

VISTEON CORP  
Form DEF 14A  
April 30, 2013  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**VISTEON CORPORATION**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:



SEC 1913 (02-02)

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

DATE: THURSDAY, JUNE 13, 2013  
TIME: 11:00 AM EASTERN DAYLIGHT TIME  
LOCATION: The London NYC  
151 West 54<sup>th</sup> Street  
New York, New York

To Visteon Stockholders,

We invite you to attend our 2013 Annual Meeting of Stockholders at The London NYC. At this meeting, you and the other stockholders will be able to vote on the following proposals, together with any other business that may properly come before the meeting:

1. *Elect the eight directors to the Board of Directors.* The Board has nominated for election Duncan H. Cocroft, Jeffrey D. Jones, Timothy D. Leuliette, Robert J. Manzo, Francis M. Scricco, David L. Treadwell and Harry J. Wilson, all current directors, as well as Yuen Kam Ho, George.
2. *Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2013.*
3. *Provide advisory approval of the Company's executive compensation.*
4. *Approve an amendment to the Visteon Corporation Non-Employee Director Stock Unit Plan.*

You may vote on these proposals in person or by proxy. If you cannot attend the meeting, we urge you to vote by proxy, so that your shares will be represented and voted at the meeting in accordance with your instructions. Instructions on how to vote by proxy are contained in the Proxy Statement and in the Notice of Internet Availability of Proxy Materials. Only stockholders of record at the close of business on April 16, 2013 will be entitled to vote at the meeting or any adjournment thereof.

By order of the Board of Directors

Heidi A. Sepanik

*Secretary*

Van Buren Township, Michigan

April 30, 2013

**Table of Contents**

**CONTENTS**

|                                                                                                                                          |     |
|------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <u>INTRODUCTION</u>                                                                                                                      | 1   |
| <u>IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 13, 2013</u> | 1   |
| <u>VOTING</u>                                                                                                                            | 1   |
| <u>ITEM 1 ELECTION OF DIRECTORS</u>                                                                                                      | 3   |
| <u>CORPORATE GOVERNANCE</u>                                                                                                              | 6   |
| <u>DIRECTOR COMPENSATION</u>                                                                                                             | 12  |
| <u>STOCK OWNERSHIP</u>                                                                                                                   | 14  |
| <u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>                                                                           | 15  |
| <u>TRANSACTIONS WITH RELATED PERSONS</u>                                                                                                 | 15  |
| <u>COMPENSATION COMMITTEE REPORT</u>                                                                                                     | 16  |
| <u>EXECUTIVE COMPENSATION</u>                                                                                                            | 17  |
| <u>COMPENSATION DISCUSSION AND ANALYSIS</u>                                                                                              | 17  |
| <u>AUDIT COMMITTEE REPORT</u>                                                                                                            | 51  |
| <u>AUDIT FEES</u>                                                                                                                        | 51  |
| <u>AUDIT COMMITTEE PRE-APPROVAL PROCESS AND POLICIES</u>                                                                                 | 52  |
| <u>ITEM 2 APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>                                                                  | 52  |
| <u>ITEM 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION AS SET FORTH IN THIS PROXY STATEMENT</u>                                       | 53  |
| <u>ITEM 4 APPROVAL OF AMENDMENT TO NON-EMPLOYEE DIRECTOR STOCK UNIT PLAN</u>                                                             | 54  |
| <u>OTHER MATTERS</u>                                                                                                                     | 55  |
| <u>2014 STOCKHOLDER PROPOSALS AND NOMINATIONS</u>                                                                                        | 55  |
| <u>MISCELLANEOUS</u>                                                                                                                     | 55  |
| <u>Appendix A Director Independence Guidelines</u>                                                                                       | A-1 |
| <u>Appendix B Visteon Corporation Non-Employee Director Stock Unit Plan</u>                                                              | B-1 |
| <u>Appendix C Directions to Meeting Location</u>                                                                                         | C-1 |

Table of Contents

**VISTEON CORPORATION**

**One Village Center Drive**

**Van Buren Township, Michigan 48111**

**PROXY STATEMENT**

April 30, 2013

**INTRODUCTION**

The Board of Directors of Visteon Corporation ( Visteon, the Company, we, us or our ) is soliciting your proxy to encourage your participation in the voting at the Annual Meeting of Stockholders. You are invited to attend the Annual Meeting and vote your shares directly. However, even if you do not attend, you may vote by proxy. As shown in the Notice of Annual Meeting, the Annual Meeting will be held on Thursday, June 13, 2013, at The London NYC in New York City, New York. Directions to the meeting location can be found in Appendix C.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 13, 2013**

**Our Notice of Annual Meeting and Proxy Statement, Annual Report to Stockholders, electronic proxy card and other Annual Meeting materials are available on the Internet at [www.proxyvote.com](http://www.proxyvote.com), together with any amendments to any of these materials that are required to be furnished to stockholders.** The Notice of Internet Availability of Proxy Materials contains important information, including instructions on how to access and review the proxy materials online and how to vote your shares over the Internet or by telephone. If you receive a Notice, you will not receive a paper or email copy of the proxy materials unless you request one in the manner set forth in the Notice.

**VOTING**

**How to Vote Your Shares**

If you are a registered stockholder, you can vote at the meeting any shares that were registered in your name as the stockholder of record as of the record date. If your shares are held in street name through a broker, bank or other nominee, you are not a holder of record of those shares and cannot vote them at the Annual Meeting unless you have a legal proxy from the holder of record. If you plan to attend and vote your street name shares at the Annual Meeting, you should request a legal proxy from your broker, bank or holder of record and bring it with you to the meeting.

Whether or not you plan to attend the meeting, we strongly encourage you to vote by proxy prior to the meeting. You may vote your shares prior to the meeting by following the instructions provided on the Notice of Internet Availability of Proxy Materials, this proxy statement and the voter website, [www.proxyvote.com](http://www.proxyvote.com). If you requested a paper copy of the proxy materials, voting instructions are also contained on the proxy card enclosed with those materials.

If you are a *registered* stockholder, there are three ways to vote your shares before the meeting:

## Edgar Filing: VISTEON CORP - Form DEF 14A

*By Internet (www.proxyvote.com):* Use the Internet to transmit your voting instructions until 11:59 p.m. EDT on June 12, 2013. Have your Notice of Internet Availability of Proxy Materials with you when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

*By telephone (1-800-690-6903):* Use any touch-tone telephone to submit your vote until 11:59 p.m. EDT on June 12, 2013. Have your Notice of Internet Availability of Proxy Materials in hand when you call and then follow the instructions you receive from the telephone voting site.

## **Table of Contents**

*By mail:* If you requested a paper copy of the proxy materials, mark, sign and date the proxy card enclosed with those materials and return it in the postage-paid envelope we have provided. To be valid, proxy cards must be received before the start of the Annual Meeting. Proxy cards should be returned to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

If your shares are held in street name, your broker, bank or other holder of record may provide you with a Notice of Internet Availability of Proxy Materials. Follow the instructions on the Notice to access our proxy materials and vote online or to request a paper or email copy of our proxy materials. If you received these materials in paper form, the materials included a voting instruction card so you can instruct your broker, bank or other holder of record how to vote your shares.

You should provide voting instructions for all proposals appearing on the proxy/voting instruction card. The persons named as proxies on the proxy card will vote your shares according to your instructions. However, if you do not provide voting instructions with your proxy, then the designated proxies will vote your shares for the election of the nominated directors, for the ratification of the Company's independent registered public accounting firm, for the approval of the Company's executive compensation, and for approval of the amendment to the Non-Employee Director Stock Unit Plan. If any nominee for election to the Board is unable to serve, which is not anticipated, or if any other matters properly come before the meeting, then the designated proxies will vote your shares in accordance with their best judgment.

## **How to Revoke Your Proxy**

If you are a registered stockholder, you can revoke your proxy and change your vote at any time prior to the Annual Meeting by:

Notifying our Corporate Secretary in writing at One Village Center Drive, Van Buren Township, Michigan 48111 (the notification must be received by the close of business on June 12, 2013);

Voting again by Internet or telephone prior to 11:59 p.m. EDT on June 12, 2013 (only the latest vote you submit will be counted); or

Submitting a new properly signed and dated paper proxy card with a later date (your proxy card must be received before the start of the Annual Meeting).

If your shares are held in street name, you should contact your broker, bank or other holder of record about revoking your voting instructions and changing your vote prior to the meeting.

If you are eligible to vote at the Annual Meeting, you also can revoke your proxy or voting instructions and change your vote at the Annual Meeting by submitting a written ballot before the polls close.

## **Stockholders Entitled to Vote and Ownership**

You are entitled to one vote at the Annual Meeting for each share of the Company's common stock that you owned of record at the close of business on April 16, 2013. As of April 16, 2013, the Company had issued and outstanding 50,236,168 shares of common stock. Information regarding the holdings of the Company's stock by directors, executive officers and certain other beneficial owners can be found beginning on page 14.

A list of the stockholders of record entitled to vote at the Annual Meeting will be available for review by any stockholder, for any purpose related to the meeting, between 9:00 a.m. and 5:00 p.m. at the principal offices of the Company, located at One Village Center Drive, Van Buren Township, Michigan 48111, for ten days before the meeting.

## **Required Vote to Approve the Proposals**

The Company's Bylaws require that a majority of the Company's common stock be represented at the Annual Meeting, whether in person or by proxy, for the quorum that is needed to transact any business.



---

**Table of Contents**

*Election of Directors.* To be elected, directors must receive a majority of the votes cast (the number of shares voted For a director nominee must exceed the number of votes cast Against that nominee), except in the event of a contested election. A properly executed proxy marked Abstain with respect to such matter will not be counted as votes For or Against a director, although it will be counted for purposes of determining whether there is a quorum. In the event of a contested election (where the number of nominees exceeds the number of vacancies), the affirmative vote of a plurality of the votes cast at the meeting would be required for the election of directors. A properly executed proxy marked to withhold authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

*Other Proposals.* For each proposal other than the election of directors, the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote on the item will be required for approval. A properly executed proxy marked Abstain with respect to any such matter will not be voted, although it will be counted for purposes of determining whether there is a quorum. Accordingly, an abstention will have the effect of a negative vote.

If you hold your shares in street name through a broker or other nominee and you do not give voting instructions at least ten days before the meeting to your broker or other nominee, then your broker or other nominee may exercise voting discretion only with respect to matters considered to be routine by the New York Stock Exchange, such as the ratification of the appointment of the independent registered public accounting firm. On non-routine matters, such as the election of directors and the other proposals, the brokers or other nominees cannot vote your shares absent voting instructions from the beneficial holder, resulting in so-called broker non-votes. Broker non-votes are not deemed to be votes cast, and as a result have no effect on the outcome of any matters presented, but will be counted in determining whether there is a quorum.

**Where to Find Voting Results**

The Company will publish the voting results in a Current Report on Form 8-K to be filed with the SEC within four business days after the voting results are known. You will also find the results in the investor information section of the Company's website ([www.visteon.com/investors](http://www.visteon.com/investors)).

**Cost of Solicitation**

The Company will pay for soliciting these proxies. The Company's directors, officers and employees may solicit proxies in person or by telephone, mail, email, telecopy or letter. The Company has also retained Georgeson Inc. to assist it in distributing proxy solicitation materials and soliciting proxies at a cost of approximately \$8,000, plus reasonable out-of-pocket expenses. The Company will reimburse brokers and other nominees for their reasonable out-of-pocket expenses for forwarding proxy materials to beneficial owners.

**ITEM 1. ELECTION OF DIRECTORS**

The first proposal on the agenda for the Annual Meeting will be electing eight directors to hold office until the Annual Meeting of Stockholders to be held in 2014. We expect each nominee for election as a director to be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board chooses to reduce the number of directors serving on the Board.

The Company's Bylaws provide that in any uncontested election (an election in which the number of nominees for director is not greater than the number to be elected), each director shall be elected if the number of votes cast for the nominee's election exceed the number of votes cast against that nominee's election. The Bylaws also provide that any nominee who does not receive more votes cast for the nominee's election than the number of votes cast against that nominee in an uncontested election is expected to promptly tender his or her resignation to the Chairman of the Board, which resignation shall be promptly considered through a process managed by the Corporate Governance and Nominating Committee, to determine if a compelling reason exists for concluding that it is in the best interests of the Company for such incumbent to remain a director based on certain factors. The Corporate Governance and Nominating

---

## **Table of Contents**

Committee shall provide its recommendation to the Board with respect to any tendered resignation within 14 days of the certification of the election voting results and such recommendation shall be acted on by the Board within 30 days of the certification of the voting results. If a resignation offer is not accepted by the Board, it will publicly disclose its decision, including a summary of reasons for not accepting the offer of resignation. In a contested election (an election in which the number of nominees for director is greater than the number to be elected), the directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

### **Director Nomination Process**

The Corporate Governance and Nominating Committee assesses all director candidates, whether submitted by management, a stockholder or otherwise, and recommends nominees for election to the Board. The Corporate Governance and Nominating Committee commenced an active search in 2012 for potential director candidates to increase the Board's size to levels more comparable to its peers and to further enhance the Board's diversity. The Corporate Governance and Nominating Committee engaged Heidrick & Struggles, a director search firm, to assist it in identifying and evaluating potential director candidates, as well as utilizing the contacts of existing directors and executives of the Company. In August 2012, the Board appointed, following the recommendation of the Corporate Governance and Nominating Committee, Messrs. Scricco and Treadwell to the Board. In April 2013, the Corporate Governance and Nominating Committee determined that the incumbent directors wishing to stand for election this year be re-nominated and also determined that Yuen Kam Ho, George be nominated to stand for election at this Annual Meeting. Mr. Yuen was proposed as director candidate for this Annual Meeting by a current director. The key considerations for Board candidates in this process included: specific skills and intellectual capital aligned with the Company's future strategic and operating challenges, strong commitment to increasing shareholder value, core business competencies, including a record of success, financial literacy, and a high degree of ethics and integrity, interpersonal skills, enthusiasm, independence and prior board experience. As noted above, such process also highlighted selecting a Board that would have a diversity of international perspectives and experiences in light of the Company's global business.

The Board concurred with the recommendations of the Corporate Governance and Nominating Committee. The specific experiences, qualifications and skills that were considered in their initial selection, and considered by the Board in their nomination, are included after each of the individual biographies below. Messrs. Cocroft, Jones, Leuliette, Manzo and Wilson are current directors and nominees who have been elected by stockholders at the last annual meeting, and Messrs. Scricco and Treadwell are current directors and nominees who were appointed after the last annual meeting of stockholders.

***The Board of Directors Recommends that You Vote FOR the Election of Duncan H. Cocroft, Jeffrey D. Jones, Timothy D. Leuliette, Robert J. Manzo, Francis M. Scricco, David L. Treadwell, Harry J. Wilson and Yuen Kam Ho, George as Directors.***

### **Nominees for Directors**

**Duncan H. Cocroft** is 69 years old and he has been a director of Visteon since October 18, 2010. Mr. Cocroft is the former Executive Vice President, Finance and Treasurer of Cendant Corporation, a provider of consumer and business services primarily in the travel and real estate services industries, a position he held from June 1999 until March 2004. During that time, Mr. Cocroft also served as Executive Vice President and Chief Financial Officer of PHH Corporation, Cendant's wholly-owned finance subsidiary. Prior to joining Cendant in June 1999, Mr. Cocroft served as Senior Vice President, Chief Administrative Officer and Principal Financial Officer of Kos Pharmaceuticals, Inc. and as Vice President and Chief Financial Officer of International Multifoods Corporation. Mr. Cocroft also serves as a director of SBA Communications Corporation.

Mr. Cocroft has experience as a chief financial officer and other financial oversight positions at large, global public companies, as well as other senior management experience including the oversight of information systems and human resources. He also has experience chairing the audit committee of a public company.

---

**Table of Contents**

**Jeffrey D. Jones** is 60 years old and he has been a director of Visteon since October 1, 2010. Mr. Jones is an attorney with Kim & Chang, a South Korea-based law firm, a position he has held since 1980. Mr. Jones serves as Chairman of the Board of Partners for Future Foundation, a Korean non-profit foundation. Mr. Jones has also served as a director of POSCO and the Doosan Corporation during the past five years.

Mr. Jones has over thirty years of international legal experience, with particular focus on Asia. He has served on the board of multinational companies and has been active in civic and charitable activities. He has served as chairman of the American Chamber of Commerce in Korea, as an advisor to several organizations and government agencies in Korea, and as a recognized member of the Korean Regulatory Reform Commission.

**Timothy D. Leuliette** is 63 years old and he has been Visteon's Chief Executive Officer and President since September 30, 2012, and a director of the Company since October 1, 2010. From August 10, 2012 to September 30, 2012, Mr. Leuliette served as Visteon's Interim Chairman of the Board, Interim Chief Executive Officer and Interim President, and prior to that Mr. Leuliette was the Senior Managing Director of FINNEA Group, LLC, an investment and financial services firm, since October 14, 2010. Mr. Leuliette has also served as the President and Chief Executive Officer of Dura Automotive LLC, an automotive supplier, from July 2008, a director of Dura from June 2008, and the Chairman of the Board of Dura from December 2008. Mr. Leuliette also served as a Managing Director of Patriarch Partners LLC, the majority stockholder of Dura. Prior to that, he served as Co-Chairman and Co-Chief Executive Officer of Asahi Tec Corporation, a manufacturer of automotive parts and other products, and Chairman, Chief Executive Officer and President of Metaldyne Corporation, an automotive supplier, from January 2001 to January 2008. Over his career he has held executive and management positions at both vehicle manufacturers and suppliers and has served on both corporate and civic boards, including as Chairman of the Detroit Branch of the Federal Reserve Bank of Chicago.

Mr. Leuliette has extensive experience in the automotive industry, including leadership roles with diversified suppliers of automotive components, systems and modules. He has deep experience with integrating acquired business, overseeing sophisticated sale transactions and restructuring distressed companies.

**Robert J. Manzo** is 55 years old and has been a director of Visteon since June 14, 2012. Mr. Manzo is the founder and managing member of RJM I, LLC, a provider of consulting services to troubled companies, a position he has held since 2005. From 2000 to 2005, Mr. Manzo was the senior managing director of FTI Consulting, Inc., a global business advisory firm. Mr. Manzo is a graduate of Rider University and is a certified public accountant.

Mr. Manzo has extensive experience advising distressed companies in the automotive and other industries, and possesses financial and accounting expertise.

**Francis M. Scricco** is 63 years old. He was appointed Visteon's non-Executive Chairman of the Board on September 30, 2012, and has been a director of Visteon since August 10, 2012. Mr. Scricco is the former Senior Vice President, Manufacturing, Logistics and Procurement of Avaya, Inc., a global business communications provider, a position he held from February 2007 to October 2008. Prior to that he was Avaya's Senior Vice President, Global Services since March 2004. Mr. Scricco also served as the interim Chief Operating Officer of Oasys Water, Inc. from August 2011 to December 2011 and again from May 2012 to September 2012. Mr. Scricco also serves on the boards of Masonite, Inc., Tembec, Inc. and Wastequip, LLC.

Mr. Scricco has extensive global business leadership experience, including public company board service.

**David L. Treadwell** is 58 years old and has been a director of Visteon since August 10, 2012. Mr. Treadwell currently serves on the boards of Flagstar Bank and FairPoint Communications, which are listed on the New York Stock Exchange. Mr. Treadwell also serves, since January 2011, as Chairman of C & D Technologies, a producer and marketer of electrical power storage and conversion products; as Chairman, since March, 2012 of Revere Industries, a manufacturer of various plastic and metal components for industrial use; and as Chairman, since January 2013, of Grow Michigan, LLC, a \$30 million mezzanine debt fund targeted to promoting economic growth in Michigan's small business community. Mr. Treadwell served as President and CEO of EP Management Corporation, formerly known as EaglePicher Corporation, from August 2006 to September 2011. Mr. Treadwell was EaglePicher's chief operating officer from June 2005 to July 2006. Prior to that, he served as Oxford Automotive's CEO from 2004 to 2005 during their restructuring.

---

**Table of Contents**

Mr. Treadwell has extensive experience in advising and leading distressed companies in the automotive and other industries.

**Harry J. Wilson** is 41 years old and he has been a Director of Visteon since July 28, 2011. He has been the Chairman and Chief Executive Officer of MAEVA Group, LLC, a turnaround and restructuring boutique, since January 2011. Prior to that, he served as a Senior Advisor on the President's Automotive Task Force from March 2009 to August 2009, and he was a Partner at Silver Point Capital, a credit oriented investment fund, where he joined as a Senior Analyst in May 2003 and served until August 2008. Mr. Wilson was the Republican nominee for the office of New York State Comptroller in 2010. He also serves on the boards of Yahoo! Inc. and YRC Worldwide, Inc.

Mr. Wilson has extensive financial and transactional expertise including advising distressed companies in the automotive and other industries.

**Mr. Yuen Kam Ho, George** is 68 years old and, if elected, would become a director of Visteon following the Annual Meeting. Mr. Yuen is the former Chief Executive of The Better Hong Kong Foundation, a non-profit organization founded to enhance public confidence in Hong Kong with overseas business and political leaders, a position he held from September 1997 until August 2006. Prior to that, he was the Assistant Director/Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen is also a non-executive director of PNG Resources Holdings Limited, a Hong Kong listed company, and Industrial and Commercial Bank of China (Asia) Limited. He also served as an independent non-executive director of Tradelink Electronic Commerce Limited, a Hong Kong listed company, from November 2006 until May 2011. Mr. Yuen is a Standing Committee Member of Convocation and Member of the Court of the University of Hong Kong, and a board director/Vice-Chairman of the Hong Kong Society for the Aged since 1979.

Mr. Yuen is active in many international business conferences and government and community activities. He was appointed by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) as a member of the Business Advisory Council since September 2012. He is also an advisor to the following organizations: the China National Committee for Pacific Economic Cooperation (PECC China), the Institute of Finance and Trade Economics, Chinese Academy of Social Sciences, The Shanghai Academy of Social Sciences, and the Board of International Investment of Guangzhou Municipality, China. He is also a Fellow of the Hong Kong Institute of Directors, a member of the British Institute of Management and the Institute of Marketing, United Kingdom. From February 2006 to February 2013, he was a member of the Chinese People's Political Consultative Conference, Guangxi Autonomous Region in China. He graduated from The University of Hong Kong with a Bachelor's Degree (Honors) and attended post-graduate studies at the International Marketing Institute, Oxford University, and INSEAD.

Mr. Yuen has extensive international business leadership experience, including with Hong Kong listed companies, and continuing involvement in global corporate governance and civic concerns.

## CORPORATE GOVERNANCE

### Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines to define the role of the Board, its structure and composition, as well as set forth principles regarding director commitment expectations and compensation. The guidelines also limit the number of other boards a director may serve on and the maximum age of directors.

### Board Leadership Structure

In 2012, the Board re-examined its leadership model that included a combined Chairman/Chief Executive Officer position and an independent lead director. After considering evolving governance practices and its current profile, in September of 2012, the Board appointed a non-executive Chairman, resulting in the separation of the positions of Chairman and Chief Executive Officer. The non-executive Chairman will serve in a lead capacity to coordinate the

**Table of Contents**

activities of the other outside Directors and to perform the duties and responsibilities as the Board of Directors may determine from time to time. Currently, these responsibilities include:

To preside at all meetings of shareholders;

To convene and preside at all meetings of the Board, including executive sessions of the independent Directors;

Develop, with the assistance of the Chief Executive Officer (the CEO), the agenda for all Board meetings;

Collaborate with the CEO, committee Chairs, and other Directors to establish meeting schedules, agendas, and materials in order to ensure that all Directors can perform their duties responsibly and that there is sufficient time for discussion of all agenda items;

Advise the CEO on the quantity, quality, and timeliness of information delivered by management to the Board and provide input so that Directors can effectively and responsibly perform their duties;

Counsel the CEO on issues of interest or concern to Directors and encourage all Directors to engage the CEO with their interests and concerns;

Serve as a liaison on Board-related issues between Directors and the CEO and management although Directors maintain the right to communicate directly with the CEO or any member of management on any matter;

Assist the Board and the Company's officers in assuring compliance with and implementation of the Company's Corporate Governance Guidelines. Work in conjunction with the Corporate Governance and Nominating Committee to recommend revisions, as appropriate, to the Corporate Governance Guidelines;

Make recommendations to the Board concerning the retention of counsel and consultants who report directly to the Board on board matters (as opposed to committee counsel or consultants);

Work with the Chair of each committee during the annual review of committee charters and work with the Chair of the Corporate Governance and Nominating Committee with respect to committee assignments and the recruitment and selection of new Board members;

Represent the Board in shareholder engagement meetings and similar activities with other stakeholders, serve as a focal point for shareholder communications addressed to Directors, and advise the CEO of the timing and substance of such communications; in each case as approved by the Board;

Convene special meetings of the Company's shareholders consistent with the terms of the Company's Bylaws from time to time in effect; and

## Edgar Filing: VISTEON CORP - Form DEF 14A

Help set the tone for the highest standards of ethics and integrity.

The Board believes that a non-executive Chairman can help provide effective, independent Board leadership.

### **Board Risk Oversight**

The Board believes that its primary responsibility is to oversee the business and affairs of the Company for the protection and enhancement of shareholder value, which includes assessing major risks facing the Company and options for mitigating these risks. The committees help the Board carry out this responsibility by focusing on specific key areas of risk inherent in our business.

The Audit Committee oversees risks associated with financial and accounting matters, including compliance with legal and regulatory requirements, and the Company's financial reporting and internal control systems.

The Corporate Governance and Nominating Committee oversees risks associated with corporate governance, including Board structure and director succession planning.

The Organization and Compensation Committee helps ensure that the Company's compensation policies and practices support the retention and development of executive talent with the experience required to manage risks inherent to the business and do not encourage or reward excessive risk-taking by our executives.

## **Table of Contents**

The Finance and Corporate Strategy Committee oversees risks associated with financial instruments, financial policies and strategies, and capital structure.

The Board receives regular updates from the committees about their activities in this regard. The Company's enterprise risk management approach utilizes a risk committee comprised of management level employees to monitor, manage and communicate significant risks related to global financial, operating, strategic, and compliance matters. The risk committee meets on a regular basis, and is chaired by the Company's General Counsel, who makes periodic reports to the Chief Executive Officer and the Board of Directors or its committees.

