o.	Czech Republic
Brasil Holdings Ltda.	Brazil
Visteon Sistemas Automotivos Ltda.	Brazil
Visteon Brasil Trading Company	Brazil
Duck Yang Industy Co., Ltd	Korea
Halla Climate Control Corporation	Korea
Maldec Corporation	Japan
Shanghai Fudian Automotive Electronics Company, Ltd.	China
Visteon Amazonas Ltda.	Brazil
Visteon Ardennes Industries SAS	France
Visteon Argentina, S.A.	Argentina
Visteon Asia Holdings, Inc.	Delaware, U.S.A.
Visteon Asia Pacific, Inc.	Japan
Visteon Automotive Holdings, LLC	Delaware, U.S.A.
Grupo Visteon, S. de R.L. de C.V.	Mexico
Altec Electronica Chihuahua S.A. de C.V.	Mexico
Autovidrio S.A. de C.V.	Mexico
Carplastic S.A. de C.V.	Mexico
Climate Systems Mexicana, S.A. de C.V.	Mexico
Coclisa S.A. de C.V.	Mexico
Lamosa S.A. de C.V.	Mexico
Visteon Automotive Systems India Private Limited	India
Visteon Canada, Inc.	Canada
Visteon Caribbean, Inc.	Puerto Rico
Visteon European Holdings Corporation	Delaware, U.S.A.
Visteon Holdings Espana SI	Spain
Cadiz Electronica, S.A.	Spain
Visteon Centro SA	Spain
Visteon Holdings France SAS	France
Visteon Holdings Italia, s.r.l.	Italy
Visteon Interior Holdings France SAS	France
Visteon Interior Systems France, SA	France
Visteon Global Treasury, Inc.	Delaware, U.S.A.
Visteon Hungary Kft	Hungary
Visteon Philippines, Inc.	Philippines
Visteon Poland S.A.	Poland
Visteon Portugesa, Ltd.	Bermuda
Visteon Powertrain Control Systems India PL	India
Visteon South Africa Pty. Ltd.	South Africa
Visteon (Thailand) Limited	Thailand
Visteon UK Limited	England
Visteon ZEM SA	Poland
Visteon LA Holdings Corp.	Delaware, U.S.A.
Visteon Systems, LLC	Delaware, U.S.A.
Visteon AC Holdings Corp.	Delaware, U.S.A.

11 Other U.S. Subsidiaries

21 Other Non-U.S. Subsidiaries

* Subsidiaries not shown by name in the above list, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-40034) and Form S-8 (Nos. 333-39756, 333-39758 and 333-40202) of Visteon Corporation of our report dated January 17, 2001 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Detroit, Michigan
February 26, 2001

POWER OF ATTORNEY WITH RESPECT TO
ANNUAL REPORT OF VISTEON CORPORATION ON
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2000

Each of the undersigned, a director or officer of VISTEON CORPORATION, appoints each of D. R. Coulson, P. G. Pfefferle, S. L. Fox, J. B. Knoll and J. G. Witkowski as his or her true and lawful attorney and agent to do any and all acts and things and execute any and all instruments which the attorney and agent may deem necessary or advisable in order to enable VISTEON CORPORATION to comply with the Securities Exchange Act of 1934, and any requirements of the Securities and Exchange Commission, in connection with the Annual Report of VISTEON CORPORATION on Form 10-K for the year ended December 31, 2000 and any and all amendments thereto, including, but not limited to, power and authority to sign his or her name (whether on behalf of VISTEON CORPORATION, or as a director or officer of VISTEON CORPORATION, or by attesting the seal of VISTEON CORPORATION, or otherwise) to such instruments and to such Annual Report and any amendments thereto, and to file them with the Securities and Exchange Commission. The undersigned ratifies and confirms all that any of the attorneys and agents shall do or cause to be done by virtue hereof. Any one of the attorneys and agents shall have, and may exercise, all the powers conferred by this instrument.

Each of the undersigned has signed his or her name as of the 27th day of February, 2000.

/s/ Peter J. Pestillo

Peter J. Pestillo

/s/ William H. Gray

William H. Gray, III

/s/ Steven K. Hamp

Steven K. Hamp

/s/ Robert H. Jenkins

Robert H. Jenkins

/s/ Charles L. Schaffer

Charles L. Schaffer

/s/ Robert M. Teeter

Robert M. Teeter

/s/ Michael F. Johnston

Michael F. Johnston

/s/ Daniel R. Coulson

Daniel R. Coulson

/s/ Philip G. Pfefferle

Philip G. Pfefferle

