

VISTEON CORP
Form PRE 14A
April 15, 2016
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)

Edgar Filing: VISTEON CORP - Form PRE 14A

(Name of Person(s) Filing Proxy Statement, if Other Than The Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

 - (2) Aggregate number of securities to which transaction applies:

 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

 - (4) Proposed maximum aggregate value of transaction:

 - (5) Total fee paid:
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

DATE: THURSDAY, JUNE 9, 2016
TIME: 11:00 AM EASTERN DAYLIGHT TIME
LOCATION: GRACE LAKE LODGE
40300 TYLER ROAD
VAN BUREN TOWNSHIP, MICHIGAN

To Visteon Stockholders,

We invite you to attend our 2016 Annual Meeting of Stockholders at the Grace Lake Lodge. 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 eight directors to the Board of Directors.* The Board has nominated for election Jeffrey D. Jones, Sachin S. Lawande, Joanne M. Maguire, Robert J. Manzo, Francis M. Scricco, David L. Treadwell, Harry J. Wilson, and Rouzbeh Yassini-Fard, all current directors.
2. *Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2016.*
3. *Provide advisory approval of the Company's executive compensation.*
4. *Approve amendment of the Company's bylaws to implement proxy access.*

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 15, 2016 will be entitled to vote at the meeting or any adjournment thereof.

If you wish to attend the meeting in person, you will need to RSVP and print your admission ticket at www.proxyvote.com. An admission ticket together with photo identification must be presented in order to be admitted to the meeting. Please refer to page 1 of the proxy statement for further details.

By order of the Board of Directors

Heidi A. Sepanik

Secretary

The accompanying proxy statement is dated April XX, 2016 and, together with the enclosed form of proxy card and Notice of Internet Availability of Proxy Material, is first being mailed to stockholders of Visteon on or about April XX, 2016.

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 9, 2016</u>	1
<u>MEETING ADMISSION</u>	1
<u>VOTING</u>	1
<u>ITEM 1 ELECTION OF DIRECTORS</u>	4
<u>CORPORATE GOVERNANCE</u>	6
<u>DIRECTOR COMPENSATION</u>	11
<u>STOCK OWNERSHIP</u>	13
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	14
<u>TRANSACTIONS WITH RELATED PERSONS</u>	14
<u>COMPENSATION COMMITTEE REPORT</u>	15
<u>EXECUTIVE COMPENSATION</u>	15
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	15
<u>AUDIT COMMITTEE REPORT</u>	42
<u>AUDIT FEES</u>	42
<u>AUDIT COMMITTEE PRE-APPROVAL PROCESS AND POLICIES</u>	43
<u>ITEM 2 APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	43
<u>ITEM 3 PROVIDE AN ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	43
<u>ITEM 4 APPROVE AMENDMENT OF THE COMPANY S BYLAWS TO IMPLEMENT PROXY ACCESS</u>	44
<u>OTHER MATTERS</u>	47
<u>2017 STOCKHOLDER PROPOSALS AND NOMINATIONS</u>	47
<u>MISCELLANEOUS</u>	48
<u>Appendix A Visteon Director Independence Guidelines</u>	A-1
<u>Appendix B Visteon Corporation Amended and Restated Bylaws</u>	B-1
<u>Appendix C Directions to Grace Lake Lodge</u>	C-1

Table of Contents

VISTEON CORPORATION

One Village Center Drive

Van Buren Township, Michigan 48111

PROXY STATEMENT

April XX, 2016

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 9, 2016, at the Grace Lake Lodge in Van Buren Township, Michigan. 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 9, 2016**

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, 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.

MEETING ADMISSION

To attend the meeting, you will need to bring an admission ticket and photo identification. You will need to print an admission ticket in advance by visiting www.proxyvote.com and following the instructions there. You will need the 12-digit control number to access www.proxyvote.com. You can find your control number on:

Your proxy card included with this proxy statement if it was mailed to you; or

Your voting instruction card if you hold your shares in street name through a broker or other nominee.

If you are not a record date stockholder, you may be admitted to the meeting only if you have a valid legal proxy from a record date stockholder who has obtained an admission ticket. You must present that proxy and admission ticket, as well as valid photo identification, at the entrance to the meeting.

For questions about admission to the Annual Meeting, please contact our Investor Relations department at (734) 710-5793.

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

Table of Contents

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 in the Notice of Internet Availability of Proxy Materials, this proxy statement and the voter website, 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:

By Internet (www.proxyvote.com): Use the Internet to transmit your voting instructions until 11:59 p.m. EDT on June 8, 2016. Have your Notice of Internet Availability of Proxy Materials or proxy card 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 8, 2016. Have your Notice of Internet Availability of Proxy Materials or proxy card in hand when you call and then follow the instructions you receive from the telephone voting site.