## **Director Independence**

The Corporate Governance Guidelines adopted by the Board of Directors provide that a majority of the members of the Board, and each member of the Audit, Organization and Compensation, Corporate Governance and Nominating, and Finance and Corporate Strategy Committees, must meet the independence criteria of applicable law and stock exchange listing standards. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with the Company. To assist it in determining director independence, the Board of Directors has adopted the Visteon Director Independence Guidelines. The Visteon Director Independence Guidelines contain categorical standards of independence which conform to, or are more exacting than applicable law and stock exchange listing standards. In addition to applying its guidelines, the Board will consider all relevant facts and circumstances that it is aware of in making an independence determination.

The Board undertook its annual review of director independence in April 2013, and, based on the listing standards of the New York Stock Exchange and the Visteon Director Independence Guidelines, the Board has affirmatively determined that all of the non-employee directors, namely Messrs. Cocroft, Jones, Manzo, Scricco, Treadwell and Wilson, are independent. None of these non-employee directors currently has any relationship with the Company (other than as a director or stockholder). Mr. Leuliette is not independent due to his employment as a senior executive of the Company. In April 2013, the Board also affirmatively determined that Mr. Yuen, a director nominee, would be independent based on the listing standards of the New York Stock Exchange and the Visteon Director Independence Guidelines.

## **Meetings and Executive Sessions**

During 2012, the Board of Directors held nineteen regularly scheduled and special meetings and took action by written consent four times in lieu of additional meetings. Under the Company's Corporate Governance Guidelines, directors are expected to attend all scheduled Board and committee meetings as well as the Company's Annual Meeting of Stockholders. No director attended less than 75% of the aggregate number of meetings of the Board and Board committees on which he or she served during 2012. All current directors who were also on the Board at the time of such meeting attended the last Annual Meeting of stockholders in 2012.

Pursuant to the Corporate Governance Guidelines, the non-employee directors meet without management at the end of every regularly scheduled Board meeting. The presiding director at these meetings is the non-executive Chairman or the Lead Independent Director, or if there be none, the most tenured independent director in attendance.

## **Board Committees**

The Board has established four standing committees. The principal functions of each committee are briefly described on the following pages.

## **Audit Committee**

The Board has a standing Audit Committee, currently consisting of Duncan H. Cocroft (Chair), Robert J. Manzo and David L. Treadwell, all of whom are considered independent under the rules and regulations of the Securities and Exchange Commission, the New York Stock Exchange listing standards and the Visteon Director Independence

## **Table of Contents**

Guidelines. The Board has determined that each of the current members of the Audit Committee has accounting and related financial management expertise within the meaning of the listing standards of the New York Stock Exchange, and Messrs. Cocroft and Manzo is qualified as an audit committee financial expert within the meaning of the rules and regulations of the Securities and Exchange Commission. During 2012, the Audit Committee held seven regularly scheduled and special meetings. The duties of the Audit Committee are generally:

to select and evaluate the independent registered public accounting firm;

to approve all audit and non-audit engagement fees and terms;

to review the activities and the reports of the Company's independent registered public accounting firm;

to review internal controls, accounting practices, financial structure and financial reporting, including the results of the annual audit and review of interim financial statements;

to review and monitor compliance procedures; and

to report the results of its review to the Board.

The charter of the Audit Committee, as well as any future revisions to such charter, is available on the Company's website at [www.visteon.com/investors](http://www.visteon.com/investors). The Audit Committee Report can be found beginning on page 51.

## **Organization and Compensation Committee**

The Board also has a standing Organization and Compensation Committee, consisting of David L. Treadwell (Chair), Duncan H. Cocroft and Jeffrey D. Jones, all of whom are considered independent under the New York Stock Exchange listing standards and the Visteon Director Independence Guidelines. During 2012, the Organization and Compensation Committee held fifteen regularly scheduled and special meetings and took action by written consent two times in lieu of additional meetings. The Organization and Compensation Committee oversees the Company's programs for compensating executive officers and other key management employees, including the administration of the Company's stock-based compensation plans, and approves the salaries, bonuses and other awards to executive officers. Other duties of the Organization and Compensation Committee are generally:

to review and approve corporate goals and objectives relative to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance and set the Chief Executive Officer's compensation level based on this evaluation;

to review and approve executive compensation and incentive plans;

to approve the payment of cash performance bonuses and the granting of stock-based awards to the Company's employees, including officers; and

to review and recommend management development and succession planning.

The charter of the Organization and Compensation Committee, as well as any future revisions to such charter, is available on the Company's website at [www.visteon.com/investors](http://www.visteon.com/investors).



## Edgar Filing: VISTEON CORP - Form DEF 14A

The Chief Executive Officer of the Company, with the consultation of the Senior Vice President, Human Resources, provides recommendations to the committee on the amount and forms of executive compensation, and assists in the preparation of Committee meeting agendas. Pursuant to the Company's 2010 Incentive Plan, the Committee may delegate its power and duties under such plan to a committee consisting of two or more officers of the Company except in respect of individuals subject to the reporting or liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended. The Committee has authorized the Vice President, Compensation, together with the concurrence of either of the chief financial officer or the general counsel, to approve awards of up to 30,000 stock options and/or stock appreciation rights (subject to an annual limit of 300,000 stock options and/or stock appreciation rights) and up to 15,000 shares of restricted stock and/or restricted stock units (subject to an annual limit of 150,000 shares of restricted stock and/or restricted stock units) to individuals the Company desires to hire or retain, except any individual who is or upon commencing employment will be subject to the liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended.

## **Table of Contents**

The Committee has the authority to retain, approve the fees and other terms of, and terminate any compensation consultant, outside counsel or other advisors to assist the committee in fulfilling its duties. During 2012, the Committee retained the firm of Frederic W. Cook & Co., Inc., an executive compensation consulting firm, to advise the Committee on competitive market practices and trends as well as on specific executive and director compensation matters as requested by the Committee or the Board. The Company maintains no other significant direct or indirect business relationships with this firm, and no conflict of interest with respect to such firm was identified. In addition, the Company utilizes Towers Watson and Pay Governance to provide broad-based benchmarking data for executive pay.

### **Corporate Governance and Nominating Committee**

The Board also has a standing Corporate Governance and Nominating Committee, consisting of Robert J. Manzo (Chair), Jeffrey D. Jones and Harry J. Wilson., all of whom are considered independent under the New York Stock Exchange listing standards and the Visteon Director Independence Guidelines. During 2012, the Corporate Governance and Nominating Committee held eight regularly scheduled and special meetings. The duties of the Corporate Governance and Nominating Committee are generally:

to develop corporate governance principles and monitor compliance therewith;

to review the performance of the Board as a whole;

to review and recommend to the Board compensation for outside directors;

to develop criteria for Board membership;

to identify, review and recommend director candidates; and

to review and monitor certain environmental, safety and health matters.

The charter of the Corporate Governance and Nominating Committee, as well as any future revisions to such charter, is available on the Company's website at [www.visteon.com/investors](http://www.visteon.com/investors).

The Corporate Governance and Nominating Committee has the authority to retain consultants to assist with director recruitment and compensation matters. During 2013, the Corporate Governance and Nominating Committee retained the firm of Frederic W. Cook & Co., Inc., to advise the Committee on competitive market practices and trends for outside director compensation.

### **Finance and Corporate Strategy Committee**

The Board has a standing Finance and Corporate Strategy Committee, consisting of Harry J. Wilson (Chair), Jeffrey D. Jones, Robert J. Manzo and David L. Treadwell, all of whom are considered independent under the Visteon Director Independence Guidelines. During 2012, the Finance and Corporate Strategy Committee held ten regularly scheduled and special meetings. The duties of the Finance and Corporate Strategy Committee generally are:

to review and make recommendations to the Board regarding the Company's cash flow, capital expenditures and financing requirements;

to review the Company's policies with respect to financial risk assessment and management including investment strategies and guidelines;

## Edgar Filing: VISTEON CORP - Form DEF 14A

to review and make recommendations on mergers, acquisitions and other major financial transactions requiring Board approval;

to consider and recommend to the Board stock sales, repurchases or splits, as appropriate, and any changes in dividend policy; and

to evaluate bona fide proposals in respect of major acquisitions, dispositions, mergers and other transactions for recommendation to the Board.

The charter of the Finance and Corporate Strategy Committee, as well as any future revisions to such charter, is available on the Company's website at [www.visteon.com/investors](http://www.visteon.com/investors).

**Table of Contents**

**Code of Ethics**

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

**Communications with the Board of Directors**

Stockholders and other persons interested in communicating directly with the Chairman of the Board, a committee chairperson or with the non-management directors as a group may do so as described on the Company's website ([www.visteon.com/investors](http://www.visteon.com/investors)), or by writing to the chairperson or non-management directors of Visteon Corporation c/o of the Corporate Secretary, One Village Center Drive, Van Buren Township, Michigan 48111.

The Corporate Governance and Nominating Committee also welcomes stockholder recommendations of director candidates. Stockholders may suggest candidates for the consideration of the committee by submitting their suggestions in writing to the Company's Secretary, including the agreement of the nominee to serve as a director. In addition, the Company's Bylaws contain a procedure for the direct nomination of director candidates by stockholders (see page 55), and any such nomination will also be automatically submitted to the Corporate Governance and Nominating Committee for consideration.

**Table of Contents****DIRECTOR COMPENSATION**

The table below summarizes the compensation paid by the Company to non-employee directors for the fiscal year ended December 31, 2012. Directors who are employees of the Company receive no additional compensation for serving on the board.

| Name                    | Fees Earned or Paid in Cash (\$)(4) | Stock Awards (\$)(5) | All Other Compensation (\$) | Total (\$) |
|-------------------------|-------------------------------------|----------------------|-----------------------------|------------|
| Duncan H. Cocroft       | 110,000                             | 95,000               |                             | 205,000    |
| Kevin I. Dowd(1)        | 105,000                             | 95,000               |                             | 200,000    |
| Philippe Guillemot(2)   | 47,500                              |                      |                             | 47,500     |
| Herbert L. Henkel(2)    | 52,500                              |                      |                             | 52,500     |
| Mark T. Hogan(2)        | 47,500                              |                      |                             | 47,500     |
| Jeffery D. Jones        | 85,000                              | 95,000               |                             | 180,000    |
| Karl J. Krapek(2)       | 42,500                              |                      |                             | 42,500     |
| Timothy D. Leuliette(3) | 73,750                              | 95,000               |                             | 168,750    |
| Robert J. Manzo         | 47,500                              | 95,000               |                             | 142,500    |
| Francis M. Scricco      | 39,663                              | 229,780              |                             | 269,443    |
| David L. Treadwell      | 39,663                              | 79,780               |                             | 119,443    |
| Harry J. Wilson         | 95,000                              | 95,000               |                             | 190,000    |

(1) Mr. Dowd resigned from the Board effective as of November 5, 2012.

(2) Messrs. Guillemot, Henkel, Hogan and Krapek did not stand for re-election at the 2012 annual stockholders meeting.

(3) Following his appointment as interim Chairman and Chief Executive Officer of the Company on August 10, 2012, no additional payments or awards were made to Mr. Leuliette under any non-employee director plans. See Executive Compensation, for more information.

(4) The following directors deferred 2012 cash compensation into their deferred unit account under the Deferred Compensation Plan for Non-Employee Directors (described below):

| Name       | 2012 Cash Deferred |
|------------|--------------------|
| Mr. Krapek | \$ 42,500          |
| Mr. Manzo  | \$ 47,500          |

(5) As of December 31, 2012 and pursuant to the Visteon Corporation Non-Employee Director Stock Unit Plan (described further below), Messrs. Cocroft, Jones and Leuliette each owned 5,115 stock units, Mr. Wilson owned 3,712 stock units, Mr. Manzo owned 2,436 stock units, and Messrs. Scricco and Treadwell each owned 2,087 stock units. Mr. Scricco also owned 3,331 stock units granted pursuant to the 2010 Incentive Plan.

All non-employee directors currently receive an annual cash retainer of \$85,000. Committee chairs, except for the Chair of the Audit Committee, and Audit Committee members receive an additional annual committee retainer of \$10,000. The Chair of the Audit Committee and the Lead Independent Director, if any, received an additional annual retainer of \$15,000. All retainers are paid in quarterly installments. In addition, the Company reimburses its directors for expenses, including travel and entertainment, they incur in connection with attending board and committee meetings.

The Company's Non-Employee Director Stock Unit Plan provides for an annual grant to each non-employee director of stock units valued at \$95,000 on the day following the Company's annual meeting. Amounts are allocated to the unit accounts based on the average of the high and low price of the Company's common stock on the date of award, and the value of this account is directly related to the performance of the

## Edgar Filing: VISTEON CORP - Form DEF 14A

Company's common stock. Amounts attributed to a director's unit account under the Non-Employee Director Stock Unit Plan will not be distributed until after termination of his or her board service, either in a lump sum or in ten annual installments on the later of January 15th of the year following or six months after the date of termination of service. In 2012, the non-executive Chairman of the Board received a restricted stock unit award valued at \$150,000 under the 2012 Incentive Plan with terms similar to awards under the Non-Employee Director Stock Unit Plan.

**Table of Contents**

Non-employee directors may elect to defer up to 100% of their total retainer and any cash payments under the Deferred Compensation Plan for Non-Employee Directors, a nonqualified benefit plan, into a unit account. The amounts deferred into the unit account are allocated based on the average of the high and low price of the Company's common stock on the date of the deferral, and the value of this account is directly related to the performance of the Company's common stock. Amounts deferred on or prior to September 30, 2010, but after June 1, 2009 were credited to an interest bearing account. All amounts deferred are distributed following termination of board service in a lump sum or in ten annual installments on the later of January 15th of the year following or six months after the date of termination of service. As noted above, stock units held under the Non-Employee Director Stock Unit Plan and the Deferred Compensation Plan for Non-Employee Directors cannot be sold or transferred during a director's service on the Company's board. The Company believes that this restriction best links director and stockholder interests. The Company's current stock ownership guidelines also require non-employee directors to hold all their equity-based awards from the Company until termination from board service.

As part of a review of total non-employee director compensation, in April 2013, the Board of Directors approved an amendment to the Non-Employee Director Stock Unit Plan to increase the annual stock unit grant to \$105,000, subject to stockholder approval at the Annual Meeting. The Board also intends to increase the cash retainer to be paid to non-employee directors to \$95,000 if stockholders approve the amendment to the Non-Employee Director Stock Unit Plan at the Annual Meeting. Please see Item 4. Approval of Amendment to the Visteon Corporation Non-Employee Director Stock Unit Plan, below.

**Table of Contents****STOCK OWNERSHIP**

The following contains information regarding the stock ownership of the nominees for election as directors, the directors continuing in office, the Company's executive officers and beneficial owners of more than five percent of the Company's voting securities.

Ownership of the Company's common stock is shown in terms of beneficial ownership. A person generally beneficially owns shares if he or she has either the right to vote those shares or dispose of them, and more than one person may be considered to beneficially own the same shares.

In this proxy statement, unless otherwise noted, a person has sole voting and dispositive power for those shares shown as beneficially owned by him or her. The percentages shown in this proxy statement compare the person's beneficially owned shares with the total number of shares of the Company's common stock outstanding on April 16, 2013 (50,236,168 shares).

**Directors, Nominees and Executive Officers**

The following table contains stockholding information for the Company's directors, director nominees and executive officers, as well as stock units credited to their accounts under various compensation and benefit plans as of April 16, 2013. No shares have been pledged as collateral for loans or other obligations by any director or executive officer listed below.

| Name                                                                                   | Common Stock<br>Beneficially Owned |                           | Stock<br>Units(2)(3) |
|----------------------------------------------------------------------------------------|------------------------------------|---------------------------|----------------------|
|                                                                                        | Number(1)                          | Percent of<br>Outstanding |                      |
| Timothy D. Leuliette                                                                   |                                    | *                         | 90,371               |
| Duncan H. Cocroft                                                                      | 1,000                              | *                         | 5,115                |
| Jeffery D. Jones                                                                       |                                    | *                         | 5,115                |
| Robert J. Manzo                                                                        | 5,000                              | *                         | 4,547                |
| Francis M. Scricco                                                                     | 3,950                              | *                         | 5,418                |
| David L. Treadwell                                                                     | 2,000                              | *                         | 2,087                |
| Harry J. Wilson                                                                        | 5,000                              | *                         | 3,712                |
| Yuen, Kam Ho, George                                                                   |                                    | *                         |                      |
| Jeffrey M. Stafeil                                                                     |                                    | *                         | 29,070               |
| Robert C. Pallash                                                                      | 13,561                             | *                         | 41,581               |
| Keith M. Shull                                                                         | 26,849                             | *                         | 14,535               |
| Steve Meszaros                                                                         | 54,667                             | *                         | 14,535               |
| Michael J. Widgren                                                                     | 25,910                             | *                         | 7,267                |
| Donald J. Stebbins                                                                     | 41,035                             | *                         |                      |
| Martin E. Welch III                                                                    | 11,933                             | *                         |                      |
| <b>All executive officers, directors and director nominees as a group (17 persons)</b> | <b>268,519</b>                     | <b>*</b>                  | <b>159,145</b>       |

\* Less than 1%.

(1) Includes shares of common stock which the following executive officers had a right to acquire ownership of pursuant to stock options or stock appreciation rights granted by the Company and exercisable on or within 60 days after April 16, 2013: Mr. Pallash (13,561 shares); Mr. Shull (14,926 shares); Mr. Meszaros (14,725 shares); Mr. Widgren (7,473 shares); Mr. Stebbins (41,035 shares) and Mr. Welch (11,933 shares).

(2) For non-employee directors, the amounts shown include stock units credited under the Deferred Compensation Plan for Non-Employee Directors, the Non-Employee Director Stock Unit Plan and the Visteon Corporation 2010 Incentive Plan, and are payable following termination of Board service in cash or shares of common stock at the election of the Company.

(3)



## Edgar Filing: VISTEON CORP - Form DEF 14A

Includes performance and restricted stock units granted to executive officers under the Visteon Corporation 2010 Incentive Plan, which are payable upon vesting in cash or shares of common stock at the election of the Company.

**Table of Contents**

**Other Beneficial Owners**

The Company believes that the following table is an accurate representation of beneficial owners of more than 5% of any class of the Company's voting securities as of April 16, 2013. The table is based upon reports on Schedules 13G and 13D and Forms 4 filed with the Securities and Exchange Commission or other information believed to be reliable.

| <b>Title of Class</b> | <b>Name and Address of Beneficial Owner</b>                                                | <b>Amount and Nature of Ownership</b> | <b>Percent of Class</b> |
|-----------------------|--------------------------------------------------------------------------------------------|---------------------------------------|-------------------------|
| Common Stock          | S.A.C. Capital Advisors, L.P.<br><br>72 Cummings Point Road Stamford,<br>Connecticut 06902 | 2,667,604(1)                          | 5.1%                    |

- (1) Based solely on the Schedule 13G/A, pursuant to an investment management agreement, S.A.C. Capital Advisors, L.P. ( SAC Capital Advisors LP ) maintains investment and voting power with respect to the securities held by S.A.C. Capital Associates, LLC ( SAC Capital Associates ), S.A.C. MultiQuant Fund, L.P. ( SAC MultiQuant Fund ) and S.A.C. Velocity Fund, LLC ( SAC Velocity Fund ). S.A.C. Capital Advisors, Inc. ( SAC Capital Advisors Inc. ) is the general partner of SAC Capital Advisors LP. Pursuant to an investment management agreement, CR Intrinsic Investors, LLC ( CR Intrinsic Investors ) maintains investment and voting power with respect to the securities held by CR Intrinsic Investments, LLC ( CR Intrinsic Investments ). Pursuant to an investment management agreement, Sigma Capital Management, LLC ( Sigma Management ) maintains investment and voting power with respect to the securities held by Sigma Capital Associates, LLC ( Sigma Capital Associates ). Steven A. Cohen controls each of SAC Capital Advisors Inc., CR Intrinsic Investors and Sigma Management. CR Intrinsic Investments is a wholly owned subsidiary of SAC Capital Associates. As a result, each of (i) SAC Capital Advisors LP, SAC Capital Advisors Inc. and Mr. Cohen may be deemed to beneficially own 2,508,552 shares of Common Stock; (ii) CR Intrinsic Investors and Mr. Cohen may be deemed to beneficially own 95,000 shares of Common Stock; and (iii) Sigma Management and Mr. Cohen may be deemed to beneficially own 64,052 shares of Common Stock.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's executive officers, directors and greater than 10% stockholders to file certain reports ( Section 16 Reports ) with respect to their beneficial ownership of the Company's equity securities. Based solely on a review of copies of reports furnished to the Company, or written representations that no reports were required, the Company believes that during 2012 all Section 16 Reports that were required to be filed were filed on a timely basis.

**TRANSACTIONS WITH RELATED PERSONS**

Our Ethics and Integrity Policy instructs all its employees, including the Named Executive Officers, to avoid conflicts between personal interests and the interests of Visteon, as well as any action that has the potential for impacting the Company adversely or interfering with the employee's objectivity. The policy also requires any employee having a financial interest in, or a consulting, managerial or employment relationship with, a competitor, customer, supplier or other entity doing business with Visteon to disclose the situation to their manager or to the legal or human resources departments of the Company. The Company's compliance group implements the Ethics and Integrity Policy and related policies and annually requires all management employees, including the Named Executive Officers, to complete a questionnaire disclosing potential conflicts of interest transactions. In addition, the Audit Committee is responsible for overseeing our ethics and compliance program, including compliance with the Ethics and Integrity Policy, and all members of the Board are responsible for complying with such policy. The Corporate Governance and Nominating Committee reviews the professional occupations and associations of board nominees, and annually reviews transactions between Visteon and other companies with which our Board members and executive officers are affiliated to the extent reported in response to our directors and officers questionnaire. The Ethics and Integrity Policy is in writing. See page 56 of this proxy statement under Miscellaneous for instructions on how to obtain a copy.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

The Organization and Compensation Committee of the Board of Directors (hereafter referred to as the Committee) oversees the Company's programs for compensating executive officers and other key management employees, including the administration of the Company's equity-based compensation plans, and approves the salaries, bonuses and other awards to executive officers. The Committee has reviewed and discussed the Compensation Discussion and Analysis below with management of the Company, and, based on such review and discussion, the Committee has recommended to the Board of Directors that the compensation discussion and analysis so stated be included in this Proxy Statement.

Organization and Compensation Committee

David L. Treadwell (Chairman)

Duncan H. Cocroft

Jeffrey D. Jones

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

This Compensation Discussion and Analysis presents information about the compensation of the following executive officers named in the Summary Compensation Table beginning on page 31 (the Named Executive Officers or NEOs), including:

Timothy D. Leuliette, President and Chief Executive Officer (CEO), effective September 30, 2012; from August 10, 2012, he served as Interim Chairman of the Board, Interim CEO, and Interim President;

Jeffrey M. Stafeil, Executive Vice President, effective October 31, 2012, and Chief Financial Officer (CFO), effective November 2, 2012;

Michael J. Widgren, who served as the interim CFO from October 3 to November 1, 2012, and is the Company's Vice President, Chief Accounting Officer and Corporate Controller;

Steve Meszaros, VP and President, Electronics Product Group;

Robert C. Pallash, SVP and President, Global Customer Group; and

Keith M. Shull, SVP, Human Resources until April 30, 2013.

Compensation information is also presented for two former executive officers: Donald J. Stebbins, who served as our principal executive officer until his departure on August 10, 2012, and Martin E. Welch III, who served as our principal financial officer until his departure on October 3, 2012.

**Executive Summary**

*2012: A Year of Transformation and Enhanced Focus*

The Company experienced changes in its leadership in 2012 that have better positioned the Company for creating long-term shareholder value through the development of a clear, multi-year value creation strategy. In response to the views of our shareholders, the Company is better focused to achieve the shareholder return potential from our businesses. During the year, the Board of Directors underwent important changes to its composition—three new directors joined the Board, while six directors departed. The Board also hired a new CEO and CFO to create, and execute the new strategy. Collectively, the Board and management are focused on delivering greater profits and cash generation, and, therefore, improved shareholder returns. The new value creation strategy includes:

Achieving appropriate recognition for the value of its climate business and Chinese interiors joint venture;

Rationalizing the Company's interiors business in a manner that achieves appropriate value, while serving its customers;

Enhancing the scale of our electronics business; and

## Edgar Filing: VISTEON CORP - Form DEF 14A

Rationalizing underperforming facilities and selling, general, and administrative expenses.

*The Majority of Target Pay and Incentive Compensation Opportunities Are Directly Based on Shareholder Returns*

Since the ultimate measure of the Company's success by our shareholders is the long-term performance of the stock price, the Organization and Compensation Committee redesigned the executive officer long-term incentive structure to better align management to the Company's strategy. Specifically, the executive officer team, including the Named Executive Officers, have most of their target total pay opportunity based on achieving sustained share price appreciation (stock price plus dividends). Rather than setting goals each year for the long term incentive program, the Committee granted in late 2012 three years of long-term incentive awards covering 2013 through 2015. As a result, the CEO and other Named Executive Officers will not receive regular long-term incentive awards again until 2016.

We will continue to review base salaries and annual incentive award opportunities, which focus on specific annual financial and operational drivers of shareholder value. As a result, management's total pay package will be delivered through a pay-for-performance design utilizing a mix of award types, performance metrics, and performance assessment periods.

**Table of Contents**

*Other Business, Governance and Performance Highlights*

In 2012, we had solid performance in many areas; highlights of key business, governance, and financial achievements include:

Since the announcement of our new CEO, the Company's total shareholder return was greater than 30% through February 28, 2013;

Generating positive free cash flow, a milestone achievement for the Company;

Managing trade working capital to be 6.93% of our 2012 sales;

Achieving key strategic actions including the sale of its Lighting business, its Michigan corporate headquarters facility and a U.K. interiors joint venture (R-TEK);

Laying the groundwork to combine the Company's climate business with its South Korean subsidiary, Halla Visteon Climate Control Corporation;

Reducing U.S. pension plan liabilities by providing the opportunity for certain participants in the closed U.S. pension plan to elect a lump sum buyout to receive their benefits now; and

Transitioning all executive change in control agreements to have a double trigger.

*2012 Named Executive Officer Annualized Target Compensation Opportunity Is Primarily Performance-based*

The vast majority of the annualized target compensation opportunity is performance-based with the amounts realized, if any, based on our financial results or stock price performance. In 2012, 77% of the six Named Executive Officers' annualized target compensation was provided through annual and long-term incentive award opportunities.

Base Salary 23% of the target compensation mix

Annual Incentive award opportunity 18%

Long-Term Incentive award opportunity 59%

## Edgar Filing: VISTEON CORP - Form DEF 14A

### *Our Solid 2012 Performance Results Are Reflected in the 2012 Compensation*

The 2012 compensation for our Named Executive Officers is commensurate with the Company's 2012 performance and the goals of our executive compensation program. The mix of award types and incentive plan performance measures were selected to align with our business strategy, talent needs, and market practices. Actual pay realized by the executive officers was based primarily on annual and long-term financial and stock price performance results. A minority of pay was based on fixed elements (base salaries, perquisites, and retirement benefit contributions), given our focus on performance-based pay elements (annual and long-term incentives).

Our 2012 results exceeded the thresholds for our Annual Incentive award, which is weighted 75% on financial results and 25% on quality and strategic actions, resulting in funding of awards at approximately 91% of target:

| <b>Performance Measures &amp; Weightings</b> | <b>Performance Results</b> |
|----------------------------------------------|----------------------------|
| Adjusted EBITDA (65%)                        | 87% of Target              |
| Working Capital as % Sales (10%)             | 59% of Target              |
| Product Quality (10%)                        | 93% of Target              |
| Strategic Actions (15%)                      | 125% of Target             |

## **Table of Contents**

### **2012 Say-on-Pay Advisory Vote Outcome**

In 2012, our executive compensation program received 91.4% approval from our shareholders. We believe that this result demonstrates our shareholders' strong endorsement of the Organization and Compensation Committee's executive compensation decisions and policies. Our shareholder vote was one of many factors considered by the Committee in reviewing the Company's executive compensation program.

### **Executive Compensation Program Design and Governance Practices**

Our executive compensation program is designed to provide strong alignment between executive pay and Company performance and is in alignment with best practices.

#### **Pay Philosophy**

Pay levels are targeted to be, on average, at market median levels.

The *majority* of NEOs' annual target compensation is only earned if specific goals are achieved or the Company's stock price appreciates over time.

Incentive award opportunities with payouts based on specific goals are capped at 200% (or lower) of the target award opportunity.

#### **Incentive Design**

Incentive award opportunities are provided through a combination of annual incentive, long-term incentive and other equity-based award opportunities.

The annual incentive program uses multiple performance measures providing a balanced focus and commensurate awards based on earnings, working capital, product quality and achievement of specific strategic actions.

Long-term and special incentives are linked to the future value of the Company's stock price and delivered through a mix of award types to drive achievement of specific goals and facilitate executive retention.

Amounts realized by executives, if any, are commensurate with our achievement of specific goals or the Company's multi-year stock price performance.

#### **Key Governance Aspects**

The Company does not have, nor will it enter into any new, change in control agreements with modified single-triggers.

In order to implement this governance best practice, the CEO's and CFO's agreements do not have such a provision and, effective October 2012, new agreements with each of the other Named Executive Officers were implemented to eliminate the modified single-triggers.



## Edgar Filing: VISTEON CORP - Form DEF 14A

As such, all of the change in control agreements have a double trigger , which would require that the executive be involuntarily terminated or terminate with Good Reason following a change in control in order to receive benefits under the agreement.

No excise tax gross-up provisions are contained in our change-in-control severance arrangements.

NEOs are subject to minimum stock ownership guidelines to ensure ongoing, meaningful alignment with stockholders.

Stock trading policy contains a prohibition on hedging transactions, purchasing the company s common stock on margin or pledging such shares.

Limited perquisites are provided and the Company sold the aircraft it previously owned.

U.S. defined benefit pension plans are frozen .

Adopted a compensation recovery policy for executive officers in the event of a financial restatement.

**Table of Contents**

**Program Administration**

The Organization and Compensation Committee (the Committee) reviews and approves all aspects of the compensation program for NEOs.

An independent executive compensation consultant, who has no other consulting arrangement with the Company, is engaged directly by the Committee to assist with the ongoing review of the compensation programs.

Annually the Committee reviews key elements of the program considering our business and talent needs, as well as market trends.

Market compensation practice is one of several inputs (along with reviewing pay tally sheets, business/talent needs, reasonableness, and cost) considered by the Committee in the design of the program.

**Executive Compensation Program Administration**

The Committee is primarily responsible for administering the Company's executive compensation program. The Committee reviews and approves all elements of the executive compensation program that cover the Named Executive Officers. In fulfilling its responsibilities, the Committee is assisted by its independent compensation consultant and takes into account recommendations from the CEO. The primary roles of each party are summarized below.

| <b>Party:</b>                                                                              | <b>Primary Roles:</b>                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organization and Compensation Committee<br><br>(comprised solely of independent directors) | Oversee all aspects of the executive compensation program<br><br>Approve officer compensation levels, incentive plan goals and award payouts<br><br>Approve specific goals and objectives, as well as corresponding compensation, for the CEO                                                                                                                                                                    |
| Senior Management<br><br>(CEO, CFO, SVP HR, and General Counsel)                           | Ensure the executive compensation program best achieves the Company's objectives, considering the business strategy, talent needs, and market trends<br><br>Make recommendations regarding the potential structure of the executive compensation program, including input on key business strategies and objectives<br><br>Make recommendations regarding the pay levels of the officer team (excluding the CEO) |
|                                                                                            | Provide any other information requested by the Organization and Compensation Committee                                                                                                                                                                                                                                                                                                                           |

## Edgar Filing: VISTEON CORP - Form DEF 14A

Compensation Consultant

Advise the Organization and Compensation Committee on competitive market practices and trends

(Frederic W. Cook & Co., Inc.)

Provide proxy pay data for our compensation peer group

Present information and benchmarking regarding specific executive compensation matters, as requested by the Organization and Compensation Committee

Review management proposals and make recommendations regarding CEO pay

Additional information about the role and processes of the Organization and Compensation Committee is presented above under Corporate Governance Organization & Compensation Committee.

**Table of Contents**

**Executive Compensation Program Philosophy**

The primary objectives of the Company’s executive compensation program are to recruit, motivate, and retain highly-qualified executives who are key to our long-term success and will focus on maximizing shareholder value. As such, the Company’s executive compensation program is structured to accomplish the following:

Drive achievement of the Company’s strategic plans and objectives;

Create strong alignment of the interests of executives with the creation of shareholder value, particularly as measured by total shareholder return/stock price appreciation;

Provide a market competitive total compensation package customized to fit our business and talent needs; and

Be cost-effective and straightforward to understand and communicate.

For each element of compensation and in total, the Company generally targets annualized compensation to be within market median levels, considering an individual’s experience, performance, and business impact, as well as our organizational structure and cost implications. The target compensation mix is set based on position responsibilities, individual considerations, and market competitive practices. The proportion of variable, or at risk, compensation, provided through incentive programs, increases as an employee’s level of responsibility increases commensurate with the position’s impact on the business. The actual pay earned, if any, for annual and long-term incentives reflects Company and individual performance.

**Market Compensation Practices**

As one of the inputs in determining executive compensation, annually, the Company reviews survey and proxy compensation data regarding market practices. In early 2012, the Company reviewed NEO base salaries, target annual and long-term incentive award opportunities, as well as selected pay program design practices. In conducting this review, the Committee selected a group of 19 comparably-sized companies in similar industries (the Compensation Peer Group) with median annual revenues of approximately \$8 billion (range of \$4 to \$17 billion), and general industry as comparators. We believe the Compensation Peer Group represents a reasonable comparator group of direct automotive supplier peers and other related companies in which we currently compete for executive talent. When general industry compensation data is used, the Company is not aware of the specific participant companies in the analysis. The Compensation Peer Group is listed below.

|                          |                                    |                               |
|--------------------------|------------------------------------|-------------------------------|
| AGCO Corporation         | Federal-Mogul Corp.                | Parker-Hannifin Corporation   |
| Autoliv, Inc.            | Flowserve Corp.                    | Rockwell Automation Inc.      |
| BorgWarner Inc.          | Lear Corporation                   | SPX Corporation               |
| Cummins Inc.             | Meritor, Inc.                      | Tenneco Inc.                  |
| Dana Holding Corporation | Navistar International Corporation | TRW Automotive Holdings Corp. |
| Dover Corp.              | Oshkosh Corporation                |                               |
| Eaton Corporation        | PACCAR Inc.                        |                               |

In August 2012, the Committee reviewed the peer group (listed above) for appropriateness in light of the Company’s recently completed and potential future asset dispositions, and decided changes were warranted to reflect the lower projected future annual revenues of the Company. As a result of this review, the Committee selected 16 companies in similar industries (the Revised Compensation Peer Group) with median annual revenues of \$7 billion (range of \$2 to \$16 billion); 13 of these companies were in the prior peer group. The Revised Compensation Peer Group, listed below, was used to assist in developing the compensation package for the CEO and CFO hired in the latter part of 2012.

Edgar Filing: VISTEON CORP - Form DEF 14A

American Axle & Manufacturing  
Autoliv, Inc.  
BorgWarner Inc.  
Dana Holding Corporation  
Federal-Mogul Corp.

Flowserve Corp.  
ITT  
Lear Corporation  
Meritor, Inc.  
Navistar International Corporation

Oshkosh Corporation  
Rockwell Automation Inc.  
SPX Corporation  
Tenneco Inc.  
Timken Co.  
TRW Automotive Holdings Corp.

**Table of Contents****Executive Compensation Program Description of Primary Elements**

An overview of the primary elements of the executive compensation program is presented below. Consistent with our emphasis on aligning pay and performance, the largest portion of the target compensation opportunity is provided through annual and long-term incentive programs.

Each primary element of the executive compensation program is described below.

*Base Salary*

Base salaries, combined with medical, life and disability benefits, provide basic security for our employees at levels necessary to attract and retain a highly qualified and effective salaried workforce. Base salaries are determined taking into account market data as well as an individual's position, responsibilities, experience and value to the Company. The actual salaries paid to each Named Executive Officer for 2012 are presented in the Summary Compensation Table. For Messrs. Leuliette and Stafeil, who were hired during 2012, their compensation packages are discussed in detail in the sections CEO Compensation and CFO Compensation, respectively.

*Annual Incentive Awards*

The Company's Annual Incentive program provides key salaried employees the opportunity to earn an annual cash incentive award based on individual performance if the Company achieves specified financial, operational, and strategic objectives. This program is designed to motivate executives to achieve key short-term financial and operational goals of the Company. The target incentive opportunities are expressed as a percentage of base salary, which are set by the Organization and Compensation Committee considering the potential impact on the business of each role, the relationships among the roles and market competitive levels for the positions. The target annual incentive opportunities, as a percentage of base salary as of December 31, 2012, are Mr. Leuliette 120%, Mr. Stafeil 80% (starting in 2013), Messrs. Meszaros, Pallash and Shull 60%, and Mr. Widgren 50%.

On February 28, 2012, the Organization and Compensation Committee approved Annual Incentive award opportunities for approximately 1,700 global salaried employees, including the Named Executive Officers. The 2012 award opportunities were based on the Company's achievement of four metrics chosen for their importance to external stakeholders, such as customers and investors:

| <b>Measure</b>                | <b>Weighting</b> | <b>Focus of Measure</b>   | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adjusted EBITDA               | 65%              | Earnings growth           | Net income (loss) attributable to the Company, plus net interest expense, provision for income taxes and depreciation and amortization, as further adjusted to eliminate the impact of asset impairments, gains or losses on divestitures, net restructuring expenses and other reimbursable costs, certain non-recurring employee charges and benefits, reorganization items and other non-operating gains and losses. |
| Working Capital as % of Sales | 10%              | Cash management           | Average quarterly trade working capital, which equals trade receivables plus inventory minus trade payables, as a percentage of average quarterly product sales.                                                                                                                                                                                                                                                        |
| Product Quality               | 10%              | Manufacturing quality     | Parts per million defective, which is based on customer assessments and comparison of results to the prior year.                                                                                                                                                                                                                                                                                                        |
| Strategic Actions             | 15%              | Operational and strategic | Various operational and strategic goals related to optimizing the business (such as facility closures and consolidations, and selling the corporate headquarters), completing targeted mergers or acquisitions, and other important actions that help drive shareholder value.                                                                                                                                          |

**Table of Contents**

Specific threshold and target metrics for the 2012 Annual Incentive are set forth below, as well as 2012 actual results.

| <b>Measure</b>                      | <b>2012 Threshold</b>             | <b>2012 Target</b>                                                      | <b>2012 Actual</b>                                   | <b>Resulting Award as % of Target</b> |
|-------------------------------------|-----------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------|
| Adjusted EBITDA                     | \$620 million<br>(75% of Target)  | \$655.3 million                                                         | \$637.0 million (87% of Target)                      | 87%                                   |
| Working Capital as % of Sales       | 7.0%<br>(50% of Target)           | 6.6%                                                                    | 6.93% (59% of Target)                                | 59%                                   |
| Product Quality (parts per million) | 5% improvement<br>(75% of Target) | 10% improvement                                                         | 9.3% improvement (93% of Target)                     | 93%                                   |
| Strategic Actions                   | Same as Target                    | Qualitative assessment of various listed actions (at least six actions) | Achieved 9 strategic actions<br><br>(125% of Target) | 125%                                  |

Based on 2012 actual results, Annual Incentive awards were earned at approximately 91% of target. Final awards are based on an assessment of each individual's performance and may be adjusted downward or, for executives who are not subject to Section 162(m) tax rules, upward. Of the NEOs, Mr. Widgren's final award was adjusted upward by approximately 15% to reflect his additional contributions to the Company in completing a number of critical initiatives. The amounts paid to the Named Executive Officers are set forth in the Summary Compensation Table, under the column Non-Equity Incentive Plan Compensation.

In addition, Mr. Stafeil was not eligible to participate in the 2012 Annual Incentive program. However, to recognize his considerable contributions to the Company during late 2012 and early 2013, the Committee elected to make a discretionary special cash bonus award to Mr. Stafeil in the amount of \$25,000. This amount is reflected in the Summary Compensation Table, under the column Bonus.

*Long-Term Incentive Awards*

The Company's Long-Term Incentive program is designed to reward salaried employees for the achievement of specified multi-year goals that are linked to the Company's long-term financial and strategic objectives, to align the delivery of incentive value with increases in the Company's stock price and to retain key employees. Typically awards are granted with a vesting or performance period of three years; however, in some situations, such as the recruitment of new executives or to focus on mid-term objectives, the Company may use a shorter or longer period. The total targeted long-term incentive (LTI) award opportunity, expressed as a percentage of base salary, is determined by organization level.

**Table of Contents**

In 2010, the Company granted restricted stock units or restricted stock; and in 2011, stock options or stock appreciation rights were granted. The February 2012 grant mix included several award types in order to best achieve a balanced focus on the achievement of multi-year goals, stock price performance, and longer-term retention of key executives. The Committee granted performance stock units, stock options (or stock appreciation rights ( SARs )) and restricted stock units (or restricted stock). Each of the award types granted on February 28, 2012 is described below.

**Award Type and Weighting**

Performance Stock Units (50% of the total LTI award)

**Primary Role**

Reward the achievement of total shareholder return (TSR) results over 2012 to 2014 relative to returns of similar companies

**Design Features**

Performance stock units (PSU) provide executives the opportunity to earn shares based on the Company's three-year total stockholder return (TSR) relative to 17 automotive sector peer companies (listed below)

To transition to this new award type, three separate performance cycles commenced in 2012: one-year (2012) cycle for 25% of PSU opportunity, two-year (2012 to 2013) cycle for 25% of PSU opportunity, and three-year (2012 to 2014) cycle for 50% of the PSU opportunity

Awards can be earned up to 150% of the target award opportunity based on the Company's TSR performance ranking within the comparator group (Visteon plus the 17 TSR peer companies)

No award if Visteon is in the bottom 4 of companies

#5 rank 35% of the target award

#10 rank 100% of the target award

#15 or higher rank 150% of the target award

Award payouts for performance between the rankings specified above is determined based on interpolation



## Edgar Filing: VISTEON CORP - Form DEF 14A

|                                                                         |                                                                         |                                                                                                                |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Stock Options or Stock Appreciation Rights (25% of the total LTI award) | Reward for appreciation in the Company's stock price                    | TSR is calculated using the 20-trading day average closing price at the start and end of the performance cycle |
|                                                                         |                                                                         | Exercise price equal to the average of the high and low trading prices on the date of grant                    |
|                                                                         |                                                                         | Vest one-third per year beginning one year after the date of grant                                             |
| Restricted Stock Units or Restricted Stock (25% of the total LTI award) | Facilitate retention and provide an ownership-like stake in the Company | Ten-year term, upon which any unexercised options/SARs would expire                                            |
|                                                                         |                                                                         | Vest one-third per year beginning one year after the date of grant                                             |

**Table of Contents**

The number of stock units and options awarded was based on each executive's February 2012 LTI opportunity, which, as a percentage of base salary, was 150% for Messrs. Meszaros, Pallash and Shull, and 105% of base salary for Mr. Widgren. In addition to his regular 2012 LTI grant, Mr. Shull received a special grant in February 2012 of restricted stock in order to recognize his outstanding contributions and to help retain him. For tax and legal reasons, stock appreciation rights are granted in lieu of stock options to employees for whom the United States is not their home country, which included only Mr. Pallash amongst the NEOs.

The following companies were selected as the Relative TSR Peer Group, which were selected as a reasonable cross-section of companies in which the Company competes with for capital resources.

Relative TSR Peer Group (17 companies)

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

Mr. Leuliette served as Interim Chairman of the Board, Interim Chief Executive Officer and Interim President of the Company from August 10, 2012 to his appointment as the permanent Chief Executive Officer and President. During this time period he received a monthly base salary of approximately \$96,000 and a signing bonus of \$500,000 in cash. In connection with his appointment as permanent Chief Executive Officer and President, the Company and Mr. Leuliette entered into an employment agreement, dated as of September 30, 2012, with an initial term of three years and three months through December 31, 2015. Under the agreement, Mr. Leuliette will receive an annualized base salary of \$1.15 million, and a target Annual Incentive award opportunity of 120% of his base salary. The annualized pay opportunities were set based on market competitive levels for an experienced CEO and, thus, targeted to be between the median and 75<sup>th</sup> percentile of the Revised Compensation Peer Group. In addition, he received a cash sign-on payment of \$500,000, subject to clawback if Mr. Leuliette is terminated for cause or voluntarily terminates his employment without good reason before December 31, 2014. Mr. Leuliette's Annual Incentive award for 2012, was pro-rated for his time served as an executive in 2012 from August 10, 2012, the date of his appointment as Interim Chairman of the Board, Interim Chief Executive Officer and Interim President of the Company. His annualized regular target total direct compensation opportunity is approximately \$6.9 million with 83% variable (provided through annual and long-term incentive plans that are subject to financial, operational or stock price performance results), as follows:

| Pay Element                           | Annualized Target Pay Level |            |
|---------------------------------------|-----------------------------|------------|
|                                       | Level (\$000)               | % of Total |
| Base Salary                           | \$ 1,150.0                  | 17%        |
| Annual Incentive Opportunity          | \$ 1,380.0                  | 20%        |
| Long-Term Incentive Award Opportunity | \$ 4,387.1                  | 63%        |
| Target Total Direct Compensation      | \$ 6,917.1                  | 100%       |

In order to directly align Mr. Leuliette's long-term incentive award opportunities with shareholder value creation, as reflected by the Company's stock price performance, and his initial employment period, ending December 31, 2015, the Committee structured the grant as follows:

Weighted the grant 75% performance and time-based stock units and 25% time-based restricted stock units.

Specified levels of Company TSR that are required to earn the performance-based stock units, since the key measure of the CEO's success in creating shareholder value is the performance of the Company's stock price (see detailed description of this plan below), as well as continued service through the vesting date.



**Table of Contents**

Set the grant levels to cover awards through 2015 (three years and five months of expected service as CEO and President). In lieu of annual Long-Term Incentive awards, an up-front equity grant covering three years and five months worth of awards was granted to align to the new business strategy and closely link CEO realized compensation to shareholder value creation. The equity grant is intended to be in place of any other regular equity awards that might otherwise have been granted to Mr. Leuliette for 2012 through 2015.

The number of stock units awarded was based on the annualized Long-Term Incentive opportunity, as a percentage of annual base salary, of approximately 380%.

This annualized award opportunity was multiplied by the grant coverage period of 3 years and 5 months, resulting in the target total grant value of approximately \$15 million (annualized opportunity of approximately \$4.4 million), as shown below.

| Covered Period                            | Long-Term Incentive Award Opportunity (\$000) |
|-------------------------------------------|-----------------------------------------------|
| August to December 2012                   | \$ 1,827.9                                    |
| 2013                                      | \$ 4,387.1                                    |
| 2014                                      | \$ 4,387.1                                    |
| 2015                                      | \$ 4,387.1                                    |
| <b>Total Target LTI Award Opportunity</b> | <b>\$ 14,989.2</b>                            |

Of the total target award opportunity of \$15 million covering three years and five months, 75% (approximately \$11.3 million) was granted in performance-based stock units and 25% (approximately \$3.8 million) was granted in time-based restricted stock units.

Note: The value of the equity awards reflects the accounting grant date fair value. For the performance-based stock units, which can be earned based on TSR performance, accounting grant date fair values were determined using a Monte Carlo Simulation in accordance with FASB ASC Topic 718 and prepared by a third-party consultant, Aon Radford.

The time-based restricted stock units will vest in three equal annual installments on August 10th of each of 2013, 2014, and 2015, respectively, subject to continued employment.

*CFO Compensation*

On October 31, 2012, Jeffrey M. Stafeil was appointed as Executive Vice President and, effective November 2, 2012, Chief Financial Officer. Mr. Stafeil will receive an initial annualized base salary of \$650,000, target Annual Incentive award opportunity of 80% of his base salary commencing in 2013 and an annualized Long-Term Incentive award opportunity of 200% of his base salary commencing in 2016. Mr. Stafeil received a cash sign-on payment of \$450,000 (which is subject to forfeiture in whole or in part in certain events) and a sign-on equity grant, as detailed below, similar in design to the grants to the other Named Executive Officers. The annualized pay opportunities and other pay elements were set based on market competitive levels for an experienced CFO and reflected the levels necessary to recruit Mr. Stafeil to leave his prior employer to join the Company.

*Multi-Year Incentive Grants and New TSR Plan*

In support of the Company's new business strategy and to ensure the executive officer teams' potential awards were aligned to the achievement of specific levels of shareholder value creation, equity grants were made in the fourth quarter of 2012 in lieu of additional regular annual grants through 2015. Consistent with our focus on shareholder value creation, a majority of the award opportunity (75% of the grant date value) was provided through performance-based stock units and the remainder in time-based restricted stock units. The terms of the performance-based stock units and restricted stock units, which were made under the Visteon Corporation 2010 Incentive Plan, are substantially the same for the Named Executive Officers, and are intended to be in lieu of future potential awards under the Company's long-



**Table of Contents**

term incentive program for 2013, 2014 and 2015. The following table presents the number of performance-based stock units and restricted stock units granted to each of the Named Executive Officers:

| Name                 | Grant Date         | Coverage Period | Restricted Stock Units | Performance-Based Stock Units |
|----------------------|--------------------|-----------------|------------------------|-------------------------------|
| Timothy D. Leuliette | September 30, 2012 | Through 2015    | 85,256                 | 345,914                       |
| Jeffrey M. Stafeil   | October 31, 2012   | Through 2015    | 29,070                 | 120,106                       |
| Steve Meszaros       | October 29, 2012   | Through 2015    | 14,535                 | 60,053                        |
| Robert C. Pallash    | October 29, 2012   | Through 2015    | 14,535                 | 60,053                        |
| Keith Shull          | October 29, 2012   | Through 2015    | 14,535                 | 60,053                        |
| Michael J. Widgren   | October 29, 2012   | Through 2015    | 7,267                  | 30,026                        |

Mr. Leuliette's time-based restricted stock units will vest in three equal annual installments on August 10th of each of 2013, 2014, and 2015, respectively, subject to continued employment. The other officers' restricted stock units will vest in three equal annual installments on October 29<sup>th</sup> of each of 2013, 2014, and 2015, respectively, subject to continued employment.

The performance-based stock units will be earned, subject to continued employment, based on total shareholder return for the period between the grant date and December 31, 2015, as detailed below. Vesting requires both stock price achievement and continued employment. Upon achievement of TSR of at least \$53.50, an increase of approximately 20% from the September grant date price, the percentage of the target award earned, but not vested until December 31, 2015, will be determined as follows:

| TSR Achievement   | % of Target Shares Earned |
|-------------------|---------------------------|
| \$70.00 or higher | 100%                      |
| \$64.00           | 67%                       |
| \$53.50           | 33%                       |
| < \$53.50         | 0%                        |

For TSR achievement between \$53.50 and \$64.00 or between \$64.00 and \$70.00, straight-line interpolation is applied to determine the number of shares earned.

The TSR performance level achieved is measured based on the highest average closing stock price that was achieved for 20 consecutive trading days, plus the value of cash dividends paid per share of stock from the grant date through the last day of the same 20-day period, of the performance period ending December 31, 2015. Awards may be earned prior to December 31, 2015, but are not vested (or payable) until the end of the performance period on December 31, 2015 (or earlier for certain types of termination of employment).

The treatment of the performance based stock units and time-based restricted stock unit awards under various potential types of termination of employment are presented below under the heading Potential Payments Upon Termination.

**Other Compensation Elements***Stock Ownership Guidelines*

The Company has adopted stock ownership goals for all elected officers of the Company. The goal for these officers is to own common stock worth a multiple of salary, ranging from one times salary up to six times salary for the Chief Executive Officer, within five years from their date of hire or election, if later. All of the Named Executive Officers employed by the Company for five years or more are in compliance with the stock ownership guidelines. For the purpose of determining compliance with the stock ownership guidelines, the calculation includes stock owned directly, restricted stock, and restricted stock units (but excludes unexercised stock options and stock appreciated rights, and unearned performance stock units). Visteon's Stock Ownership guidelines are as follows:

Edgar Filing: VISTEON CORP - Form DEF 14A

Chief Executive Officer six times base salary;

Executive and Senior Vice Presidents and Product Group Presidents three times base salary; and

All other officers one times base salary.

---

**Table of Contents**

*Executive Perquisites and International Service Employee Program*

The Company provides the Named Executive Officers with a flexible perquisite allowance program. The flexible perquisite allowance is a fixed amount that is paid to each eligible executive in installments and is designed to cover his or her expenses related to legal and financial counseling, excess liability insurance premiums, tax preparation, and airfare for spouse or partner accompanying employee on business travel, among other items. For Named Executive Officers, the amount of the allowance varies by management level, with a range of \$15,000 to \$60,000 per year and is not grossed up. The amount paid to the Named Executive Officers in 2012 pursuant to the flexible perquisite allowance program is set forth in the All Other Compensation column of the Summary Compensation Table. The Company also maintains an Executive Security Program that permits the Chief Executive Officer to use corporate provided aircraft for personal and business travel, and provides the benefit of various personal health and safety protections. The Chief Executive Officer does not receive a tax gross-up for personal use of corporate provided aircraft.

As a global organization, senior executives of the Company are located in key business centers around the world. To facilitate the assignment of experienced employees to support the business the Company has an International Long Term Assignment Policy to address incremental costs incurred by assignees as a result of their international assignments. The policy provides for the reimbursement of incremental housing, cost of living, education and other costs incurred in conjunction with international assignments as well as the tax costs associated with these payments. The Company provides tax equalization to employees on international assignment. The tax equalization policy is intended to ensure that the employee bears a tax burden that would be comparable to the home country tax burden on income that is not related to the international assignment. It is the objective of the Company's International Long Term Assignment Policy that the employee not be financially disadvantaged as a result of the international assignment nor that the employee experience windfall gains. Two of the Company's key executives were on international assignment in 2012. Mr. Pallash is based in Shanghai, China, and Mr. Meszaros is based in Chelmsford, England.

*Retirement Benefits Overview*

The Named Executive Officers participate in the Company's retirement and savings plans in their respective home countries on the same basis as other similarly situated employees, except for the supplemental retirement and retiree health care described below. Historically, these benefits were needed in the Company's industry to compete for talent. Over the last several years, the Company has made changes to the type of retirement plans and the level of benefits provided under such plans, based on an assessment of the Company's business and talent needs, costs, market practices, and other factors. Effective January 1, 2012, the U.S. defined benefit pension plan was frozen for all participants. All of the NEOs participate in U.S.-based plans except Mr. Pallash who participates in certain U.K.-based plans.

The Named Executive Officers other than Mr. Pallash, as well as most U.S. salaried employees, are entitled to participate in the Visteon Investment Plan, Visteon's 401(k) investment and savings plan. Effective January 1, 2012, the Company's match increased to a rate of 100% of the employee's eligible contributions up to 6% of pay, which was designed to attract and retain employees in light of the changes made to other retirement benefit plans. Amounts deferred for each Named Executive Officer are reflected in the Salary column of the above Summary Compensation Table.

Effective as of January 1, 2012 in conjunction with changes in its U.S. tax-qualified retirement plans, the Company implemented a new Savings Parity Plan, which provides eligible participants with Company contributions of 6% of pay that are not allowed under the broad-based, qualified 401(k) plan

The Company also amended its Supplemental Executive Retirement Plan (SERP), to provide eligible participants annual Company contributions of 6%, 9% (Senior Vice Presidents), or 14.5% (CEO) of pay in place of the prior defined benefit formulas in the plan for service after January 1, 2012. The SERP is closed to new entrants other than elected Company officers.

The Company will provide an executive retiree health care benefit upon retirement from the Company to attract experienced executives. Pursuant to the program, such executives, after completing five years of service with the Company will be entitled to retiree health care benefits that are similar to those available to the Company's employees



---

**Table of Contents**

who are eligible for postretirement benefits under the Visteon Retiree Health & Welfare Program. The premium for this coverage is paid by the NEO. Of the Named Executive Officers, only Mr. Stebbins participates in this program.

Additional details about the Company's prior and current retirement plans are presented in a later section, under Retirement Benefits.

**Severance and Change in Control Benefits**

The Company has entered into change in control agreements with all of its executive officers, including the Named Executive Officers. The Company entered into change in control agreements with the executive team when it emerged from bankruptcy protection in October 2010 as contemplated by the approved plan of reorganization, and to recognize the considerable uncertainty that faces executives of a public company with a substantially de-leveraged profile. Upon becoming CEO, Mr. Leuliette, and CFO, Mr. Staffeil, entered into change in control agreements with a double trigger, which would require that the executive's employment terminate following a change in control in order to receive benefits under the agreement. These agreements provide for certain benefits if a qualifying termination occurs following a change in control of the Company. For the Named Executive Officers, change in control cash severance benefits are provided as a multiple of 1.5, 2.0 (CFO), or 2.5 (CEO) times the officer's sum of annual base salary and target annual incentive. In addition, the agreements provide for other severance benefits, such as the continuation of medical benefits and outplacement assistance. No excise tax gross-up provisions are contained in the change in control severance arrangements. All of the Named Executive Officers have change in control agreements with a double trigger provision. This was implemented for the other executive officers in October 2012, with new change in control agreements that have a double trigger (previously these Named Executive Officers, excluding the CEO and CFO, had a modified single-trigger, which allowed the executive to receive these benefits upon his or her voluntary departure during the thirteenth month following a change in control).

Upon the involuntary termination of employment by the Company (other than for specified reasons, including disability, availability of other severance benefits, and inappropriate conduct), executive officers are entitled to severance benefits under the 2010 Visteon Executive Severance Plan. This incorporates changes made, effective October 29, 2012, by the Organization and Compensation Committee to provide a specific and consistent level of severance benefits for the Chief Executive Officer, Executive Vice Presidents, Senior Vice Presidents and Vice Presidents who are also Presidents of business units, with cash severance payment of 1.5 times the sum of an executive's annual base salary and target annual incentive. Executives would also be entitled to the reimbursement of medical coverage premiums under COBRA for up to eighteen months following termination, the provision of outplacement services for up to twelve months, and the payment of a pro-rated portion of any outstanding annual incentive bonus based on actual Company performance during the performance period.

The severance plan and change in control agreements provide that outstanding stock-based awards vest only in accordance with the applicable terms and conditions of such awards. For additional details about the change in control agreements, the severance plan, the terms and conditions of awards, and the estimated value of these potential payouts, see the section Potential Payments Upon Termination.

*Former CEO and CFO Separation Agreements*

On August 10, 2012, Mr. Donald J. Stebbins entered into a separation agreement with the Company, under which he resigned from all positions effective on August 10, 2012. Mr. Stebbins had served as Chairman, President and Chief Executive Officer since December 1, 2008. The compensation provided under the separation agreement was negotiated based on consideration of market norms, the CEO's employment contract, the Company's desire to reaffirm restrictive covenants, and other considerations. Under the terms of the separation agreement, his departure was treated as an involuntary termination, and, in addition to Mr. Stebbins's accrued benefits, the Company agreed to pay him cash severance of \$2,391,000. Mr. Stebbins also received full vesting of his shares of restricted stock granted on October 1, 2010 that otherwise would have vested on October 1, 2012 and October 1, 2013. Mr. Stebbins was also eligible to receive his pro-rated annual incentive bonus for 2012 and a pro-rated portion of his performance stock units previously granted. The separation agreement also includes a standard non-disparagement covenant, as well as a release of claims, and required Mr. Stebbins to reaffirm the restrictive covenants in his employment agreement.

**Table of Contents**

On October 3, 2012, Mr. Martin E. Welch III entered into a separation agreement with the Company, under which he resigned from all positions effective October 3, 2012. Mr. Welch had served as Executive Vice President and Chief Financial Officer of the Company since October 17, 2011. Under the terms of the separation agreement, his departure was treated as an involuntary termination under the 2010 Visteon Executive Severance Plan, and, in addition to Mr. Welch's accrued benefits, the Company agreed to pay him cash severance of \$618,000 and vest certain benefits under the Visteon Corporation 2010 Supplemental Executive Retirement Plan and the Visteon Corporation Savings Parity Plan. In addition, the Company vested the remaining unvested options that were granted to Mr. Welch on October 17, 2011, vested a pro rata portion of the shares of restricted stock that were granted to Mr. Welch on February 28, 2012, and vested a pro rata portion of the performance stock units that were granted to Mr. Welch on February 28, 2012. Mr. Welch was also eligible to receive his pro-rated annual incentive bonus for 2012. The separation agreement also includes standard non-disparagement, confidentiality, non-solicitation and non-competition covenants, as well as a release of claims.

For additional details about the separation agreements, see Separation Agreement with Mr. Stebbins and Separation Agreement with Mr. Welch, below.

**Other Executive Compensation Policies**

*Stock Awards Granting Policy.* In 2012 the Company granted stock awards to its Named Executive Officers and other eligible key employees. The regular annual awards for 2012 were granted to key employees in February 2012, and the regular grants for 2013 through 2015 were granted on October 29, 2012. Stock awards made to executives and key employees at the time they become employees or officers of the Company (such as for Messrs. Leuliette and Stafeil, who joined the Company later in 2012) have a grant date on the later of the date employment commences or the date the Committee approves the awards. In all cases, the exercise price of stock options and stock appreciation rights is the average of the high and low trading price on the grant date. Stock price is not a factor in selecting the timing of equity-based awards.

*Securities Trading and Anti-Hedging Policy.* The Company maintains a Policy Regarding Purchases and Sales of Company Stock that imposes specific standards on directors and officers of the Company. The policy is intended not only to forbid such persons from trading in Company stock on the basis of inside information, but to avoid even the appearance of improper conduct on the part of such persons. In addition to the specific restrictions set forth in the policy, the policy requires that all transactions in Company stock by such persons and by others in their households be pre-cleared by the General Counsel. The only exception to the pre-clearance requirement is regular, ongoing acquisitions of Company stock resulting from continued participation in employee benefit plans that the Company or its agents may administer. The policy also expressly prohibits directors and officers from engaging in certain hedging transactions involving the Company's stock.

*Pay Clawbacks.* In April 2013, the Company adopted a compensation recovery policy, which requires each executive officer of the Company to repay or forfeit a portion or all of any annual incentive, performance stock units or other performance-based compensation granted to him or her on or after September 29, 2012 if:

the payment, grant or vesting of such compensation was based on the achievement of financial results that were subsequently the subject of a restatement of the Company's financial statements filed with the Securities and Exchange Commission,

the amount of the compensation that would have been received by the executive officer had the financial results been properly reported would have been lower than the amount actually received, and

the Board determines in its sole discretion that it is in the best interests of the Company and its stockholders for the executive officer to repay or forfeit all or any portion of the compensation.

*Tax Deductibility of Executive Compensation.* Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), limits the Company's federal income tax deduction to \$1 million per year for compensation to its CEO and certain other highly compensated executive officers. Qualified performance-based compensation for the CEO and certain covered officers is not, however, subject to the deduction limit, provided certain requirements of Section 162(m) are satisfied. We consider the impact of this rule when developing and implementing our executive compensation program. Annual Incentive awards, performance-based stock units and stock options (and stock



**Table of Contents**

appreciation rights) generally are designed to meet the deductibility requirements. We also believe that it is important to preserve flexibility in administering compensation programs in a manner designed to promote varying business and talent goals. Accordingly, we have not adopted a policy that all compensation must qualify as deductible under Section 162(m).

**Statement Regarding Compensation Risk Assessment**

The Company believes that its compensation programs, policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

**Summary Compensation Table**

The following table summarizes the compensation that was earned by, or paid or awarded to, the Named Executive Officers. The Named Executive Officers are the Company's Chief Executive Officer, the Company's Chief Financial Officer and the three other most highly compensated executive officers serving as such as of December 31, 2012, determined based on the individual's total compensation for the year ended December 31, 2012 as reported in the table below, other than amounts reported as above-market earnings on deferred compensation and the actuarial increase in pension benefit accruals. The Named Executive Officers also include the Company's former Chief Executive Officer, former Chief Financial Officer and former Interim Chief Financial Officer.

| Name and Principal Position                                                                                                             | Year | Salary (\$)  | Bonus (\$)(1) | Stock Awards (\$)(2) | Options Awards (\$)(3) | Non-Equity Incentive Plan Compensation (\$)(4) | Change in Pension Value & Nonqualified Deferred Compensation Earnings (\$)(5) | All Other Compensation (\$)(6) | Total (\$)    |
|-----------------------------------------------------------------------------------------------------------------------------------------|------|--------------|---------------|----------------------|------------------------|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------|---------------|
| <b>Timothy D. Leuliette</b><br>Chief Executive Officer and President (7)                                                                | 2012 | \$ 450,000   | \$ 1,000,000  | \$ 14,989,157        | \$                     | \$ 495,413                                     | \$                                                                            | \$ 111,505                     | \$ 17,046,075 |
| <b>Jeffrey M. Staffeil</b><br>Executive Vice President and Chief Financial Officer (8)                                                  | 2012 | \$ 110,688   | \$ 475,000    | \$ 5,198,368         | \$                     | \$                                             | \$                                                                            | \$ 16,749                      | \$ 5,800,805  |
| <b>Steve Meszaros</b><br>Vice President and President, Electronics Product Group                                                        | 2012 | \$ 484,325   | \$            | \$ 3,038,351         | \$ 171,969             | \$ 270,000                                     | \$ 436,037                                                                    | \$ 1,799,383                   | \$ 6,200,065  |
|                                                                                                                                         | 2011 | \$ 468,650   | \$ 53,671     | \$                   | \$ 657,032             | \$ 361,329                                     | \$ 484,051                                                                    | \$ 3,093,604                   | \$ 5,118,337  |
| <b>Robert C. Pallash</b><br>Senior Vice President and President, Global Customer Group (9)                                              | 2012 | \$ 442,487   | \$            | \$ 2,989,270         | \$ 156,244             | \$ 244,816                                     | \$ 77,879                                                                     | \$ 985,205                     | \$ 4,895,901  |
|                                                                                                                                         | 2011 | \$ 416,215   | \$            | \$                   | \$ 606,640             | \$ 320,902                                     | \$ 73,690                                                                     | \$ 1,098,931                   | \$ 2,516,378  |
| <b>Keith M. Shull</b><br>Senior Vice President, Human Resources (10)                                                                    | 2012 | \$ 406,000   | \$            | \$ 3,763,239         | \$ 146,783             | \$ 225,000                                     | \$ 528                                                                        | \$ 249,783                     | \$ 4,791,333  |
| <b>Michael J. Widgren</b><br>Vice President, Corporate Controller, Chief Accounting Officer, and Former Interim Chief Financial Officer | 2012 | \$ 354,950   | \$            | \$ 1,523,202         | \$ 87,305              | \$ 195,000                                     | \$ 29,753                                                                     | \$ 86,215                      | \$ 2,276,426  |
| <b>Donald J. Stebbins</b><br>Former Chairman, President and Chief Executive Officer (11)                                                | 2012 | \$ 756,826   | \$            | \$ 3,538,642         | \$ 1,133,961           | \$ 786,691                                     | \$ 113,403                                                                    | \$ 3,143,277                   | \$ 9,472,800  |
|                                                                                                                                         | 2011 | \$ 1,236,000 | \$            | \$                   | \$ 4,332,135           | \$ 1,826,499                                   | \$ 238,440                                                                    | \$ 202,667                     | \$ 7,835,741  |
|                                                                                                                                         | 2010 | \$ 1,218,000 | \$ 2,250,000  | \$ 21,241,019        | \$                     | \$ 2,132,100                                   | \$ 78,865                                                                     | \$ 77,370                      | \$ 26,997,354 |
| <b>Martin E. Welch III</b><br>Former Executive Vice President and Chief Financial Officer (12)                                          | 2012 | \$ 461,217   | \$            | \$ 2,255,356         | \$ 293,567             | \$ 276,414                                     | \$                                                                            | \$ 747,040                     | \$ 4,033,594  |
|                                                                                                                                         | 2011 | \$ 126,190   | \$ 66,475     | \$                   | \$ 275,891             | \$ 83,525                                      | \$ 15,950                                                                     | \$ 31,740                      | \$ 599,771    |

## Edgar Filing: VISTEON CORP - Form DEF 14A

- (1) For 2012, this column is comprised of sign-on payments to Messrs. Leuliette and Stafeil, as well as a discretionary bonus award to Mr. Stafeil of \$25,000, as further described in the Compensation Discussion and Analysis, above.
  
- (2) The amounts shown in this column represent the grant date fair values for performance stock units, restricted common stock and restricted stock unit awards in 2012 and 2010. The grant date fair values have been determined based on the assumptions and

**Table of Contents**

methodologies set forth in Note 14 Stock-Based Compensation to the consolidated financial statements included in Item 8 Financial Statements and Supplementary Data of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (the 2012 10-K). No performance stock units, restricted common stock or restricted stock units were awarded to the Named Executive Officers during 2011.

- (3) The amounts shown in this column represent the grant date fair values for stock options and stock appreciation rights granted in 2012 and 2011. The grant date fair values have been determined based on the assumptions and methodologies set forth in Note 14 Stock-Based Compensation to the consolidated financial statements included in Item 8 Financial Statements and Supplementary Data of the Company's 2012 Form 10-K. No stock options or stock appreciation rights were granted to the Named Executive Officers during 2010.
- (4) For 2012, this column is comprised of the amounts payable to each of the Named Executive Officers under the 2012 annual incentive performance bonus program, as further described in the Compensation Discussion and Analysis, above. There were no earnings on non-equity incentive plan compensation earned or paid to the Named Executive Officers in or for 2012.
- (5) This column reflects an estimate of the aggregate change in actuarial present value of each Named Executive Officers' accumulated benefit under all defined benefit and actuarial pension plans from the measurement dates for such plans used for financial statement purposes. See Retirement Benefits Defined Benefit Plans, below. None of the Named Executive Officers received or earned any above-market or preferential earnings on deferred compensation.
- (6) For 2012, this column includes the following benefits paid to, or on behalf of, the Named Executive Officers:

life insurance premiums paid by the Company on behalf of all of the Named Executive Officers other than Mr. Pallash;

Company-contributions to the Company's 401(k) defined contribution plan, DC SERP, Savings Parity Plan or other defined contribution arrangements on behalf of Mr. Leuliette (\$67,875), Mr. Stafeil (\$9,962), Mr. Pallash (\$165,106), Mr. Shull (\$110,518), Mr. Meszaros (\$148,031), Mr. Widgren (\$70,852), Mr. Stebbins (\$530,524), and Mr. Welch (\$91,765);

tax payments and reimbursements on behalf of Mr. Meszaros (\$234,630), Mr. Stebbins (\$39,620), and Mr. Welch (\$1,368);

severance and related payments to Messrs. Stebbins (\$2,422,711) and Welch (\$620,377) pursuant to the Company's 2012 Executive Severance Plan and/or their respective separation agreements; and

perquisites and other personal benefits, which included: (A) the aggregate incremental cost for personal use of corporate aircraft by Mr. Stebbins (\$85,077); (B) the cost of personal health and safety protection equipment and services under the Executive Security Program in 2012 for Mr. Stebbins; (C) payments under the executive flexible perquisite account program to Mr. Leuliette (\$15,000), Mr. Stafeil (\$6,667), Mr. Pallash (\$17,303), Mr. Shull (\$25,000), Mr. Meszaros (\$15,000), Mr. Widgren (\$15,000), Mr. Stebbins (\$60,000), and Mr. Welch (\$25,000); (D) payment for professional fees incurred by Mr. Leuliette (\$25,000) in connection with finalizing his employment agreement and related agreements; (E) relocation-related expenses for Mr. Shull (\$111,349); and (F) the payment of expenses to or on behalf of Mr. Meszaros (\$1,400,946) and Mr. Pallash (\$802,796) under the Company's international service employee program, which provides allowances and payments to address the incremental costs of housing, education, cost of living, taxes and other costs associated with international assignments.

For company-owned aircraft, we calculate the aggregate incremental cost to the Company of any personal use of the corporate aircraft during the annual cycle from January 2012 through December 2012 based on an average hourly operating cost of the aircraft, which includes the cost of fuel, crew travel expenses, on-board catering, airport landing fees and parking costs, customs charges, communications expenses, post-flight inspections and minor maintenance costs (costs less than \$5,000 per action). Because the corporate aircraft are used primarily for business travel, we do not include the fixed costs that do not change based on usage, such as the crew's salaries, the purchase or lease costs of the corporate aircraft, hangar rental fees, insurance premiums and major maintenance costs (costs greater than or equal to \$5,000 per action). In September 2012, the Company sold its remaining company-owned aircraft and exclusively used leased service aircraft; thereafter, we calculate the aggregate incremental cost to the Company of any personal use of such aircraft by using the actual billed operating cost per hour by such service provider.

## Edgar Filing: VISTEON CORP - Form DEF 14A

- (7) Mr. Leuliette joined Visteon on August 10, 2012 as Interim Chairman, Interim Chief Executive Officer and Interim President. He was appointed permanent Chief Executive Officer and President effective as of September 30, 2012. Prior to August 10, 2012, Mr. Leuliette served as an outside, independent director of the Company, for which he received the compensation as set forth above under the heading Director Compensation. ; Mr. Leuliette did not receive any compensation for his service as a director from and after August 10, 2012.
  
- (8) Mr. Stafeil joined Visteon on October 31, 2012 as Executive Vice President and was appointed the Chief Financial Officer effective as of November 2, 2012.
  
- (9) Amounts were paid in British pounds and converted into U.S. dollars at an exchange rate of 1.6247 U.S. dollars per GBP as of December 31, 2012.
  
- (10) Mr. Shull was separated from Visteon effective as of April 30, 2013.
  
- (11) Mr. Stebbins was separated from Visteon effective as of August 10, 2012.
  
- (12) Mr. Welch was separated from Visteon effective as of October 3, 2012.

**Table of Contents**

The following table summarizes all incentive plan awards that were made to the Named Executive Officers during 2012.

**Grants of Plan-Based Awards in 2012**

| Name                         | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards(2) |            |             | All Other Stock Awards: Number of Shares of Stock or Units (#)(3) | All Other Option Awards: Number of Securities Underlying Options (#)(3) | Exercise or Base Price of Option (\$ / Sh) | Market Price on Grant Date (\$ / Sh) | Grant Date Fair Value of Stock and Option Awards (\$)(4) |
|------------------------------|------------|--------------------------------------------------------------------|-------------|--------------|----------------------------------------------------------------|------------|-------------|-------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------|--------------------------------------|----------------------------------------------------------|
|                              |            | Threshold (\$)                                                     | Target (\$) | Maximum (\$) | Threshold (#)                                                  | Target (#) | Maximum (#) |                                                                   |                                                                         |                                            |                                      |                                                          |
| Timothy D. Leuliette         |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)    |            | \$ 27,221                                                          | \$ 544,410  | \$ 1,088,820 |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Restricted Stock Units       | 9/30/2012  |                                                                    |             |              |                                                                |            |             | 85,256                                                            |                                                                         |                                            |                                      | \$ 3,750,411                                             |
| Performance Stock Units      | 9/30/2012  |                                                                    |             |              | 114,152                                                        | 345,914    | 345,914     |                                                                   |                                                                         |                                            |                                      | \$ 11,238,746                                            |
| Jeffrey M. Stafeil           |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)    | N/A        |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Restricted Stock Units       | 10/31/2012 |                                                                    |             |              |                                                                |            |             | 29,070                                                            |                                                                         |                                            |                                      | \$ 1,272,103                                             |
| Performance Stock Units      | 10/31/2012 |                                                                    |             |              | 39,635                                                         | 120,106    | 120,106     |                                                                   |                                                                         |                                            |                                      | \$ 3,926,265                                             |
| Steve Meszaros               |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)    |            | \$ 15,000                                                          | \$ 300,000  | \$ 600,000   |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Stock Options                | 2/28/2012  |                                                                    |             |              |                                                                |            |             |                                                                   | 6,835                                                                   | \$ 53.57                                   | \$ 53.75                             | \$ 171,969                                               |
| Restricted Stock Award       | 2/28/2012  |                                                                    |             |              |                                                                |            |             | 3,377                                                             |                                                                         |                                            |                                      | \$ 180,906                                               |
| Performance Stock Units      | 2/28/2012  |                                                                    |             |              | 617                                                            | 7,055      | 10,583      |                                                                   |                                                                         |                                            |                                      | \$ 355,784                                               |
| Restricted Stock Units       | 10/29/2012 |                                                                    |             |              |                                                                |            |             | 14,535                                                            |                                                                         |                                            |                                      | \$ 625,005                                               |
| Performance Stock Units      | 10/29/2012 |                                                                    |             |              | 19,817                                                         | 60,053     | 60,053      |                                                                   |                                                                         |                                            |                                      | \$ 1,876,656                                             |
| Robert C. Pallas             |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)(5) |            | \$ 13,496                                                          | \$ 269,928  | \$ 539,856   |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Stock Appreciation Rights    | 2/28/2012  |                                                                    |             |              |                                                                |            |             |                                                                   | 6,210                                                                   | \$ 53.57                                   | \$ 53.75                             | \$ 156,244                                               |
| Restricted Stock Units       | 2/28/2012  |                                                                    |             |              |                                                                |            |             | 3,068                                                             |                                                                         |                                            |                                      | \$ 164,353                                               |
| Performance Stock Units      | 2/28/2012  |                                                                    |             |              | 561                                                            | 6,410      | 9,615       |                                                                   |                                                                         |                                            |                                      | \$ 323,256                                               |
| Restricted Stock Units       | 10/29/2012 |                                                                    |             |              |                                                                |            |             | 14,535                                                            |                                                                         |                                            |                                      | \$ 625,005                                               |
| Performance Stock Units      | 10/29/2012 |                                                                    |             |              | 19,817                                                         | 60,053     | 60,053      |                                                                   |                                                                         |                                            |                                      | \$ 1,876,656                                             |
| Keith M. Shull               |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)    |            | \$ 12,360                                                          | \$ 247,200  | \$ 494,400   |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Stock Options                | 2/28/2012  |                                                                    |             |              |                                                                |            |             |                                                                   | 5,834                                                                   | \$ 53.57                                   | \$ 53.75                             | \$ 146,783                                               |
| Restricted Stock Award       | 2/28/2012  |                                                                    |             |              |                                                                |            |             | 2,882                                                             |                                                                         |                                            |                                      | \$ 154,389                                               |
| Restricted Stock Award       | 2/28/2012  |                                                                    |             |              |                                                                |            |             | 15,000                                                            |                                                                         |                                            |                                      | \$ 803,550                                               |
| Performance Stock Units      | 2/28/2012  |                                                                    |             |              | 527                                                            | 6,021      | 9,032       |                                                                   |                                                                         |                                            |                                      | \$ 303,639                                               |
| Restricted Stock Units       | 10/29/2012 |                                                                    |             |              |                                                                |            |             | 14,535                                                            |                                                                         |                                            |                                      | \$ 625,005                                               |
| Performance Stock Units      | 10/29/2012 |                                                                    |             |              | 19,817                                                         | 60,053     | 60,053      |                                                                   |                                                                         |                                            |                                      | \$ 1,876,656                                             |
| Michael J. Widgren           |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)    |            | \$ 9,250                                                           | \$ 185,000  | \$ 370,000   |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Stock Options                | 2/28/2012  |                                                                    |             |              |                                                                |            |             |                                                                   | 3,470                                                                   | \$ 53.57                                   | \$ 53.75                             | \$ 87,305                                                |
| Restricted Stock Award       | 2/28/2012  |                                                                    |             |              |                                                                |            |             | 1,714                                                             |                                                                         |                                            |                                      | \$ 91,819                                                |
| Performance Stock Units      | 2/28/2012  |                                                                    |             |              | 313                                                            | 3,581      | 5,372       |                                                                   |                                                                         |                                            |                                      | \$ 180,590                                               |
| Restricted Stock Units       | 10/29/2012 |                                                                    |             |              |                                                                |            |             | 7,267                                                             |                                                                         |                                            |                                      | \$ 312,481                                               |
| Performance Stock Units      | 10/29/2012 |                                                                    |             |              | 9,909                                                          | 30,026     | 30,026      |                                                                   |                                                                         |                                            |                                      | \$ 938,313                                               |
| Donald J. Stebbins           |            |                                                                    |             |              |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |
| Annual Cash Incentive (1)    |            | \$ 43,225                                                          | \$ 864,495  | \$ 1,728,990 |                                                                |            |             |                                                                   |                                                                         |                                            |                                      |                                                          |



Edgar Filing: VISTEON CORP - Form DEF 14A

|                         |           |       |        |        |        |        |          |          |              |
|-------------------------|-----------|-------|--------|--------|--------|--------|----------|----------|--------------|
| Stock Options           | 2/28/2012 |       |        |        |        | 45,070 | \$ 53.57 | \$ 53.75 | \$ 1,133,961 |
| Restricted Stock Award  | 2/28/2012 |       |        |        | 22,266 |        |          |          | \$ 1,192,790 |
| Performance Stock Units | 2/28/2012 | 4,070 | 46,517 | 69,776 |        |        |          |          | \$ 2,345,852 |

Martin E. Welch III

Annual Cash Incentive (1) \$ 15,188 \$ 303,752 \$ 607,504

|                         |           |       |        |        |        |        |          |          |              |
|-------------------------|-----------|-------|--------|--------|--------|--------|----------|----------|--------------|
| Stock Options           | 2/28/2012 |       |        |        |        | 11,668 | \$ 53.57 | \$ 53.75 | \$ 293,567   |
| Restricted Stock Award  | 2/28/2012 |       |        |        | 5,764  |        |          |          | \$ 308,777   |
| Restricted Stock Award  | 2/28/2012 |       |        |        | 25,000 |        |          |          | \$ 1,339,250 |
| Performance Stock Units | 2/28/2012 | 1,054 | 12,043 | 18,065 |        |        |          |          | \$ 607,328   |

- (1) Represents the performance-based cash bonus opportunity under the 2012 annual incentive program, as further described in the Compensation Discussion and Analysis, above. For 2012, Messrs. Leuliette, Stebbins, and Welch were eligible for pro-rated annual incentives. Mr. Stafeil will become eligible for the annual incentive cash opportunity commencing in 2013. The amounts actually paid under this program are set forth in the Non-Equity Incentive Plan column of the above Summary Compensation Table.
- (2) Represents performance stock unit grants made under the 2012 annual long-term incentive and the 2012 special long-term incentive programs, as further described in the Compensation Discussion and Analysis, above. For the NEOs, the 2012 special long-term incentive grants are intended to be

**Table of Contents**

in lieu of future long-term incentive programs for 2013, 2014, and 2015. The 2012 special long-term incentive grants for Mr. Leuliette and Mr. Stafeil were made to them as sign-on equity grants at hire.

- (3) Represents restricted stock awards, restricted stock units, stock options and stock appreciation rights granted under the 2012 annual long-term incentive and the 2012 special long-term incentive programs, as further described in the Compensation Discussion and Analysis, above. For the NEOs, the 2012 special long-term incentive grants are intended to be in lieu of the long-term incentive programs for 2013, 2014, and 2015. The 2012 special long-term incentive grants for Mr. Leuliette and Mr. Stafeil were made to them as sign-on equity grants at hire. Mr. Shull and Mr. Welch each received additional special recognition restricted stock grants on February 28, 2012.
- (4) A discussion of assumptions used in calculating grant date fair values in accordance with FASB ASC Topic 718 may be found in Note 14 Stock Based Compensation to the consolidated financial statements included in Item 8 Financial Statements and Supplementary Data of the Company's 2012 Form 10-K. The ultimate value of stock-based awards, if any, will depend on the future value of the common stock and the holder's investment decisions, neither of which can be accurately predicted.
- (5) Mr. Pallash is paid in British pounds; estimated future payouts converted into U.S. dollars at an exchange rate of 1.6247 U.S. dollars per GBP as of December 31, 2012.

**Visteon Corporation 2010 Incentive Plan**

The Visteon Corporation 2010 Incentive Plan permits grants of stock options, stock appreciation rights, performance stock units, restricted stock, restricted stock units and other rights relating to our common stock, as well as performance and time-based cash bonuses. In 2012, the Company implemented two long-term equity-based incentive programs—one for the 2012-2014 performance period and one designed to cover long-term incentive awards that would have been made in each of 2013, 2014 and 2015, as well as a 2012 annual incentive cash bonus program for eligible employees, including the Named Executive Officers. These programs are discussed further under Compensation Discussion and Analysis, above. Except under certain circumstances such as retirement or involuntary termination, an executive must be employed in good standing with the Company at the conclusion of a performance period to be entitled to a bonus payment. The Committee retains discretion under the 2010 Incentive Plan to modify or adjust any award at any time.

The stock options awarded under the 2012 long-term incentive program vest ratably over three years from the date of grant. The stock appreciation rights awarded under the 2012 long-term incentive program vest ratably over three years from the date of grant and are exercisable for a cash payment or common stock of the Company, at the election of the Company. The exercise prices of the stock options and stock appreciation rights are the average of the high and low selling prices of our common stock on the New York Stock Exchange on the date of grant, unless otherwise approved by the Organization and Compensation Committee. Any unexercised stock options or stock appreciation rights will expire after ten years. If a holder of a stock option or stock appreciation right retires, becomes disabled, or dies, his or her stock options and/or stock appreciation rights continue to be exercisable up to the normal expiration date. See Potential Payments Upon Termination or Change-in-Control, below. The stock options and stock appreciation rights are subject to certain conditions, including not engaging in competitive activity, and generally cannot be transferred. The restricted stock and the restricted stock units awarded under the regular 2012 long-term incentive program vest ratably over three years from the date of grant, and the restricted stock units will be paid in cash based on the average of the high and low selling prices of our common stock on the New York Stock Exchange on such vesting date or common stock, at the election of the Company. The restricted stock units awarded in 2012 under the special long-term incentive vest ratably over three years from the date of grant and will be paid in cash based on the average of the high and low selling prices of our common stock on such vesting date or settled in stock, at the election of the Company. The performance stock units awarded under the regular 2012 long-term incentive program vest three years from the date of grant based on the achievement of certain relative total shareholder return metrics and will be paid in cash based on the average of the high and low selling prices of our common stock on the New York Stock Exchange on such vesting date or common stock, at the election of the Company. The performance stock units awarded in 2012 under the special long-term incentive program vest three years from the date of grant based on the achievement of a total shareholder return metric and will be paid in cash based on the average of the high and low selling prices of our common stock on such vesting date or settled in stock, at the election of the Company. Holders of restricted stock units, restricted stock, and performance stock units may receive the same cash dividends or dividend equivalents as other stockholders owning common stock. No dividends were paid in 2012.

---

## **Table of Contents**

### **Employment Agreement with Mr. Leuliette**

The Company and Mr. Leuliette entered into an employment agreement dated as of September 30, 2012. Under the terms of the employment agreement, Mr. Leuliette serves as the Chief Executive Officer and President of the Company, with an initial term of three years and three months through December 31, 2015. Pursuant to the Employment Agreement, Mr. Leuliette will receive an annualized base salary of \$1.15 million, with a target annual cash bonus opportunity of 120% of his base salary (pro-rated for 2012), and a cash sign-on payment of \$500,000, subject to clawback if Mr. Leuliette is terminated for cause (as defined in the employment agreement) or voluntarily terminates his employment without good reason (as defined in the employment agreement) before December 31, 2014. The employment agreement replaces a letter agreement that the Company and Mr. Leuliette entered into as of August 10, 2012 in connection with his appointment as Interim Chairman of the Board, Interim Chief Executive Officer and Interim President. Pursuant to the letter agreement, Mr. Leuliette received, among other things, a signing bonus of \$500,000.

If Mr. Leuliette is terminated without cause or his employment is voluntarily terminated for good reason, he will receive (i) a cash payment equal to 1.5 times the sum of his annual base salary and bonus, (ii) a pro rata annual bonus for the year of termination based on corporate achievement levels for the entire year and (iii) up to 18 months of health benefits. Mr. Leuliette will be entitled to participate in the Company's standard benefits and perquisites on the same basis as other senior executives of the Company, as well as receive reimbursement of up to \$25,000 of professional fees incurred in connection with finalizing the employment agreement and related agreements. The employment agreement includes a clawback provision whereby Mr. Leuliette may be required, upon certain triggering events, to repay all or a portion of his incentive compensation, pursuant to any clawback policy adopted by or applicable to the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The employment agreement also contains customary confidentiality, ownership of works and non-disparagement provisions, as well as standard non-competition and non-solicitation provisions.

### **Employment Agreements with Mr. Pallash**

Mr. Pallash and Visteon Engineering Services Ltd. entered into an employment agreement effective as of December 12, 2011. Under the terms of the employment agreement, Mr. Pallash continues to serve as Senior Vice President, Global Customer Group. The agreement also provides, among other things, for the continuation of his current annual base salary of GBP 276,900. Mr. Pallash is eligible to participate in the Company's annual incentive plan, as in effect from time to time. Mr. Pallash's annual incentive opportunity will have a target amount of 60% of his base salary. Mr. Pallash also is eligible to participate in the Company's long-term incentive program, as in effect from time to time. Mr. Pallash's long-term incentive opportunity will have a target amount of 150% of his base salary. The agreement also indicates the Mr. Pallash continues to be eligible to participate in the VES Pension Plan, VES Limited Savings Plan and the flexible perks program. Mr. Pallash also is entitled to various allowances, including living costs, hardship and automobile allowances, in connection with his temporary overseas assignment to Visteon Asia Pacific, Inc. As a result of such overseas assignment, Mr. Pallash and Visteon Asia Pacific, Inc. have entered into an employment agreement effective as of December 12, 2011. This agreement provides for Mr. Pallash's employment as the Managing Director and Chairman of the Board of Visteon Asia Pacific, Inc. for a term of two years beginning on January 1, 2011. Visteon Asia Pacific, Inc. has agreed to provide Mr. Pallash with his salary and certain benefits and allowances during the term of his overseas assignment.

### **Separation Agreement with Mr. Stebbins**

On August 10, 2012, Mr. Donald J. Stebbins entered into a separation agreement with the Company, under which he resigned from all positions at the Company effective as of 11:59 p.m. Eastern Time on August 10, 2012. Under the terms of the separation agreement, in addition to Mr. Stebbins's accrued benefits, the Company agreed to pay him cash severance of \$2,391,000. Mr. Stebbins also received full vesting of his shares of restricted stock granted on October 1, 2010 that otherwise would have vested on October 1, 2012 and October 1, 2013. In addition, the vested options Mr. Stebbins held as of the separation date will remain exercisable for a period of 365 days from the separation date. Mr. Stebbins is also eligible to receive his pro-rated annual incentive bonus for 2012 and a pro-rated portion of his performance stock units previously granted, in accordance with the annual incentive plan of the Company or the award agreement, as applicable, and based on the Company's actual results. Mr. Stebbins will also receive, for a period of one

**Table of Contents**

year following the separation date, continued coverage under the Company’s group health plan, at the Company’s expense and, for a period of six months following the separation date, outplacement services, at a cost to the Company of no more than \$25,000. The separation agreement also includes a standard a non-disparagement covenant, as well as a release of claims, and requires Mr. Stebbins to reaffirm the restrictive covenants in his employment agreement.

**Separation Agreement with Mr. Welch**

On October 3, 2012, Mr. Welch entered into a separation agreement with the Company, under which he resigned from all positions at the Company effective October 3, 2012. Under the terms of the separation agreement, in addition to Mr. Welch’s accrued benefits, the Company has agreed to (i) pay him cash severance of \$618,000; (ii) pay the unspent portion of his flexible perquisite allowance for 2012; and (iii) vest certain benefits under the Visteon Corporation 2010 Supplemental Executive Retirement Plan and the Visteon Corporation Savings Parity Plan. Mr. Welch was also eligible to receive his pro-rated annual incentive bonus for 2012, in accordance with the 2010 Incentive Plan, and based on the Company’s actual results. Mr. Welch will also receive, for a period of twelve months following the separation date, continued coverage under the Company’s group health plan, at the Company’s expense and, for a period of six months following the separation date, outplacement services, at a cost to the Company of no more than \$25,000. In addition, pursuant to the separation agreement, the Company (i) vested the remaining unvested options that were granted to Mr. Welch on October 17, 2011, which options, together with previously vested options granted on such date, will remain exercisable until October 3, 2013; (ii) vested a pro rata portion of the shares of restricted stock that were granted to Mr. Welch on February 28, 2012; and (iii) vested a pro rata portion of the performance stock units that were granted to Mr. Welch on February 28, 2012, which will be earned based on actual results as determined in accordance with the applicable award agreement. The separation agreement also includes standard non-disparagement, confidentiality, non-solicitation and non-competition covenants, as well as a release of claims.

The following table sets forth information on outstanding stock option, stock appreciation right, stock units and stock awards held by the Named Executive Officers at December 31, 2012, including the number of shares underlying both exercisable and unexercisable portions of each stock option or stock appreciation right as well as the exercise price and expiration date of each outstanding option and right. Outstanding equity awards at December 31, 2012 are as follows.

**Outstanding Equity Awards at 2012 Fiscal Year-End**

| Name                 | Grant Date | Option Awards                                           |                                                         |                                                              |                     | Option Expiration Date | Stock Awards                                                |                                                                       | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(2) |
|----------------------|------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------|---------------------|------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                      |            | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Exercisable Options (#) | Equity Incentive Plan Awards: Number of Unearned Options (1) | Exercise Price (\$) |                        | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$)(2) |                                                                                                                             |
| Timothy D. Leuliette | 9/30/2012  |                                                         |                                                         |                                                              |                     |                        |                                                             |                                                                       |                                                                                                                             |
|                      | 9/30/2012  |                                                         |                                                         |                                                              |                     | 85,256(3)              | \$ 4,588,478                                                | 345,914(17) \$ 18,617,091                                             |                                                                                                                             |
| Jeffrey M. Stafeil   | 10/31/2012 |                                                         |                                                         |                                                              |                     | 29,070(4)              | \$ 1,564,547                                                |                                                                       |                                                                                                                             |
|                      | 10/31/2012 |                                                         |                                                         |                                                              |                     |                        |                                                             | 120,106(17) \$ 6,464,105                                              |                                                                                                                             |
| Steve Meszaros       | 10/1/2010  |                                                         |                                                         |                                                              |                     | 25,000(5)              | \$ 1,345,500                                                |                                                                       |                                                                                                                             |
|                      | 3/8/2011   | 6,223                                                   | 12,448                                                  |                                                              | \$ 74.08            | 3/7/2021               |                                                             |                                                                       |                                                                                                                             |
|                      | 2/28/2012  |                                                         | 6,835                                                   |                                                              | \$ 53.57            | 2/27/2022              |                                                             |                                                                       |                                                                                                                             |
|                      | 2/28/2012  |                                                         |                                                         |                                                              |                     | 3,377(6)               | \$ 181,750                                                  |                                                                       |                                                                                                                             |
|                      | 2/28/2012  |                                                         |                                                         |                                                              |                     |                        |                                                             | 7,055(18) \$ 379,700                                                  |                                                                                                                             |
|                      | 10/29/2012 |                                                         |                                                         |                                                              |                     | 14,535(7)              | \$ 782,274                                                  |                                                                       |                                                                                                                             |
|                      | 10/29/2012 |                                                         |                                                         |                                                              |                     |                        |                                                             | 60,053(17) \$ 3,232,052                                               |                                                                                                                             |
| Robert C. Pallash    | 10/1/2010  |                                                         |                                                         |                                                              |                     | 25,000(8)              | \$ 1,345,500                                                |                                                                       |                                                                                                                             |
|                      | 3/8/2011   | 5,746                                                   | 11,493                                                  |                                                              | \$ 74.08            | 3/7/2021               |                                                             |                                                                       |                                                                                                                             |

Edgar Filing: VISTEON CORP - Form DEF 14A

|            |       |          |           |            |            |            |              |
|------------|-------|----------|-----------|------------|------------|------------|--------------|
| 2/28/2012  | 6,210 | \$ 53.57 | 2/27/2022 |            |            |            |              |
| 2/28/2012  |       |          |           | 3,068(9)   | \$ 165,120 |            |              |
| 2/28/2012  |       |          |           |            |            | 6,410(18)  | \$ 344,986   |
| 10/29/2012 |       |          |           | 14,535(10) | \$ 782,274 |            |              |
| 10/29/2012 |       |          |           |            |            | 60,053(17) | \$ 3,232,052 |

**Table of Contents**

| Name                | Grant Date | Option Awards                                           |                                                         |                                                         |                                                                      | Stock Awards                                                |                                                                       |                                                                                                         |                                                                                                                             |
|---------------------|------------|---------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                     |            | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Equity Incentive Plan Awards: Number of Unearned Exercise Price (\$) | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$)(2) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(2) |
| Keith M. Shull      | 6/1/2011   | 6,491                                                   | 12,983                                                  |                                                         | \$ 60.62                                                             | 5/31/2021                                                   |                                                                       |                                                                                                         |                                                                                                                             |
|                     | 2/28/2012  |                                                         | 5,834                                                   |                                                         | \$ 53.57                                                             | 2/27/2022                                                   |                                                                       |                                                                                                         |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             | 2,882(11)                                                             | \$ 155,109                                                                                              |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             | 15,000(12)                                                            | \$ 807,300                                                                                              |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             |                                                                       |                                                                                                         | 6,021(18) \$ 324,050                                                                                                        |
|                     | 10/29/2012 |                                                         |                                                         |                                                         |                                                                      |                                                             | 14,535(13)                                                            | \$ 782,274                                                                                              |                                                                                                                             |
| Michael J. Widgren  | 10/29/2012 |                                                         |                                                         |                                                         |                                                                      |                                                             |                                                                       |                                                                                                         | 60,053(17) \$ 3,232,052                                                                                                     |
|                     | 10/1/2010  |                                                         |                                                         |                                                         |                                                                      |                                                             | 10,000(14)                                                            | \$ 538,200                                                                                              |                                                                                                                             |
|                     | 3/8/2011   | 3,159                                                   | 6,320                                                   |                                                         | \$ 74.08                                                             | 3/7/2021                                                    |                                                                       |                                                                                                         |                                                                                                                             |
|                     | 2/28/2012  |                                                         | 3,470                                                   |                                                         | \$ 53.57                                                             | 2/27/2022                                                   |                                                                       |                                                                                                         |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             | 1,714(15)                                                             | \$ 92,247                                                                                               |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             |                                                                       |                                                                                                         | 3,581(18) \$ 192,729                                                                                                        |
| Donald J. Stebbins  | 10/29/2012 |                                                         |                                                         |                                                         |                                                                      |                                                             | 7,267(16)                                                             | \$ 391,110                                                                                              |                                                                                                                             |
|                     | 10/29/2012 |                                                         |                                                         |                                                         |                                                                      |                                                             |                                                                       |                                                                                                         | 30,026(17) \$ 1,615,999                                                                                                     |
| Martin E. Welch III | 3/8/2011   | 41,035                                                  |                                                         |                                                         | \$ 74.08                                                             | 8/10/2013                                                   |                                                                       |                                                                                                         |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             |                                                                       |                                                                                                         | 12,597(18) \$ 677,971                                                                                                       |
| Martin E. Welch III | 10/17/2011 | 11,933                                                  |                                                         |                                                         | \$ 49.45                                                             | 10/3/2013                                                   |                                                                       |                                                                                                         |                                                                                                                             |
|                     | 2/28/2012  |                                                         |                                                         |                                                         |                                                                      |                                                             |                                                                       |                                                                                                         | 4,349(18) \$ 234,063                                                                                                        |

- (1) Stock options and stock appreciation rights vest in one-third increments annually from date of grant, except for Mr. Welch's 2011 stock option grant, which vested in full based upon his separation agreement. Messrs. Stebbins and Welch are eligible to exercise their vested options for a period of 365 days from their separation dates, per the terms of their respective separation agreements.
- (2) The market value of unvested restricted stock, restricted stock units, and performance stock units was determined using a per share price of \$53.82, the closing price of our common stock as reported on The New York Stock Exchange as of December 31, 2012.
- (3) 28,418 restricted stock units that vest on August 10, 2013; 28,419 restricted stock units that vest on August 10, 2014; and 28,419 restricted stock units that vest on August 10, 2015.
- (4) 9,689 restricted stock units that vest on October 29, 2013; 9,690 restricted stock units that vest on October 29, 2014; and 9,691 restricted stock units that vest on October 29, 2015.
- (5) 25,000 shares of restricted common stock that vest on October 1, 2013.
- (6) 1,125 shares of restricted common stock that vest on February 28, 2013; 1,126 shares of restricted common stock that vest on February 28, 2014; and 1,126 shares of restricted common stock that vest on February 28, 2015.

## Edgar Filing: VISTEON CORP - Form DEF 14A

- (7) 4,844 restricted stock units that vest on October 29, 2013; 4,845 restricted stock units that vest on October 29, 2014; and 4,846 restricted stock units that vest on October 29, 2015.
  
- (8) 25,000 restricted stock units that vest on October 1, 2013.
  
- (9) 1,022 restricted stock units that vest on February 28, 2013; 1,023 restricted stock units that vest on February 28, 2014; and 1,023 restricted stock units that vest on February 28, 2015.
  
- (10) 4,844 restricted stock units that vest on October 29, 2013; 4,845 restricted stock units that vest on October 29, 2014; and 4,846 restricted stock units that vest on October 29, 2015.
  
- (11) 960 shares of restricted common stock that vest on February 28, 2013; 961 shares of restricted common stock that vest on February 28, 2014; and 961 shares of restricted common stock that vest on February 28, 2015.
  
- (12) 4,999 shares of restricted common stock that vest on February 28, 2013; 5,000 shares of restricted common stock that vest on February 28, 2014; and 5,001 shares of restricted common stock that vest on February 28, 2015.
  
- (13) 4,844 restricted stock units that vest on October 29, 2013; 4,845 restricted stock units that vest on October 29, 2014; and 4,846 restricted stock units that vest on October 29, 2015.
  
- (14) 10,000 shares of restricted common stock that vest on October 1, 2013.
  
- (15) 571 shares of restricted common stock that vest on February 28, 2013; 571 shares of restricted common stock that vest on February 28, 2014; and 572 shares of restricted common stock that vest on February 28, 2015.
  
- (16) 2,422 restricted stock units that vest on October 29, 2013; 2,422 restricted stock units that vest on October 29, 2014; and 2,423 restricted stock units that vest on October 29, 2015.

**Table of Contents**

(17) Performance stock units granted as part of the 2012 Special Long Term Incentive. Vesting occurs as of December 31, 2015 (conditioned upon the participant remaining in the employ of the Company through such date) based on the Highest 20-day Average Closing Price of the Company's common stock (plus the value of cash dividends, if any) achieved through December 31, 2015, as further described in the Compensation Discussion and Analysis, above.

(18) Performance stock units granted as part of the 2012 Annual Long Term Incentive. Vesting occurs as of December 31, 2014 based on the Company's relative total shareholder return (TSR) measured against a peer group of companies over a three-year period, as further described in the Compensation Discussion and Analysis, above.

The following table sets forth information regarding the vesting of restricted stock and/or restricted stock units during 2012 for each of the Named Executive Officers on an aggregated basis. No stock options or stock appreciation rights were exercised during 2012.

**Option Exercises and Stock Vested in 2012**

| Name                 | Option Awards                             |                                 | Stock Awards                                |                                   |
|----------------------|-------------------------------------------|---------------------------------|---------------------------------------------|-----------------------------------|
|                      | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#)(1) | Value Realized on Vesting (\$)(1) |
| Timothy D. Leuliette |                                           | \$                              |                                             | \$                                |
| Jeffrey M. Stafeil   |                                           | \$                              |                                             | \$                                |
| Steve Meszaros       |                                           | \$                              | 25,000                                      | \$ 1,125,000                      |
| Robert C. Pallash    |                                           | \$                              | 25,000                                      | \$ 1,125,000                      |
| Keith M. Shull       |                                           | \$                              |                                             | \$                                |
| Michael J. Widgren   |                                           | \$                              | 10,000                                      | \$ 450,000                        |
| Donald J. Stebbins   |                                           | \$                              | 244,445                                     | \$ 9,484,466                      |
| Martin E. Welch III  |                                           | \$                              | 12,533                                      | \$ 570,126                        |

(1) These values were determined by using the closing prices of our common stock on The New York Stock Exchange on such vesting dates, without regard to cash or shares withheld for income tax purposes.

**Retirement Benefits***Defined Benefit Plans*

The following table sets forth the actuarial present value of each Named Executive Officer's accumulated benefit under each defined benefit plan, assuming benefits are paid at normal retirement age based on current levels of compensation. The table also shows the number of years of credited service under each such plan, computed as of the same pension plan measurement date used in the Company's audited financial statements for the year ended December 31, 2012. The table also reports any pension benefits paid to each Named Executive Officer during the year.

**Pension Benefits for 2012**

| Name                 | Plan Name                              | Number of Years of Credited Service (#) | Present Value of Accumulated Benefit (\$)(1) | Payments During Last Fiscal Year (\$) |
|----------------------|----------------------------------------|-----------------------------------------|----------------------------------------------|---------------------------------------|
| Timothy D. Leuliette | Visteon Pension Plan                   | 0.00                                    | \$                                           | \$                                    |
|                      | Pension Parity Plan                    | 0.00                                    | \$                                           | \$                                    |
|                      | Supplemental Executive Retirement Plan | 0.00                                    | \$                                           | \$                                    |
| Jeffrey M. Stafeil   | Visteon Pension Plan                   | 0.00                                    | \$                                           | \$                                    |
|                      | Pension Parity Plan                    | 0.00                                    | \$                                           | \$                                    |



Edgar Filing: VISTEON CORP - Form DEF 14A

|                |                                        |       |    |         |    |
|----------------|----------------------------------------|-------|----|---------|----|
|                | Supplemental Executive Retirement Plan | 0.00  | \$ |         | \$ |
| Steve Meszaros | Visteon Pension Plan                   | 25.30 | \$ | 670,424 | \$ |
|                | Pension Parity Plan                    | 25.30 | \$ | 570,579 | \$ |
|                | Supplemental Executive Retirement Plan | 25.30 | \$ | 734,258 | \$ |

**Table of Contents**

| Name                   | Plan Name                                 | Number of Years of Credited Service (#) | Present Value of Accumulated Benefit (\$)(1) | Payments During Last Fiscal Year (\$) |
|------------------------|-------------------------------------------|-----------------------------------------|----------------------------------------------|---------------------------------------|
| Robert C. Pallash      | Visteon Engineering Services Pension Plan | 7.10                                    | \$ 1,068,082                                 | \$                                    |
| Keith M. Shull         | Visteon Pension Plan                      | 0.60                                    | \$ 9,423                                     | \$                                    |
|                        | Pension Parity Plan                       | 0.60                                    | \$                                           | \$                                    |
|                        | Supplemental Executive Retirement Plan    | 0.60                                    | \$ 21,729                                    | \$                                    |
| Michael J. Widgren     | Visteon Pension Plan                      | 6.20                                    | \$ 59,470                                    | \$                                    |
|                        | Pension Parity Plan                       | 6.20                                    | \$ 15,251                                    | \$                                    |
|                        | Supplemental Executive Retirement Plan    | 6.20                                    | \$ 118,893                                   | \$                                    |
| Donald J. Stebbins     | Visteon Pension Plan                      | 6.60                                    | \$ 82,044                                    | \$                                    |
|                        | Pension Parity Plan                       | 6.60                                    | \$ 302,516                                   | \$                                    |
|                        | Supplemental Executive Retirement Plan    | 13.20(2)                                | \$ 1,346,762                                 | \$                                    |
| Martin E. Welch III(3) | Visteon Pension Plan                      | 0.20                                    | \$                                           | \$                                    |
|                        | Pension Parity Plan                       | 0.20                                    | \$                                           | \$                                    |
|                        | Supplemental Executive Retirement Plan    | 0.20                                    | \$                                           | \$                                    |

(1) The present value of the accumulated benefits was determined using the discount rate, mortality assumptions, interest crediting rate and measurement date (December 31, 2012) used by the Company for financial reporting purposes as further described in Note 13 Employee Retirement Benefits to the consolidated financial statements included in Item 8 Financial Statements and Supplementary Data of the Company's 2012 Form 10-K. The benefits were assumed to be payable at normal retirement ages or such earlier ages at which the executives could commence an unreduced retirement benefit.

(2) Mr. Stebbins received two years of service credit for each year of actual service under the Supplemental Executive Retirement Plan.

(3) Mr. Welch was not vested in the Visteon Pension Plan, the Pension Parity Plan or the Supplemental Executive Retirement Plan as of his date of termination, October 3, 2012, and will receive no benefits under these plans.

The Company froze compensation and service in its defined benefit pension plan for U.S. employees effective December 31, 2011. The frozen plan, the Visteon Corporation Pension Plan (the Qualified Pension Plan), is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code (the Code). Visteon provides additional pension benefits to its U.S. executives under the following nonqualified supplemental pension arrangements: the 2010 Supplemental Executive Retirement Plan (SERP); and the 2010 Pension Parity Plan (Pension Parity Plan). The defined benefit component of the SERP and the Pension Parity Plan were also frozen on December 31, 2011.

In order to reduce the costs and volatility of these benefits to permit the Company to compete on a global basis, Visteon has made a number of modifications to its retirement programs over time. As a result, participation in these plans, and certain features of the plans, depend on when each executive was hired by the Company. In addition to its U.S. plans, several of the Company's foreign subsidiaries provide pension benefits. The provision, structure and level of these benefits are based on both the market practice in individual countries as well as the cost of providing benefits. Despite the differences in the level and structure of the retirement benefits, most of the plans are related to an employee's salary and service. In some countries, Visteon's plans require that participants contribute to the plan in order to participate.

*U.S. Executives Hired Before January 1, 2002 – Mr. Meszaros*

*Qualified Pension Plan*

The non-contributory feature of the Qualified Pension Plan provides a monthly benefit, payable in the form of a life annuity, equal to a flat rate (fixed dollar rate) times years of employment prior to July 1, 2006. The highest flat rate in effect on June 30, 2006 was \$47.45. Prior to July 1, 2006, following three months of employment, a participant could elect to be covered by the contributory feature of the plan and receive a contributory benefit in lieu of the non-contributory benefit. The contributory benefit, payable in the form of a life annuity, is equal to 1.5% of Final Average Monthly Salary times years of employment (prior to July 1, 2006) while a contributory participant plus 0.4% of Final Average Monthly Salary in excess of the Social Security Breakpoint times years of employment (prior to July 1, 2006, not to exceed 35 years) while a contributory participant. Final Average Monthly Salary is the highest average monthly



**Table of Contents**

salary paid as of any five consecutive December 31 dates during the last 120 consecutive months prior to January 1, 2012 while a contributory participant. The Social Security Breakpoint is equal to 150% of the average of the Social Security Wage Base for the 35 year period ending with the calendar year in which occurs the 120 month period mentioned above. Normal retirement is age 65 and portions of early retirement benefits are available at age 62 unreduced for age. Early retirement benefits are available as early as age 55 with 10 years of service or at any age with 30 years of service with portions reduced from age 62. If the employee was contributing to the plan as of June 30, 2006, future December 31 base pay amounts continue to be recognized for purposes of determining the Final Average Monthly Salary through December 31, 2011. Effective July 1, 2006, salaried employees accrue monthly cash balance benefits under the pension plan. The Cash Balance benefit is based on a hypothetical account which grows with 4% pay credits through December 31, 2011 and interest credits based on the 30-year Treasury bond rate which continue until commencement of benefit payments. At retirement, this account balance is payable as a lump sum or converted into a monthly benefit payable in the form of a life annuity. The benefit payable from the cash balance feature is reduced for early commencement if payment begins before age 65. Effective January 1, 2013, participants may elect to receive the entire value of the Qualified Pension Plan benefit as a lump sum.

*Nonqualified Pension Plans*

Since the Qualified Pension Plan is a qualified plan, it is subject to the rules of the Code. The Code limits the amount of benefits that may be paid by a qualified plan and it limits the amount of salary that may be recognized in computing plan benefits. The maximum accrued benefit for 2013 is \$205,000 and the maximum annual salary the plan may recognize for 2011, the year the plan was frozen is \$245,000. The Pension Parity Plan, an unfunded, nonqualified pension plan, restores any benefits lost due to the limitations on benefits and compensation imposed by the Code. The changes to the Qualified Pension Plan that took effect on July 1, 2006 and December 31, 2011 also apply to the Pension Parity Plan.

For eligible executives hired prior to January 1, 2002, the SERP, a nonqualified, unfunded pension benefit, provides an additional monthly benefit, calculated in the form of a life annuity, equal to the participant's Final Average Monthly Salary (without regard to the Code compensation limit) times years of employment times a percentage determined by job classification at retirement. The percentages range between 0.20% and 0.90%. Credited service earned under this formula ceased to accrue under the SERP as of June 30, 2006. Effective July 1, 2006 through December 31, 2011, eligible executives accrued SERP benefits under a formula used for eligible executives hired on or after January 1, 2002, as described below.

Effective January 1, 2012, the Company adopted a new Savings Parity Plan that restores company matching contributions under the Visteon Investment Plan (described below) lost due to Code limitations, and amended the SERP to provide benefits through a defined contribution approach: eligible employees receive credits equal to 6% of base compensation and annual incentive. Account balances in both the Savings Parity Plan and the amended SERP will be increased or reduced to reflect earnings and losses on hypothetical investments designated by the employee.

The Pension Parity Plan, Savings Parity Plan and the SERP provide for automatic payment in the form of a single lump sum distribution for benefits commencing on and after January 1, 2007. The actual conversion factors used to determine the single lump sum distribution for the Pension Parity Plan and SERP are the same as those used to value the Company's pension obligations in the Company's audited financial statements.

*U.S. Executives Hired on or After January 1, 2002 – Messrs. Shull, Widgren and Stebbins*

*Qualified Pension Plan*

Salaried employees hired on or after January 1, 2002 and prior to January 1, 2012 participate in the BalancePlus Program, a feature of the Qualified Pension Plan. The monthly benefit payable from the BalancePlus Program is based on the greater of the Cash Balance benefit or the Pension Equity benefit attributable to service prior to July 1, 2006, and a Cash Balance benefit for service thereafter through December 31, 2011. The Cash Balance benefit is based on a hypothetical account which grows with 4% pay credits through December 31, 2011 and interest credits based on the 30-year Treasury bond rate continuing until commencement of benefit payments. The Pension Equity benefit is based

**Table of Contents**

on a hypothetical account at age 65 equal to 12.5% of Final Average Monthly Salary times credited service. At retirement, these account balances may be paid as a lump sum (for benefits commencing after December 31, 2012) or converted into a monthly benefit payable in the form of a life annuity. Credited service earned under the Pension Equity feature of the plan ceased to accrue as of June 30, 2006, although changes in base pay continued to be recognized for purposes of determining the Final Average Monthly Salary through December 31, 2011. The benefit payable from the BalancePlus Program is reduced for early commencement if payment begins before age 65.

*Nonqualified Pension Plans*

The Pension Parity Plan restores any benefits lost due to the limitations on benefits and compensation imposed by the Code, as described further above. Eligible executives hired on or after January 1, 2002 and prior to January 1, 2012 participate in the BalancePlus SERP feature of the SERP. The BalancePlus SERP provides an additional monthly benefit based upon a hypothetical account balance that is in excess of the amount calculated under the Qualified Pension Plan BalancePlus Program and the Pension Parity Plan. The account balance from the BalancePlus SERP before offset is calculated under the formulas in the BalancePlus Program with the following modifications: 1) Annual Salary is calculated without regard to the Code compensation limit; 2) Final Average Monthly Salary is increased by the average of the three highest consecutive Annual Incentive amounts; and 3) a 15% benefit multiplier is used under the Pension Equity formula in lieu of the 12.5% benefit multiplier. The Pension Equity account under the BalancePlus SERP has its own early retirement reduction factors, which are applied at early retirement before offsetting the amount calculated under the BalancePlus Program and the Pension Parity Plan. Unlike the Qualified and Pension Parity Plans, the service under the Pension Equity formula was not frozen in 2006, but continued to be recognized through December 31, 2011. Mr. Stebbins will receive additional retirement benefits from the SERP determined by crediting an additional year of service for each year of service credited under the terms of the Qualified Pension Plan. In addition, a \$1,200,000 opening balance was credited to Mr. Stebbins BalancePlus SERP account.

As stated above, the Pension Parity Plan, Savings Parity Plan and SERP provide for automatic payment in the form of a single lump sum distribution for benefits commencing on and after January 1, 2007. The actuarial conversion factors used to determine the single lump distribution are the same as those used to value the Company's pension obligations in the audited financial statements.

*Executive Retiree Health Care Program*

The Company will provide an executive retiree health care benefit upon retirement from the Company for designated executives. Pursuant to the program, such executives, after completing five years of service with the Company will be entitled to retiree health care benefits that are similar to those available to the Company's employees who are eligible for postretirement benefits under the Visteon Retiree Health & Welfare Program. Of the Named Executive Officers, Mr. Stebbins is eligible for this program.

*Visteon Engineering Services Pension Plan - Mr. Pallash*

The Visteon Engineering Services Pension Plan (the VES Pension Plan) was established in 2007 for employees of Visteon Engineering Services Limited (VES) whose benefits transferred from another U.K. pension plan. The VES Pension Plan provides a monthly retirement benefit from date of retirement equal to 1/60 of the participant's final pensionable salary (the 12 months prior to March 31st in the year prior to retirement) times years of pensionable service. Pensionable service was frozen at the point each individual employee opted out of the other U.K. pension plan. The participant has the option to surrender a portion of the monthly retirement benefit in exchange for a tax-free cash lump sum payment at retirement. The normal retirement age is 65, however, under UK law, participants may retire after age 55 upon VES consent. The monthly retirement benefit is reduced by 6% per annum for retirement prior to age 60.

To preserve a higher Lifetime Allowance under U.K. tax regulations (which was reduced by the U.K. Government), by agreement between Mr. Pallash and the Company, Mr. Pallash ceased to accrue further pension savings in the VES LTD Savings Plan (Stakeholder Plan) or any other U.K. registered pension scheme under Fixed Protection from April 2012. The Company increased its contribution to Mr. Pallash's individual trust based defined contribution plan by the amount of contributions the Company previously paid into the Stakeholder Plan.

**Table of Contents***Defined Contribution Plan*

The Named Executive Officers, as well as most U.S. salaried employees, are also entitled to participate in the Visteon Investment Plan, Visteon's investment and savings plan. The amounts that may be deferred are limited by the Code. From January 1, 2012, the Company matched employee contributions of up to 6% of pay at a rate of 100% of the employee's eligible contributions. Amounts deferred for each Named Executive Officer are reflected in the Salary column of the above Summary Compensation Table.

*Savings Parity and Amended SERP Plans*

Effective January 1, 2012, the Company adopted a new Savings Parity Plan that restores company matching contributions under the Visteon Investment Plan lost due to Code limitations, and amended the SERP to provide benefits through a defined contribution approach: eligible employees will receive credits equal to 6%, 9%, or 14.5% of base compensation and annual incentive, dependent upon their organizational levels. The account balances in both the Savings Parity Plan and the amended SERP will be increased or reduced to reflect earnings and losses on hypothetical investments designated by the employee.

**2012 Nonqualified Deferred Compensation**

The following table provides information about the nonqualified defined contribution deferred compensation plans in which our US-paid NEOs participate. Our NEOs (with the exception of Mr. Pallash who is paid from the UK) participate in the Savings Parity Plan and the Defined Contribution SERP (DC SERP) Plan, both of which became effective on January 1, 2012. The Savings Parity Plan restores company matching contributions under the Visteon Investment Plan, Visteon's investment and savings plan, lost due to IRS Code limitations. The DC SERP plan provides benefits through a defined contribution approach where eligible employees receive credits equal to 6%, 9% or 14.5% of base compensation and annual incentive, dependent upon their organizational levels. Account balances in both the Savings Parity Plan and DC SERP will be increased or reduced to reflect earnings and losses on hypothetical investments designated by the employee. There were no withdrawals by or distributions to any of the NEOs in 2012.

**Nonqualified Deferred Compensation for 2012**

| Name                        | Executive Contributions in Last FY (\$) | Registrant Contributions in Last FY (\$) | Aggregate Earnings in Last FY (\$) | Aggregate Withdrawals/ Distributions (\$) | Aggregate Balance at Last FYE (\$) |
|-----------------------------|-----------------------------------------|------------------------------------------|------------------------------------|-------------------------------------------|------------------------------------|
| <b>Timothy D. Leuliette</b> |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(1)      | \$                                      | \$                                       | \$                                 | \$                                        | \$                                 |
| DC SERP(2)                  | \$                                      | \$ 65,250                                | \$ 449                             | \$                                        | \$ 65,699                          |
| <b>Jeffrey M. Stafeil</b>   |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(1)      | \$                                      | \$                                       | \$                                 | \$                                        | \$                                 |
| DC SERP(2)                  | \$                                      | \$ 9,962                                 | \$ 64                              | \$                                        | \$ 10,026                          |
| <b>Steve Meszaros</b>       |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(1)      | \$                                      | \$ 53,070                                | \$                                 | \$                                        | \$ 53,070                          |
| DC SERP(2)                  | \$                                      | \$ 81,085                                | \$ 3,150                           | \$                                        | \$ 84,235                          |
| <b>Robert C. Pallash</b>    |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(3)      | \$                                      | \$                                       | \$                                 | \$                                        | \$                                 |
| DC SERP(3)                  | \$                                      | \$                                       | \$                                 | \$                                        | \$                                 |
| <b>Keith M. Shull</b>       |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(1)      | \$                                      | \$ 29,160                                | \$                                 | \$                                        | \$ 29,160                          |
| DC SERP(2)                  | \$                                      | \$ 66,358                                | \$ 2,429                           | \$                                        | \$ 68,786                          |
| <b>Michael J. Widgren</b>   |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(1)      | \$                                      | \$ 20,964                                | \$                                 | \$                                        | \$ 20,964                          |
| DC SERP(2)                  | \$                                      | \$ 35,455                                | \$ 1,589                           | \$                                        | \$ 37,044                          |
| <b>Donald J. Stebbins</b>   |                                         |                                          |                                    |                                           |                                    |
| Savings Parity Plan(1)      | \$                                      | \$ 140,000                               | \$                                 | \$                                        | \$ 140,000                         |
| DC SERP(2)                  | \$                                      | \$ 375,524                               | \$ 13,248                          | \$                                        | \$ 388,772                         |

Edgar Filing: VISTEON CORP - Form DEF 14A

**Martin E. Welch III**

|                        |    |    |        |    |       |    |        |
|------------------------|----|----|--------|----|-------|----|--------|
| Savings Parity Plan(1) | \$ | \$ | 21,673 | \$ | \$    | \$ | 21,673 |
| DC SERP(2)             | \$ | \$ | 55,092 | \$ | 1,619 | \$ | 56,710 |

**Table of Contents**

- (1) The Savings Parity Plan was adopted effective January 1, 2012. The Company contributions noted in this Table represent accrued contributions to be credited to each participant's account for the fiscal year reported in this Proxy.
- (2) The Defined Contribution SERP ( DC SERP ) was adopted effective January 1, 2012. This Table reflects Company contributions, aggregate earnings, aggregate gains/losses, and aggregate withdrawals/distributions made to the participants' accounts during fiscal year 2012.
- (3) Mr. Pallash does not participate in U.S. retirement programs.

**Potential Payments Upon Termination**

Set forth below are estimated payments and benefits that would be provided to the Named Executive Officers upon their termination of employment (or that would be accelerated upon a change in control) under specified circumstances assuming that the relevant triggering event occurred at December 31, 2012. These disclosed amounts are estimates only and do not necessarily reflect the actual amounts that would be paid to the Named Executive Officers, which would only be known at the time that they become eligible for payment and would only be payable if any of the triggering events were to occur. Accrued amounts (other than the accelerated vesting of retirement benefits noted below) under the Company's pension and defined contribution plans are not included in this table.

| Named Executive Officer(1)                   | Involuntary Termination (w/o cause or for Good Reason) | Change in Control | Qualifying Termination after Change in Control |
|----------------------------------------------|--------------------------------------------------------|-------------------|------------------------------------------------|
| <b>Timothy D. Leuliette</b>                  |                                                        |                   |                                                |
| <i>Benefit:</i>                              |                                                        |                   |                                                |
| Severance Payments                           | \$ 3,795,000                                           | N/A               | \$ 6,325,000                                   |
| Accelerated Bonus                            | \$                                                     | \$                | \$                                             |
| Accelerated Stock Option/SAR Vesting(2)      | \$                                                     | \$                | \$                                             |
| Accelerated Stock/Unit Awards Vesting(3)     | \$                                                     | \$                | \$ 4,588,000                                   |
| Continuation of Perquisites and Allowances   | \$                                                     | N/A               | \$                                             |
| Accelerated Retirement Benefits Vesting      | N/A                                                    | N/A               | \$                                             |
| Deferred Compensation(4)                     | \$                                                     |                   | \$ 66,000                                      |
| Continuation of Health & Welfare Benefits(5) | \$ 3,000                                               | N/A               | \$ 13,000                                      |
| Outplacement Services(6)                     | \$ 50,000                                              | N/A               | \$ 50,000                                      |
| Tax Gross-Up                                 | N/A                                                    | N/A               | N/A                                            |
| <b>Totals</b>                                | <b>\$ 3,848,000</b>                                    | <b>\$</b>         | <b>\$ 11,042,000</b>                           |
| <b>Jeffrey M. Stafeil</b>                    |                                                        |                   |                                                |
| <i>Benefit:</i>                              |                                                        |                   |                                                |
| Severance Payments                           | \$ 1,755,000                                           | N/A               | \$ 2,340,000                                   |
| Accelerated Bonus                            | \$                                                     | \$                | \$                                             |
| Accelerated Stock Option/SAR Vesting(2)      | \$                                                     | \$                | \$                                             |
| Accelerated Stock/Unit Awards Vesting(3)     | \$                                                     | \$                | \$ 1,565,000                                   |
| Continuation of Perquisites and Allowances   | \$                                                     | N/A               | \$                                             |
| Accelerated Retirement Benefits Vesting      | \$                                                     | N/A               | \$                                             |
| Deferred Compensation(4)                     | \$                                                     |                   | \$ 10,000                                      |
| Continuation of Health & Welfare Benefits(5) | \$ 15,000                                              | N/A               | \$ 15,000                                      |
| Outplacement Services(6)                     | \$ 50,000                                              | N/A               | \$ 50,000                                      |
| Tax Gross-Up                                 | N/A                                                    | N/A               | N/A                                            |
| <b>Totals</b>                                | <b>\$ 1,820,000</b>                                    | <b>\$</b>         | <b>\$ 3,980,000</b>                            |





**Table of Contents**

| Named Executive Officer(1)                   | Involuntary Termination (w/o cause or for Good Reason) | Change in Control   | Qualifying Termination after Change in Control |
|----------------------------------------------|--------------------------------------------------------|---------------------|------------------------------------------------|
| <b>Steve Meszaros</b>                        |                                                        |                     |                                                |
| <i>Benefit:</i>                              |                                                        |                     |                                                |
| Severance Payments                           | \$ 1,200,000                                           | N/A                 | \$ 1,200,000                                   |
| Accelerated Bonus                            | \$                                                     | \$                  | \$                                             |
| Accelerated Stock Option/SAR Vesting(2)      | \$                                                     | \$ 2,000            | \$ 2,000                                       |
| Accelerated Stock/Unit Awards Vesting(3)     | \$ 1,564,000                                           | \$ 1,679,000        | \$ 2,462,000                                   |
| Continuation of Perquisites and Allowances   | \$                                                     | N/A                 | \$                                             |
| Accelerated Retirement Benefits Vesting      | \$                                                     | N/A                 | \$                                             |
| Deferred Compensation(4)                     | \$ 137,000                                             | \$                  | \$ 137,000                                     |
| Continuation of Health & Welfare Benefits(5) | \$ 30,000                                              | N/A                 | \$ 31,000                                      |
| Outplacement Services(6)                     | \$ 50,000                                              | N/A                 | \$ 50,000                                      |
| Tax Gross-Up                                 | N/A                                                    | N/A                 | N/A                                            |
| <b>Totals</b>                                | <b>\$ 2,981,000</b>                                    | <b>\$ 1,681,000</b> | <b>\$ 3,882,000</b>                            |
| <b>Robert C. Pallash</b>                     |                                                        |                     |                                                |
| <i>Benefit:</i>                              |                                                        |                     |                                                |
| Severance Payments                           | \$ 1,080,000                                           | N/A                 | \$ 1,080,000                                   |
| Accelerated Bonus                            | \$                                                     | \$                  | \$                                             |
| Accelerated Stock Option/SAR Vesting(2)      | \$                                                     | \$ 2,000            | \$ 2,000                                       |
| Accelerated Stock/Unit Awards Vesting(3)     | \$ 1,545,000                                           | \$ 1,649,000        | \$ 2,431,000                                   |
| Continuation of Perquisites and Allowances   | \$                                                     | N/A                 | \$                                             |
| Accelerated Retirement Benefits Vesting      | \$                                                     | N/A                 | \$                                             |
| Deferred Compensation(4)                     | \$                                                     | \$                  | \$                                             |
| Continuation of Health & Welfare Benefits(5) | \$ 14,000                                              | N/A                 | \$ 17,000                                      |
| Outplacement Services(6)                     | \$ 50,000                                              | N/A                 | \$ 50,000                                      |
| Tax Gross-Up                                 | N/A                                                    | N/A                 | N/A                                            |
| <b>Totals</b>                                | <b>\$ 2,689,000</b>                                    | <b>\$ 1,651,000</b> | <b>\$ 3,580,000</b>                            |
| <b>Keith M. Shull</b>                        |                                                        |                     |                                                |
| <i>Benefit:</i>                              |                                                        |                     |                                                |
| Severance Payments                           | \$ 989,000                                             | N/A                 | \$ 989,000                                     |
| Accelerated Bonus                            | \$                                                     | \$                  | \$                                             |
| Accelerated Stock Option/SAR Vesting(2)      | \$                                                     | \$ 1,000            | \$ 1,000                                       |
| Accelerated Stock/Unit Awards Vesting(3)     | \$ 598,000                                             | \$ 1,091,000        | \$ 1,874,000                                   |
| Continuation of Perquisites and Allowances   | \$                                                     | N/A                 | \$                                             |
| Accelerated Retirement Benefits Vesting      | \$                                                     | N/A                 | \$ 27,000                                      |
| Deferred Compensation(4)                     | \$                                                     | \$                  | \$ 98,000                                      |
| Continuation of Health & Welfare Benefits(5) | \$ 12,000                                              | N/A                 | \$ 16,000                                      |
| Outplacement Services(6)                     | \$ 50,000                                              | N/A                 | \$ 50,000                                      |
| Tax Gross-Up                                 | N/A                                                    | N/A                 | N/A                                            |
| <b>Totals</b>                                | <b>\$ 1,649,000</b>                                    | <b>\$ 1,092,000</b> | <b>\$ 3,055,000</b>                            |
| <b>Michael J. Widgren</b>                    |                                                        |                     |                                                |
| <i>Benefit:</i>                              |                                                        |                     |                                                |
| Severance Payments                           | \$ 555,000                                             | N/A                 | \$ 833,000                                     |
| Accelerated Bonus                            | \$                                                     | \$                  | \$                                             |
| Accelerated Stock Option/SAR Vesting(2)      | \$                                                     | \$ 1,000            | \$ 1,000                                       |
| Accelerated Stock/Unit Awards Vesting(3)     | \$ 649,000                                             | \$ 707,000          | \$ 1,099,000                                   |
| Continuation of Perquisites and Allowances   | \$                                                     | N/A                 | \$                                             |
| Accelerated Retirement Benefits Vesting      | \$                                                     | N/A                 | \$                                             |

Edgar Filing: VISTEON CORP - Form DEF 14A

|                                              |    |           |    |         |              |
|----------------------------------------------|----|-----------|----|---------|--------------|
| Deferred Compensation(4)                     | \$ | 58,000    | \$ | \$      | 58,000       |
| Continuation of Health & Welfare Benefits(5) | \$ | 15,000    |    | N/A     | \$ 15,000    |
| Outplacement Services(6)                     | \$ | 50,000    |    | N/A     | \$ 50,000    |
| Tax Gross-Up                                 |    | N/A       |    | N/A     | N/A          |
| Totals                                       | \$ | 1,327,000 | \$ | 708,000 | \$ 2,056,000 |

---

**Table of Contents**

- (1) Messrs. Stebbins and Welch are not included in the above tables because their service as executive officers terminated effective as of August 10, 2012 and October 3, 2012, respectively. The terms of their separation agreements are described above. In addition, Mr. Shull's employment with the Company terminated effective as of April 30, 2013.
- (2) All unvested stock options and stock appreciation rights would be accelerated in the event of a change of control; however, the exercise price of stock options and stock appreciation rights granted to certain NEOs on March, 8, 2011 exceeded the market price of Visteon common stock as of December 31, 2012.
- (3) Assumes that the 2012 Special LTI RSUs and the 2012 Special LTI PSUs (as defined below) are converted or assumed by an acquirer in the event of a change in control, and, thus, such awards do not accelerate upon a change in control.
- (4) Represents the vested values payable under each scenario for the participant's accounts in the DC SERP and Savings Parity Plan, nonqualified deferred compensation plans.
- (5) The estimated cost of continuing health and welfare benefits is based on current insurance premiums.
- (6) The amount of covered or reimbursed services was assumed to be the maximum amount allowable under change in control agreements and the severance plan, as described further below. The amounts to be reimbursed will be only for those expenses actually incurred by the executive, and may be significantly less than the amount presented in the table.

*Potential Payments Upon Change in Control*

The 2010 Incentive Plan provides for accelerated vesting or payout of equity and incentive awards upon a change in control, even if the executive does not terminate employment, unless modified by applicable award agreements or terms and conditions at the time of grant. The benefits are designed to retain and motivate employees during the uncertain process that precedes a change in control transaction, and include:

any awards under the plan that relate to performance periods that have been completed as of the date of the change in control, but that have not yet been paid, are paid in accordance with the terms of such awards;

any awards under the plan that relate to performance periods that have not been completed as of the date of the change in control, and that are not then vested, become fully vested if vesting is based solely upon the length of the employment relationship as opposed to the satisfaction of one or more performance goals; and

any other awards that relate to performance periods that have not been completed as of the date of the change in control, and that are not then vested, will be treated as vested and earned pro rata, as if the performance goals at target levels are attained as of the effective date of the change in control (based on the number of full months that have elapsed from the beginning of the performance period to the date of the change in control compared to the total number of months in the original performance period).

However, certain equity awards made in 2012 are subject to terms and conditions that modify the vesting provisions described above in the event of a change in control, as follows:

any outstanding restricted stock units granted as part of the 2012 special, multi-year long-terms incentive program (the 2012 Special LTI RSUs ) will become fully vested immediately upon a change in control if such units are not assumed, converted or replaced by the acquirer or other continuing entity;

## Edgar Filing: VISTEON CORP - Form DEF 14A

upon a change in control, the performance stock units granted as part of the 2012 special, multi-year long-terms incentive program (the 2012 Special LTI PSUs ), (i) if such units are not assumed, converted or replaced by the acquirer or other continuing entity, become immediately vested to the extent that the performance metrics have been achieved as of the date of such change in control (with any remainder being forfeited), or (ii) if the units are assumed, converted or replaced by the acquirer or other continuing entity and the holder's employment continues beyond the date that is 24 months after such change in control, become time-based units to the extent that the performance metrics have been achieved as of the date of such change in control (with any remainder being forfeited) and vest, if at all, on its scheduled vesting date; and

upon the occurrence of a change in control, the holder will be entitled to a prorated portion of their performance stock units granted as part of the 2012 regular long-terms incentive program (the 2012 PSUs ) determined by assuming target levels of performance or, if greater, projected performance assuming continuation of the performance levels achieved during the portion of the performance period that has been completed prior to the change in control (provided, however, that to the extent that separate performance goals or other measures have

---

**Table of Contents**

been established with respect to each calendar year within the performance period, (a) the portion of the final award that relates to any completed calendar year shall be determined based upon the actual results for such calendar year, and (b) the portion of the final award that relates to any calendar year that has not been completed as of the date of the change in control will be determined by assuming target levels of performance (or if greater, projected performance assuming continuation of performance achieved during the portion of the calendar year in which the change in control occurs).

Under the 2010 Incentive Plan, a change in control will be deemed to have occurred as of the first day any one or more of the following is satisfied, except as modified by applicable award agreements or terms and conditions at the time of grant:

(A) any person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

(B) within any twelve (12) month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of the 2010 Incentive Plan, constitute the Board of Directors of the Company 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 (except that for the 2012 Special LTI PSUs and the 2012 Special LTI RSUs, this paragraph provides: (B) within any twelve month period, the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, at the beginning of the twelve month period, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the twelve month period or whose appointment, election or nomination for election was previously so approved or recommended (for these purposes, (x) a threatened election contest will be deemed to have occurred only if any person or entity publicly announces a bona fide intention to engage in an election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company, and (y) a withhold vote campaign with respect to any director will not by itself constitute an actual or threatened election contest));

(C) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which results in the directors of the Company immediately prior to such merger or consolidation continuing to constitute at least a majority of the board of directors of the Company, the surviving entity or any parent thereof or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

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

(E) any other event that the Board, in its sole discretion, determines to be a change in control.

However, a change in control will 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

**Table of Contents**

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.

*Change in Control followed by Qualifying Termination*

The Company has entered into change in control agreements with all of its executives, including the Named Executive Officers. These agreements provide for certain benefits if a qualifying termination occurs following a change in control of the Company. For the Named Executive Officers, a qualifying termination includes a termination of the executive's employment without cause or a resignation for good reason, in each case, within two years after the change in control.

In addition to the benefits described above under Change in Control, the Named Executive Officers are entitled to the following benefits pursuant to the change in control agreements so long as the executive signs an acceptable release of claims:

the payment of any unpaid salary or incentive compensation, together with all other compensation and benefits payable to the executive under the terms of the Company's compensation and benefits plans, earned through the date of termination;

a severance payment in the amount of one and a half times (other than Mr. Leuliette, which is two and a half times, and Mr. Stafeil, which is two times) base salary plus the executive's target annual bonus;

the continuation for eighteen months following termination of life, accident and health insurance benefits for the executive and his or her dependents;

all contingent annual bonus awards under the 2010 Incentive Plan (or other plans) for periods that have not been completed become payable on a pro-rated basis assuming the achievement at target levels of any individual or corporate performance goals;

the benefits then accrued by or payable to the executive under the SERP, the Pension Parity Plan and the Savings Parity Plan, or any other nonqualified plan providing supplemental retirement or deferred compensation benefits, become fully vested; and

reimbursement for the cost of outplacement services for up to twelve months following termination, not to exceed \$50,000;

Change in control payments for the Named Executive Officers are not grossed up for the payment of any section 4999 excise taxes. However, the executive may choose to have his or her total payments under the agreement reduced so that no portion of the total payments will be subject to section 4999 excise taxes.

Good Reason under the agreements includes the following:

a negative material alteration is made in the executive's duties and responsibilities;

the executive's annual base salary is decreased (except for certain across-the-board reductions);

the executive is required to relocate his or her residence or principal office location by more than 50 miles;

## Edgar Filing: VISTEON CORP - Form DEF 14A

the executive's incentive compensation or other benefits are decreased by ten percent or more (except for certain across-the-board reductions); or

the executive is not paid any portion of his or her then current compensation or an installment under any deferred compensation program.

Each executive agrees to comply with confidentiality, non-disparagement and non-competition covenants during the term of the agreement and for a period thereafter. In addition, in the event of a potential change of control, as defined therein, each executive agrees not to voluntarily terminate his or her employment, except for retirement or good reason, until the earlier of six months after such potential change of control or the occurrence of a change in control.



---

**Table of Contents**

A change in control will be deemed to have occurred under the change in control agreements as of the first day any one or more of the following is satisfied:

(A) any person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 40% or more of the combined voting power of the Company's then outstanding securities;

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

(C) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (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; or

(D) 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.

However, 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.

In addition, the terms and conditions applicable to the 2012 Special LTI RSUs and the 2012 Special LTI PSUs provide as follows:

any outstanding 2012 Special LTI RSUs will become immediately (i) fully vested if the holder's employment is terminated without cause or for good reason (each as defined in the applicable change in control agreements) within 24 months following a change in control if such units are assumed, converted or replaced by the acquirer or other continuing entity, or (ii) vested on a pro rata basis if the holder's employment is terminated without cause or for good reason and either a change in control has occurred before the termination of employment or the holder had remained in the employ of the Company for at least 180 days following the grant date (to the extent not accelerated pursuant to (i)); and

upon a change in control in which the acquirer or other continuing entity assumes, converts or replaces such units, the 2012 Special LTI PSUs will become immediately vested to the extent that the performance metrics have been achieved as of the date of such change in control (with any remainder being forfeited) if the holder's employment is terminated without cause or for good reason (each as defined in the applicable change in control agreements) within 24 months following the change in control.

---

**Table of Contents**

*Voluntary Termination (Without Good Reason or for Cause )*

An executive who voluntarily resigns without good reason or whose employment is terminated by the Company for cause (each as defined in the Change in Control Agreements, Terms and Conditions of Initial Stock Grants and the individual employment agreement applicable to Mr. Leuliette) will be entitled to receive unpaid salary and benefits, if any, he has accrued through the effective date of his termination, and the executive will forfeit any outstanding, unvested equity-based awards, including the restricted stock awards issued on October 1, 2010 (the Emergence RSAs ).

*Involuntary Termination (Without Cause or for Good Reason )*

Upon the involuntary termination of employment by the Company (other than for specified reasons, including disability, availability of other severance benefits, and inappropriate conduct), all officers elected by the Board of Directors are entitled to severance benefits under the 2010 Visteon Executive Severance Plan. For the NEO s, these severance benefits include a cash payment equal to 150% of one year of base salary and their target annual incentive opportunity, a pro-rated annual incentive bonus for the fiscal year during which the termination occurs (based on actual Company performance during the period), the reimbursement of medical coverage premiums under COBRA for eighteen months following termination, and the provision of outplacement services for up to twelve months (not to exceed \$50,000). However, if the eligible executive does not execute an acceptable release and waiver of claims, such executive will only be entitled to a cash payment equal to four weeks of base salary. The severance plan permits executives to receive both the severance benefits under the plan and, if eligible, the retirement benefits described above. Mr. Leuliette may elect to receive similar benefits under his employment agreement in lieu of benefits under the Company s severance plan.

The 2010 Incentive Plan does not accelerate any of the outstanding awards held by executives who are involuntarily terminated. However, the terms and conditions applicable to certain equity awards provide as follows:

the Emergence RSAs held by a Named Executive Officer will accelerate and vest in the event of an involuntary termination without cause or a voluntary termination for good reason (each as defined in the Terms and Conditions of Initial Stock Grants);

the 2012 PSUs will vest on a pro rata basis if the holder s employment is involuntary terminated without cause (each as defined in the applicable terms and conditions), provided that the holder had remained in the employ of the Company for at least 180 days following the grant date;

the 2012 Special LTI RSUs will vest on a pro rata basis if the holder s employment is involuntary terminated without cause or for good reason (each as defined in the applicable terms and conditions), provided that the holder had remained in the employ of the Company for at least 180 days following the grant date; and

the 2012 Special LTI Performance Stock Units will not be forfeited and will vest on the scheduled vesting date on a pro rata basis if the holder s employment is involuntary terminated without cause or for good reason (each as defined in the applicable terms and conditions), provided that the holder had remained in the employ of the Company for at least 180 days following the grant date (and the termination is either before any change in control or more than 24 months after any change in control).

Messrs. Stebbins and Welch were separated from the Company during 2012. Please see Separation Agreement with Mr. Stebbins, Separation Agreement with Mr. Welch, and the column All Other Compensation in the Summary Compensation Table, above. In addition, Mr. Shull s employment with the Company was terminated effective as of April 30, 2013. Mr. Shull will receive the severance benefits under the 2010 Visteon Executive Severance Plan as described above. In addition, Mr. Shull will be deemed to be vested in his benefits under the DC SERP and Savings Parity Plan, which will be paid in a lump sum of approximately \$160,000, and he will receive the final installment of his housing allowance of \$80,000.

*Termination Upon Retirement, Death or Disability*

Following termination of executive s employment for disability, the executive will receive all compensation payable under the Company s disability and medical plans and insurance policies, which are available generally to the Company s salaried employees.



**Table of Contents**

Upon retirement or disability, each Named Executive Officer's outstanding Emergence RSAs will continue to vest in accordance with their original terms. In the event of a termination by reason of death, each Named Executive Officer's outstanding Emergence RSAs will accelerate and vest. A termination upon the death or disability of a Named Executive Officer is generally treated the same as an involuntary termination with respect to the 2012 Special LTI RSUs, 2012 Special LTI PSUs and the 2012 PSU's.

In addition to the payments and benefits described above, the Organization and Compensation Committee of the Board may authorize additional payments when it separates a Named Executive Officer. The Company might agree to make the payments it deems necessary to negotiate a definitive termination agreement with the terms, such as a general release of claims, nondisparagement, cooperation with litigation, noncompetition and nonsolicitation agreements, as determined by the Company.

The following table summarizes information as of December 31, 2012 relating to its equity compensation plans pursuant to which grants of stock options, stock appreciation rights, stock rights, restricted stock, restricted stock units and other rights to acquire shares of its common stock may be made from time to time.

**Equity Compensation Plan Information**

| <b>Plan Category</b>                                       | <b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)(1)</b> | <b>Weighted-Average Price of Outstanding Options, Warrants and Rights (b)(1)</b> | <b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column(a))(c)(2)</b> |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by security holders(3)  | 2,121,201                                                                                                 | \$ 67.40                                                                         | 2,129,820                                                                                                                                               |
| Equity compensation plans not approved by security holders |                                                                                                           |                                                                                  |                                                                                                                                                         |
| <b>Total</b>                                               | <b>2,121,201</b>                                                                                          | <b>\$ 67.40</b>                                                                  | <b>2,129,820</b>                                                                                                                                        |

(1) Comprised of stock options, stock appreciation rights, which may be settled in stock or cash at the election of the Company, and outstanding restricted stock and performance stock units, which may be settled in stock or cash at the election of the Company without further payment by the holder, granted pursuant to the Visteon Corporation 2010 Incentive Plan. Excludes 228,205 unvested shares of restricted common stock issued pursuant to the Visteon Corporation 2010 Incentive Plan. The weighted-average exercise price of outstanding options, warrants and rights does not take into account restricted stock or performance stock units that will be settled without any further payment by the holder.

(2) Excludes an indefinite number of stock units that may be awarded under the Visteon Corporation Non-Employee Director Stock Unit Plan, which units may be settled in cash or shares of the Company's common stock. Such plan provides for an annual, automatic grant of stock units worth \$95,000 to each non-employee director of the Company. There is no maximum number of securities that may be issued under this Plan; however, the Plan will terminate on December 15, 2020 unless earlier terminated by the Board of Directors.

(3) The Visteon Corporation 2010 Incentive Plan was approved as part the Company's plan of reorganization, which is deemed to be approved by security holders.

**Table of Contents****AUDIT COMMITTEE REPORT**

The Audit Committee operates under a written charter adopted by the Board of Directors. Visteon management has the primary responsibility for the company's internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of the company's consolidated financial statements and issuing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States of America. The independent registered public accounting firm also expresses an opinion, based on an audit, on the effectiveness of Visteon's internal control over financial reporting. The Audit Committee oversees and monitors these processes and reports to the Board of Directors on its findings. During 2012, the Audit Committee held seven meetings.

**Auditor Independence**

During the year, the Audit Committee met and held discussions with Visteon management and Ernst & Young LLP, the independent registered public accounting firm. The Audit Committee reviewed and discussed with Visteon management and Ernst & Young LLP the audited financial statements contained in the company's Annual Report on Form 10-K for the year ended December 31, 2012, as well as the company's internal control over financial reporting. The Audit Committee also discussed with Ernst & Young LLP the matters required to be discussed under the Statement on Auditing Standards No. 61 (Communications with Audit Committees), as amended.

Ernst & Young LLP submitted to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence. The Audit Committee discussed with Ernst & Young LLP the firm's independence and considered whether the provision of non-audit services by Ernst & Young LLP to the company is compatible with maintaining the independence of Ernst & Young LLP. The Audit Committee concluded that the independence of Ernst & Young LLP from Visteon and management is not compromised by the provision of such non-audit services.

Based on these reviews and discussion, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the company's Annual Report on Form 10-K for the year ended December 31, 2012, and filed with the SEC.

Audit Committee

Duncan H. Cocroft (Chairman)

Robert J. Manzo

David L. Treadwell

*The Audit Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other Visteon filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Visteon specifically incorporates this Audit Committee Report by reference into any such filing.*

**AUDIT FEES**

The Audit Committee selects, subject to stockholder ratification, our independent registered public accounting firm for each fiscal year. During the year ended December 31, 2012, Ernst & Young LLP was employed principally to perform the annual audit of the company's consolidated financial statements and internal control over financial reporting and to provide other services. During the year ended December 31, 2011, PricewaterhouseCoopers LLP was employed principally to perform the annual audit of the company's consolidated financial statements and internal control over financial reporting and to provide other services. Fees paid to Ernst & Young LLP for 2012 and PricewaterhouseCoopers LLP for 2011 are listed in the following table:

| Year Ended December 31 | Audit Services Fees | Audit Related Fees | Tax Fees     | All Other Fees |
|------------------------|---------------------|--------------------|--------------|----------------|
| 2012                   | \$ 7,693,000        | \$ 747,000         | \$ 3,583,000 | \$             |

Edgar Filing: VISTEON CORP - Form DEF 14A

|      |              |            |            |    |
|------|--------------|------------|------------|----|
| 2011 | \$ 6,407,000 | \$ 129,000 | \$ 736,000 | \$ |
|------|--------------|------------|------------|----|

---

**Table of Contents**

Audit services fees include fees for services performed to comply with Sarbanes-Oxley Section 404 and Generally Accepted Auditing Standards ( GAAS ) as adopted by the Public Company Accounting Oversight Board and approved by the SEC, including the recurring audit of the company s consolidated financial statements. This category also includes fees for audits provided in connection with statutory filings or services that generally only the principal auditor reasonably can provide to a client, such as procedures related to the audit of income tax provisions and related reserves, and consents, assistance, and review of documents filed with the SEC. For 2012, audit services fees includes approximately \$2 million related to the audit of separate financial statements of Yanfeng Visteon Automotive Trim Systems Co., Ltd., a 50% owned Chinese joint venture, for fiscal years 2010, 2011 and 2012 to be filed by the Company on or prior to June 30, 2013.

Audit-related fees include fees associated with assurance and related services that are reasonably related to the performance of the audit or review of the company s financial statements. This category includes fees related to assistance in financial due diligence related to mergers and acquisitions, consultations regarding Generally Accepted Accounting Principles ( GAAP ), reviews and evaluations of the impact of new regulatory pronouncements, and audit services performed related to benefit/pension plans.

Tax fees primarily include fees associated with tax compliance.

**AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee has adopted procedures for its annual review and pre-approval of all audit and permitted non-audit services provided by the independent registered public accounting firm. These procedures include reviewing and approving a budget for audit and permitted non-audit services by category. The Audit Committee considers whether such services are consistent with the SEC s rules on auditor independence. The Audit Committee also considers whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service, for reasons such as its familiarity with the company s business, people, culture, accounting systems, risk profile, and whether the services enhance the company s ability to manage or control risks and improve audit quality. The Audit Committee will, as necessary, consider and, if appropriate, approve the provision of additional audit and non-audit services by its independent registered public accounting firm that are not encompassed by the Audit Committee s annual pre-approval and not prohibited by law. The Audit Committee has delegated to the Chairman of the Audit Committee the approval authority, on a case-by-case basis, for services outside of or in excess of the Audit Committee s aggregate pre-approved levels and not prohibited by law. In order to monitor services rendered and actual fees paid and commitments to be paid to the independent registered public accounting firm, the Chairman, or designee, shall report any such decisions to the Audit Committee at its next regular meeting.

**ITEM 2. APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The next proposal on the agenda for the Annual Meeting will be ratifying the appointment of Ernst & Young LLP by the Audit Committee as the Company s independent registered public accounting firm for fiscal year 2013. Ernst & Young LLP served in such capacity for fiscal year 2012, but PricewaterhouseCoopers LLP ( PwC ) served in such capacity for fiscal year 2011 and prior years. Effective upon the filing of the Annual Report on Form 10-K for fiscal year 2011 on February 27, 2012, PwC was dismissed as the Company s independent registered public accounting firm.

The reports of PwC for the twelve-months ended December 31, 2011, the three-months ended December 31, 2010 and the nine-months ended October 1, 2010 did not contain an adverse opinion or disclaimer of opinion nor were such reports qualified or modified as to uncertainty, audit scope or accounting principles except that PwC s reports for the three months ended December 31, 2010 and the nine-months ended October 1, 2010 included an explanatory paragraph describing the Company s voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code filed on May 28, 2009 and its subsequent emergence from bankruptcy on October 1, 2010, the date on which the Company adopted fresh-start accounting and became a new entity for financial reporting purposes.

In connection with the audits of the Company s financial statements for the twelve-months ended December 31, 2011, the three-months ended December 31, 2010 and the nine-months ended October 1, 2010, as well as through February 27, 2012, there were no disagreements between the Company and PwC on any matters of accounting

---

**Table of Contents**

principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of PwC, would have caused PwC to make reference thereto in their reports. Additionally, during the twelve-months ended December 31, 2011, the three-months ended December 31, 2010 and the nine-months ended October 1, 2010, as well as through February 27, 2012, there have been no reportable events, as defined in Item 304(a)(1)(v) of Regulation S-K, that were discussed with the Company's Audit Committee.

During the twelve-months ended December 31, 2011, the three-months ended December 31, 2010 and the nine-months ended October 1, 2010, as well as through February 27, 2012, neither the Company nor anyone acting on its behalf consulted Ernst & Young LLP regarding any of the matters described in Item 304(a)(2)(i) or Item 304(a)(2)(ii) of Regulation S-K.

Representatives of Ernst & Young LLP, the Company's independent registered public accounting firm, are expected to be present at the Annual Meeting. They will have the opportunity to make a statement at the meeting if they desire to do so and are expected to be available to respond to appropriate questions. For information regarding fees paid to Ernst & Young LLP, see Audit Fees on page 51.

***The Board of Directors Recommends that You Vote FOR the Ratification of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2013.***

**ITEM 3. PROVIDE AN ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Pursuant to Section 14A of the Exchange Act, we are seeking stockholder approval of the Company's executive compensation program and practices as disclosed in this Proxy Statement. While this vote is advisory, and not binding on the Board, it will provide information to the Board and the Organization and Compensation Committee regarding investor sentiment about our executive compensation programs and practices, which the Organization and Compensation Committee will carefully review when evaluating our executive compensation program.

Stockholders are being asked to vote on the following advisory resolution:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the Company's executive officers, as disclosed in the 2013 Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures.

The Company is committed to maintaining executive compensation programs and practices that are aligned with the Company's business strategy. As a result, the Company has a strong pay-for-performance philosophy that greatly impacts its decisions regarding executive compensation. Our executive compensation programs seek to align management's interests with our stockholders' interests to support long-term value creation and pay for performance. This philosophy and the compensation structure are essential to the Company's ability to attract, retain and motivate individuals who can achieve superior financial results in the best interests of the Company and its stockholders. To that end, our program links pay to performance by delivering a significant majority of the total compensation opportunity of our Named Executive Officers in variable or performance-based compensation programs (annual and long-term incentive plans). Performance measures used in the Company's annual and long-term incentive plans support the Company's annual operating plan and longer term strategy and are tied to key Company measures of short and long-term performance. Our program also aligns the Named Executive Officers' financial interest with those of our stockholders by delivering a substantial portion of their total compensation in the form of equity awards and other long-term incentive vehicles.

We urge our stockholders to read Compensation Discussion and Analysis above, which describes in detail how our executive compensation program and practices operate and are designed to achieve our compensation objectives, as well as the accompanying compensation tables which provide detailed information on the compensation of our Named Executive Officers.

***The Board of Directors recommends a vote FOR the approval of executive compensation set forth in this proxy statement.***



---

**Table of Contents**

**ITEM 4. APPROVE AN AMENDMENT TO THE NON-EMPLOYEE DIRECTOR STOCK UNIT PLAN**

The next proposal on the agenda for the Annual Meeting will be to approve an amendment to the Visteon Corporation Non-Employee Director Stock Unit Plan (the Directors Plan ). The Corporate Governance and Nominating Committee and the Board of Directors reviewed trends and practices with respect to director compensation, including a study performed by an independent, outside consultant, and determined that the Company's total non-employee director compensation was no longer competitive with its peers. As a result, on April 11, 2013, the Board of Directors approved an amendment to the Directors Plan to increase the annual stock unit grant from \$95,000 to \$105,000, subject to stockholder approval at the Annual Meeting. The amendment is intended to be part of an overall change to total non-employee director compensation that would also include a \$10,000 increase to the annual cash retainer. Such increase in the cash retainer would be approved by the Board only if the stockholders approve the amendment to the Directors Plan at the Annual Meeting.

The Board of Directors believes that amending the Directors Plan is in the best interests of the company and its stockholders because awarding more of director compensation in stock units that must be held until service on the Board ends will further align the economic interests of the directors with long-term stockholders of the company. The Directors Plan was originally adopted effective December 15, 2010, and approved as part of the Company's plan of reorganization.

**Summary of the Directors Plan**

The following is only a summary of the Directors Plan, as proposed to be amended, and is qualified in its entirety by reference to its full text, a copy of which is attached as Appendix B to this proxy statement.

*Plan Administration*

The Directors Plan is intended to be self-administering. However, an administrative committee composed of the non-participating members of the Board has the authority (i) to interpret and administer the Directors Plan; (ii) establish, amend, suspend or waive rules or regulations of the Directors Plan; and (iii) take any other action it deems necessary for administration of the Directors Plan. Also, the Organization and Compensation Committee has discretion to determine if distributions under the Directors Plan will be made in common stock or cash.

All administrative expenses of the Directors Plan will be paid for by the company.

*Participants*

Under the Directors Plan, a participant is defined as each member of the board who is not an officer or employee of the company or any of its subsidiaries and who has a book-entry account under the plan. There are currently seven eligible participants under the Directors Plan, and each participant will receive an award as of the day after the Annual Meeting.

*Stock Unit Awards and Dividend Equivalents*

Under the Directors Plan, as of the day immediately after the date of the Company's annual stockholders meetings, each participant will have credited to a book-entry account of the company a number of Visteon stock units equal to the result obtained by dividing (A) \$105,000 by (B) the average of the high and low prices of a share of our common stock sold on the New York Stock Exchange, or other applicable market, on such date. New non-employee directors will be entitled to interim awards on a pro rata basis.

Each month each participant will have credited to a book-entry account of the company a number of Visteon stock units determined by dividing the participant's deemed dividends for such month by the average of the high and low prices of a share of our common stock sold on the New York Stock Exchange, or other applicable market, on the last trading day of such month.

---

**Table of Contents**

*Distributions*

Each participant remains 100% vested in all amounts credited to his or her account under the Directors Plan. Distributions of amounts in a participant's account will be made either in a single sum or ten annual installments, at the advance election of the participant, commencing upon the later of (1) January 15th of the calendar year following the calendar year in which the participant terminates service as a non-employee director of the company, or (2) the first day of the seventh month following the month in which the participant terminates service as a director of the company. In the event of a change in control of the Company (as defined in the Directors Plan), the value of a participant's account determined as of such date will be immediately paid to the participant in a single cash payment.

*Term*

The Directors Plan will terminate on December 15, 2020, unless terminated earlier by the Board of Directors. No amendment or termination of the Directors Plan will adversely affect the rights of any participant or beneficiary to benefits then accrued without the written consent of the affected participant or beneficiary.

*The Board of Directors recommends that you vote FOR the approval of the amendment to the Visteon Corporation Non-Employee Director Stock Unit Plan.*

**OTHER MATTERS**

Neither the Company nor its directors intend to bring before the Annual Meeting any matter other than the election of the eight directors, the ratification of the Company's independent public accounting firm, the approval of the Company's executive compensation, and the approval of the amendment to the Non-Employee Director Stock Unit Plan. Also, they have no present knowledge that any other matter will be presented by others for action at the meeting.

**2014 STOCKHOLDER PROPOSALS AND NOMINATIONS**

Stockholder proposals that are intended to be included in the Company's proxy materials for the 2014 Annual Meeting must be presented pursuant to Securities and Exchange Commission Rule 14a-8 and received by the Corporate Secretary of the Company no later than December 31, 2013.

A stockholder that intends to present business at the 2014 Annual Meeting other than pursuant to Rule 14a-8, which may not be included in the Company's proxy materials, must comply with the requirements set forth in the Company's Bylaws. Among other things, a stockholder must give written notice of its intent to bring business before the 2014 Annual Meeting to the Company no later than March 15, 2014 and no earlier than February 13, 2014. However, if the date for the 2014 Annual Meeting is more than 30 calendar days prior to, or after, June 13, 2014 then such written notice must be received no later than the 90<sup>th</sup> day prior to the date of such meeting, or, if later, the tenth day following the day on which we announce the annual meeting date to the public. This written notice must contain specified information as set forth in the Company's Bylaws.

You may recommend any person to be a director by writing to the Corporate Secretary of the Company. The period for submitting written notice nominating a director for the 2014 Annual Meeting is not earlier than the 120<sup>th</sup> day prior to the date of the 2014 Annual Meeting and not later than the 90<sup>th</sup> day prior to the date of the 2014 Annual Meeting, or, if later, the tenth day following the day on which we announce the annual meeting date to the public. This notice must include, among other things, the name, age, address, occupations and stockholdings of the proposed nominee.

To the extent permitted, the Company may exercise discretionary voting authority under proxies it solicits to vote in accordance with its best judgment on any such stockholder proposal or nomination.

**MISCELLANEOUS**

Copies of our code of business conduct and ethics entitled, Ethics and Integrity Policy, as well as the Corporate Governance Guidelines and charters of all standing Board committees, are available on our website at

**Table of Contents**

www.visteon.com, by contacting our Investor Relations department in writing at One Village Center Drive, Van Buren Township, MI 48111; by phone (734) 710-2603; or via email at [sdietz@visteon.com](mailto:sdietz@visteon.com).

Visteon's 2012 Annual Report to Stockholders, including its Annual Report on Form 10-K for the year ended December 31, 2012 (and consolidated financial statements), is being made available to you with this Proxy Statement. **Stockholders may obtain, at no charge, an additional copy of our Annual Report on Form 10-K for the year ended December 31, 2012, including exhibits thereto, by contacting our Investor Relations department in writing at One Village Center Drive, Van Buren Township, MI 48111; by phone (734) 710-2603; or via email at [sdietz@visteon.com](mailto:sdietz@visteon.com).** Our periodic and current reports, including our Annual Report on Form 10-K, and any amendments thereto, are also available through our internet website at [www.visteon.com/investors](http://www.visteon.com/investors).

The SEC has adopted rules that allow us to send in a single envelope our Notice of Internet Availability of Proxy Materials or a single copy of our proxy solicitation and other required Annual Meeting materials to two or more stockholders sharing the same address. We may do this only if the stockholders at that address share the same last name or if we reasonably believe that the stockholders are members of the same family. If we are sending a Notice, the envelope must contain a separate Notice for each stockholder at the shared address. Each Notice must also contain a unique control number that each stockholder will use to gain access to our proxy materials and vote online. If we are mailing a paper copy of our proxy materials, the rules require us to send each stockholder at the shared address a separate proxy card.

We believe this rule is beneficial to both our stockholders and to us. Our printing and postage costs are lowered anytime we eliminate duplicate mailings to the same household. However, stockholders at a shared address may revoke their consent to the householding program and receive their Notice in a separate envelope, or, if they have elected to receive a full copy of our proxy materials in the mail, receive a separate copy of these materials. If you have elected to receive paper copies of our proxy materials and want to receive a separate copy of these materials, please call Broadridge at (800) 542-1061. If you consented to the householding program and wish to revoke your consent for future years, simply call, toll free, (800) 542-1061, or write to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you received more than one Notice of Internet Availability of Proxy Materials or proxy card, then you probably have multiple accounts with us and/or brokers, banks or other nominees. You should vote all of the shares represented by these Notices/proxy cards. Certain brokers, banks and nominees have procedures in place to discontinue duplicate mailings upon a stockholder's request. You should contact your broker, bank or nominee for more information. Additionally, our transfer agent, Computershare Shareowner Services, can assist you if you want to consolidate multiple registered accounts existing in your name. To contact our transfer agent, write to Visteon Corporation, c/o Computershare, P.O. Box 43006, Providence, RI 02940-3006, or call (877) 881-5962.

---

**Table of Contents**

**APPENDIX A**

**Visteon Director Independence Guidelines**

A director will be deemed independent, and to have no direct or indirect material relationship with the company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company), if he/she meets all of the following criteria:

1. Has not been an employee of Visteon or its subsidiaries within the last three years.
2. Is not currently a partner or employee of Visteon's internal or external auditor or a former partner or employee of Visteon's internal or external auditor or was within the last three years (but is no longer) a partner or employee of Visteon's internal or external auditor who personally worked on Visteon's audit within that time.
3. Has not been employed by a company in which, concurrently with such employment, an executive officer of Visteon served on the compensation committee of such company within the last three years.
4. Has not received more than \$100,000 per year in direct compensation from Visteon or its subsidiaries within the last three years, other than director or committee fees and pensions or other forms of deferred compensation for prior service (and not contingent on continued service).
5. Is not currently an executive officer or employee of a company that, within the past three years, has made payments to, or received payments from, Visteon or its subsidiaries for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues for such year.
6. Has no immediate family member (1) who (i) has been employed by Visteon as an officer, (ii) is a current partner of Visteon's internal or external auditor or a current employee of Visteon's internal or external auditor who participates in the audit, assurance or tax compliance (but not tax planning) practice, (iii) is a former partner or employee of Visteon's internal or external auditor who personally worked on Visteon's audit within the last three years, (iv) has been employed as an officer of another company where a Visteon executive officer served on the compensation committee of that company within the last three years, (v) received more than \$100,000 per year in direct compensation from Visteon or its subsidiaries other than pensions or other forms of deferred compensation for prior service (and not contingent on continued service), or (vi) is currently an officer of a company that has made payments to, or received payments from, Visteon or its subsidiaries for property or services in an amount which, during any twelve month period, exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues for such year, in each case, within the last three years.
7. Is not currently an executive officer of a tax-exempt organization that has received, within the preceding three years, contributions from Visteon or its subsidiaries in any single fiscal year in excess of the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues for such year.
8. Does not have any other relationships with the Company or with members of senior management that the Board determines to be material.

March 9, 2005

- (1) A director's immediate family shall include his or her spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law and anyone (other than domestic employees) who shares such director's home.

**Table of Contents**

**APPENDIX B**

**VISTEON CORPORATION**

**NON-EMPLOYEE DIRECTOR**

**STOCK UNIT PLAN**

**(As amended through April 11, 2013)**

**Section 1. EFFECTIVE DATE**

The Board of Directors of Visteon Corporation has adopted this Non-Employee Director Stock Unit Plan, effective December 15, 2010, 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. 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 Administrative Committee may determine to be necessary or appropriate, including the following:
1. **Mandatory Deferral Subaccount** means the Visteon Stock Units that are credited to the Participant's Account as a result of the Participant's Mandatory Deferrals.
  2. **Dividend Subaccount** means the Visteon Stock Units that are credited to the Participant's Account as a result of deemed dividends on Visteon Stock Units credited to the Participant's Account.
- (b) **Administrative Committee** means the non-participating members of the Board.
- (c) **Affiliate** means a person or legal entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control, with the Company, within the meaning of Code Sections 414(b) and (c); provided that Code Sections 414(b) and (c) shall be applied by substituting at least fifty percent (50%) for at least eighty percent (80%) each place it appears therein.
- (d) **Board** means the Board of Directors of the Company.
- (e) **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.
- (f) **Company** means Visteon Corporation, or any successor thereto.

## Edgar Filing: VISTEON CORP - Form DEF 14A

- (g) **Company Stock** means the common stock of the Company, par value \$0.01.
- (h) **Exchange** means the principal securities exchange on which Company Stock is traded or the over-the-counter market if Company Stock is not traded on a securities exchange.
- (i) **Outside Director** means a member of the Board who is not an officer or a common-law employee of the Company or any subsidiary thereof.
- (j) **Participant** means each Outside Director who has an Account under the Plan.
- (k) **Plan** means the Visteon Corporation Non-Employee Director Stock Unit Plan, as amended from time to time.
- (l) **Plan Year** means the period beginning on the effective date of the Plan and ending on December 31, 2010 and thereafter, the twelve month period beginning on January 1 and ending December 31 of each year.

B-1

---

**Table of Contents**

- (m) **Separation from Service** means the date on which a Participant ceases to be a member of the Board of Directors of the Company (or the board of directors of any Affiliate), provided that such cessation constitutes a separation from service for purposes of Code Section 409A.
- (n) **Visteon Stock Units** mean the hypothetical shares of Company Stock that are credited to a Participant's Account in accordance with Sections 4 and 5.

**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. MANDATORY DEFERRALS**

- (a) **Mandatory Deferrals.** On December 15, 2010, the Mandatory Deferral Account of each Participant who is then an Outside Director shall be credited with a number of Visteon Stock Units equal to the result obtained by (i) dividing (A) \$71,250 by (B) the average of the high and low prices at which a share of Company Stock shall have been sold on the Exchange on such date and (ii) rounding the quotient to four decimal places (the **Initial Deferral**). On the day after the date of each regular annual meeting of stockholders of the Company beginning in 2013, the Mandatory Deferral Account of each Participant who is then an Outside Director shall be credited with a number of additional Visteon Stock Units equal to the result obtained by (i) dividing (A) \$105,000 by (B) the average of the high and low prices at which a share of Company Stock shall have been sold on the Exchange on such date and (ii) rounding the quotient to four decimal places (each, an **Annual Deferral**). In the event that an Outside Director who has not served on the Board previously is first elected to the Board after the date of an Annual Deferral, then on the effective date of their election to the Board, the Mandatory Deferral Account of such new Participant shall be credited with a number of Visteon Stock Units equal to the result obtained by (i) dividing (A) the product of (x) the result obtained by dividing the number of days until the anniversary date of the last regular annual meeting of stockholders of the Company by 365, multiplied by (y) \$105,000, by (B) the average of the high and low prices at which a share of Company Stock shall have been sold on the Exchange on such date and (ii) rounding the quotient to four decimal places (each, including the Initial Deferral and an Annual Deferral, a **Mandatory Deferral**).
- (b) **Vesting.** Each Participant shall at all times be 100% vested in his or her Mandatory Deferral Subaccount.

**Section 5. DIVIDEND EQUIVALENTS**

- (a) **Conversion to Visteon Stock Units.** Any cash dividends that would have been payable in any month on the Visteon Stock Units credited to a Participant's Account had such units been actual shares of Company Stock shall be converted, for recordkeeping purposes, into whole and fractional Visteon Stock Units, with fractional units calculated to four decimal places, with the resulting Visteon Stock Units credited to the Participant's Dividend Subaccount. The conversion shall be accomplished by dividing the Participant's deemed dividends for the month





---

**Table of Contents**

by the average of the high and low prices at which a share of Common Stock shall have been sold on the Exchange on the last day of such month on which the Exchange is open to transact trades.

(b) Vesting. Each Participant shall at all times be 100% vested in his or her Dividend Subaccount.

**Section 6. DISTRIBUTIONS**

(a) Distribution Date. Distribution of a Participant's vested Account shall be made or commence to be made on the later of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which, occurs the Participant's Separation from Service.

(b) Participant Distribution Elections. Distribution shall be made in the form or forms of distribution elected by the Participant. A Participant's distribution election with respect to any Plan Year applies to both the Mandatory Deferrals made on behalf of the Participant during that Plan Year, and to all dividend equivalent credits made with respect to those Mandatory Deferrals. The Participant may elect to have a distribution made either in (i) a single sum, or (ii) ten (10) annual installments. A Participant who fails to make any distribution election shall be deemed to have elected the single sum payment option. The Participant may make a separate distribution election with respect to each Plan Year. Such election shall be effective on the first day of the Plan Year following the date it is received by the Administrative Committee; provided that to the extent permitted under Code Section 409A, a Participant may make a distribution election within 30 days of first becoming a Participant with respect to the Plan Year in which participation commences. A distribution election, once becoming effective with respect to a Plan Year, shall be irrevocable with respect to that Plan Year. An election shall continue in effect with respect to subsequent Plan Years (and, with respect to any Plan Year, shall become irrevocable on January 1 of that Plan Year) unless modified by the Participant in accordance with this Section 6. A Participant may modify an existing election for subsequent Plan Years effective on the first day of the Plan Year following the date on which the revised election is received by the Administrative Committee.

(c) Distribution Procedures.

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 a cash payment determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment for which such election is in effect by the average of the high and low prices at which a share of Company Stock shall have been sold on the Exchange on the 5<sup>th</sup> trading day preceding the date on which distribution is made; provided that the Organization and Compensation Committee of the Board may direct that all or any part of the Participant's distribution be satisfied in 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 unit) for which such election is in effect.
2. Installment Distributions. If the Participant has elected the installment distribution option, the first installment will be paid on the date specified in Section 6(a). Each subsequent installment will be paid on January 15 of each succeeding calendar 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 a cash payment determined by multiplying the number of Visteon Stock Units in the Participant's Account that are the subject of the cash payment for which such election is in effect by the average of the high and low prices at which a share of Company Stock shall have been sold on the Exchange on the 5<sup>th</sup> trading day preceding the date on which distribution is made; provided that the Organization and Compensation Committee of the Board may direct that all or any part of the Participant's distribution be satisfied in 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 unit) for which such election is in effect.

---

**Table of Contents**

- (d) **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.
- (e) **Timing of Distributions.** Any distribution that is to be made on a specified date may be made within 31 days following such date; provided that the Participant is not permitted, directly or indirectly, to specify the taxable year of the payment.

**Section 7. 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 on the later to occur of (i) January 15 of the calendar year following the calendar year in which, or (ii) the first day of the seventh month following the date on which, occurs the Participant s death. Any distribution that is to be made on a specified date may be made within 31 days following such date; provided that the beneficiary is not permitted, directly or indirectly, to specify the taxable year of the payment.
- (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) above 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 8. 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 an Outside Director 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 9. 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.

## **Table of Contents**

### **Section 10. CHANGE IN CONTROL**

In the event of a Change in Control Event (as defined in Code Section 409A) with respect to the Company, the value of the Participant's Account, determined as of the date of the Change in Control Event, shall be immediately paid to the Participant in a single sum cash payment, notwithstanding any prior distribution election made by the Participant.

### **Section 11. TERM, TERMINATION AND AMENDMENT**

- (a) Unless terminated earlier pursuant to subsection (b) below, this Plan shall terminate on December 15, 2020.
- (b) The Board reserves the right to amend or terminate this Plan at any time; provided that any termination of the Plan shall be implemented in accordance with the requirements of Code Section 409A, and 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 the conflicts 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.
- (d) **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 Company Stock, the Administrative Committee shall make appropriate equitable adjustments with respect to the Visteon Stock Units (if any) credited to the Account of each Participant, including without limitation, adjusting the number of such Units or the date as of which such Units are valued and/or distributed, as the Administrative Committee determines is necessary or desirable to prevent the dilution or enlargement of the benefits intended to be provided under the Plan.
- (e) **Permitted Delay in Payment.** If a distribution required under the terms of this Plan would jeopardize the ability of the Company or of an Affiliate to continue as a going concern, the Company or the Affiliate shall not be required to make such distribution. Rather, the distribution shall be delayed until the first date that making the distribution does not jeopardize the ability of the Company or of an Affiliate to continue as a going concern. Further, if any distribution pursuant to the Plan will violate the terms of Federal securities law or any other applicable law, then the distribution shall be delayed until the earliest date on which making the distribution will not violate such law.

**Table of Contents**

**APPENDIX C**

**Directions to The London NYC Hotel**

From the Triboro Bridge:

Take FDR Drive South to Exit 11, East 53<sup>rd</sup> Street

Merge onto East 53<sup>rd</sup> Street

Turn right onto 1<sup>st</sup> Avenue

Turn left at second cross street onto East 55<sup>th</sup> Street

Turn left onto 7<sup>th</sup> Avenue

Take 1<sup>st</sup> left onto West 54<sup>th</sup> Street

From the George Washington Bridge:

Head South on Fort Washington Ave. toward West 178<sup>th</sup> Street

Turn right on West 178<sup>th</sup> Street

Take Riverside Drive ramp to New York 9A N/H Hudson Parkway and merge onto New York 9A S

Turn left on West 54<sup>th</sup> Street

From the Lincoln Tunnel:

Exit the tunnel and turn right on 42<sup>nd</sup> Street to 8<sup>th</sup> Avenue

Turn left on 8<sup>th</sup> Avenue to 54<sup>th</sup> Street

Turn right on 54<sup>th</sup> Street

From LaGuardia Airport (approximately 40 minutes):

## Edgar Filing: VISTEON CORP - Form DEF 14A

Upon exiting airport, follow signs for Grand Central Parkway West; take Grand Central Parkway West to the Triboro Bridge into Manhattan; follow above directions from Triboro Bridge.

From JFK Airport (approximately 1 hour):

Upon exiting airport, follow signs for Van Wyck Expressway North; follow Van Wyck North to Long Island Expressway (LIE) West

Take LIE West to Queens/Midtown Tunnel; once through tunnel, take the exit toward East 37<sup>th</sup> Street

Make a slight left onto East 37<sup>th</sup> Street

Take the first right onto 3<sup>rd</sup> Avenue

Turn left onto East 42<sup>nd</sup> Street

Turn right onto 6<sup>th</sup> Avenue

Turn left onto West 55<sup>th</sup> Street

Turn left onto 7<sup>th</sup> Avenue

Take the first left onto West 54<sup>th</sup> Street

From Newark Airport (approximately 1 hour):

Upon exiting airport, follow signs for New Jersey Turnpike North, from NJ Turnpike north, follow signs for Lincoln Tunnel; follow above directions from Lincoln Tunnel.

C-1

**Table of Contents**

This Proxy Statement is printed entirely on recycled and recyclable paper. Soy ink, rather than petroleum-based ink, is used.

**Table of Contents**

**VISTEON CORPORATION**

**ONE VILLAGE CENTER DRIVE**

**VAN BUREN TOWNSHIP, MI 48111**

**VOTE BY INTERNET - [www.proxvote.com](http://www.proxvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M58382-P38776

KEEP THIS PORTION FOR YOUR RECORDS

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY**

**VISTEON CORPORATION**

**The Board of Directors recommends you vote FOR the following:**

1. Election of Directors

**Nominees:**

1a. Duncan H. Cocroft

1b. Jeffrey D. Jones

1c. Timothy D. Leuliette

1d. Robert J. Manzo

1e. Francis M. Scricco

1f. David L. Treadwell

1g. Harry J. Wilson

1h. Yuen Kam Ho, George

|                          | <b>For</b> | <b>Against</b> | <b>Abstain</b> |
|--------------------------|------------|----------------|----------------|
| 1a. Duncan H. Cocroft    | ..         | ..             | ..             |
| 1b. Jeffrey D. Jones     | ..         | ..             | ..             |
| 1c. Timothy D. Leuliette | ..         | ..             | ..             |
| 1d. Robert J. Manzo      | ..         | ..             | ..             |
| 1e. Francis M. Scricco   | ..         | ..             | ..             |
| 1f. David L. Treadwell   | ..         | ..             | ..             |
| 1g. Harry J. Wilson      | ..         | ..             | ..             |
| 1h. Yuen Kam Ho, George  | ..         | ..             | ..             |

# Edgar Filing: VISTEON CORP - Form DEF 14A

For address changes and/or comments, please check this box and write them on the back where indicated.

**The Board of Directors recommends you vote FOR the following proposals:**

|                                                                                                                                     | <b>For</b> | <b>Against</b> | <b>Abstain</b> |
|-------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|
| 2. Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2013. | ..         | ..             | ..             |
| 3. Provide advisory approval of the Company's executive compensation.                                                               | ..         | ..             | ..             |
| 4. Approve an amendment to the Visteon Corporation Non-Employee Director Stock Unit Plan.                                           | ..         | ..             | ..             |

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date



**Table of Contents**

**VISTEON CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

DATE: THURSDAY, JUNE 13, 2013  
TIME: 11:00 AM EASTERN DAYLIGHT TIME  
LOCATION: THE LONDON NYC  
151 WEST 54TH STREET  
NEW YORK, NEW YORK

We invite you to attend the 2013 Annual Meeting of Stockholders at The London NYC. At this meeting, you and the other stockholders will be able to vote on the election of directors, ratification of the Company's independent registered public accounting firm, advisory approval of the Company's executive compensation and approval of the amendment to the Non-Employee Director Stock Unit Plan, together with any other business that may properly come before the meeting. You may vote on these proposals in person or by proxy. If you cannot attend the meeting, we urge you to vote by proxy, so that the shares will be represented and voted at the meeting in accordance with your instructions. See the attached Proxy Statement for details on voting by proxy.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice, Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M58383-P38776

**VISTEON CORPORATION**

**Proxy is solicited on behalf of the Board of Directors**

**for the Annual Meeting of Stockholders**

The stockholder hereby appoints Jeffrey M. Stafeil and Heidi A. Sepanik, or either of them, as proxies, with power of substitution, to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of Visteon Corporation that the stockholder is entitled to vote at the Annual Meeting of Stockholders to be held at 11:00 a.m. Eastern Time on June 13, 2013, at The London NYC, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Address Changes/Comments:**

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

**Table of Contents**

**Peter M. Ziparo**  
*Assistant General Counsel,  
Corporate and Securities  
Law and Corporate Transactions*

**Visteon Corporation**  
One Village Center Drive  
Van Buren Township, MI 48111  
USA

Tel. 734.710.5266  
Fax. 734.736.5540  
pziparo@visteon.com

April 30, 2013

**Via EDGAR & Overnight Delivery**

Securities and Exchange Commission

100 F Street, NE

Washington, D.C. 20549

Re: Visteon Corporation  
File No. 1-15827

Ladies and Gentlemen:

On behalf of Visteon Corporation, a Delaware corporation (the "Company"), and pursuant to Rule 14a-6(b) of the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are transmitting herewith for filing the definitive copy of each of the Company's notice and proxy statement for its 2013 Annual Meeting and form of Proxy, in the form in which such material is to be made available to stockholders commencing on or about April 30, 2013.

In accordance with instruction 5 to Item 10 of Schedule 14A, we hereby inform the Commission that the enclosed proxy statement relates to, among other things, the approval of an amendment to the Visteon Corporation Non-Employee Director Stock Unit Plan, which increases annual awards of stock units to the Company's non-employee directors. We believe that no registration under the Securities Act of 1933, as amended (the "Securities Act"), is necessary in connection with this plan because it does not involve the offer or sale of a security or is otherwise exempt from registration under Section 4(2) of the Securities Act.

Furthermore, please be advised that, pursuant to Rule 14a-6(b) of the Exchange Act, copies of the definitive proxy materials of the Company are also being filed with the New York Stock Exchange.

With a copy of this letter, and pursuant to Rule 14a-3(c) of the Exchange Act and Rule 101(b)(1) of Regulation S-T, we are delivering to you seven copies of the Annual Report to stockholders of the Company for the year ended December 31, 2012, solely for the information of the Commission.

Should you have any comments or questions on the enclosed, please telephone me at (734) 710-5266.

Very truly yours,

Peter M. Ziparo

Assistant General Counsel

Enclosures