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 voting instruction card. Follow the instructions on the card 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 Company's proxy access proposal. 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 8, 2016);

Voting again by Internet or telephone prior to 11:59 p.m. EDT on June 8, 2016 (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.

Table of Contents

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 15, 2016. As of April 1, 2016, the Company had issued and outstanding 35,009,529 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 13.

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.

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).

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 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.

Table of Contents

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 2017. 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 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. In April 2016, the Corporate Governance and Nominating Committee determined that all incumbent directors wishing to stand for election this year should be re-nominated to stand for election at this Annual Meeting. Messrs. Cocroft and Yuen will reach the age of 72 prior to the annual meeting date. Therefore, they will not be standing for election pursuant to the Company's mandatory retirement age for directors. 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, a high degree of ethics and integrity, interpersonal skills, enthusiasm, independence and prior board experience. The Board considers diversity to be an important factor in the selection and nomination of director candidates. Although the Board does not establish specific goals with respect to diversity, the Board's overall diversity is a significant consideration in the nomination process. This process resulted in selecting a Board that would have a diversity of international perspectives and experiences in light of the Company's global business. The current nominees range in age from forty-four to sixty-six, one is female, and one resides outside of the United States.

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. Jones, Maguire, Manzo, Scricco, Treadwell, Wilson and Yassini-Fard are current directors and nominees who have been elected by stockholders at the last annual meeting of stockholders, and Mr. Lawande is a current director and nominee who was appointed after the last annual meeting of stockholders.

The Board of Directors Recommends that You Vote FOR the Election of Jeffrey D. Jones, Sachin S. Lawande, Joanne M. Maguire, Robert J. Manzo, Francis M. Scricco, David L. Treadwell, Harry J. Wilson, and Rouzbeh Yassini-Fard as Directors.

Nominees for Directors

Jeffrey D. Jones is 63 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

Table of Contents

the Board of Partners for Future Foundation and Ronald McDonald House Charities of Korea, both Korean non-profit foundations.

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.

Sachin S. Lawande is 48 years old and he has been Visteon's Chief Executive Officer, President and a director of the Company since June 29, 2015. Before joining Visteon, Mr. Lawande served as Executive Vice President and President, Infotainment Division of Harman International Industries, Inc., an automotive supplier, from July 2013 to June 2015. From July 2011 to June 2013, he served as Executive Vice President and President of Harman's Lifestyle Division, and from July 2010 to June 2011 as Executive Vice President and Co-President, Automotive Division. Prior to that he served as Harman's Executive Vice President and Chief Technology Officer since February 2009. Mr. Lawande joined Harman International in 2006, following senior roles at QNX Software Systems and 3Com Corporation. He also serves on the board of directors of Computer Sciences Corporation.

Mr. Lawande has extensive experience in the automotive industry, including leadership roles with a global automotive components supplier. He also has deep experience with the technology sector.

Joanne M. Maguire is 62 years old and has been a Director of Visteon since January 6, 2015. Ms. Maguire served as Executive Vice President of Lockheed Martin Space Systems Company, a provider of advanced-technology systems for national security, civil and commercial customers, from July 2006 until she retired in May 2013. Ms. Maguire joined Lockheed Martin in 2003. Ms. Maguire also serves on the board of directors of CommScope Holdings Company, Inc. as well as Charles Stark Draper Laboratory, Inc, a non-profit research and development organization. During the past five years, she also served on the board of Freescale Semiconductor, Inc.

Ms. Maguire has extensive experience in the technology sector, including senior leadership positions with a publicly traded company, including responsibility for operations and profitability.

Robert J. Manzo is 58 years old and he 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 66 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, Inc. from August 2011 to December 2011 and again from May 2012 to September 2012. Mr. Scricco currently also serves on the boards of Masonite, Inc. and Tembec, Inc., both public companies as well as Wastequip, LLC, a privately held company.

Mr. Scricco has extensive global business leadership experience, including public company board service. Mr. Scricco has spent more than twenty-five years as a senior P&L manager in six different industries. His P&L experience ranges from CEO of a venture capital technology start-up to CEO of a \$13 billion publicly traded Fortune 200 company.

David L. Treadwell is 61 years old and he has been a director of Visteon since August 10, 2012. Mr. Treadwell currently serves on the boards of Flagstar Bank and FairPoint Communications, both which are publicly traded on U.S. stock exchanges. Mr. Treadwell also serves, since January 2011, as Chairman of C & D Technologies, a producer and marketer of electrical power storage and conversion products; since March 2012, as Chairman of Revere Industries, a

Table of Contents

manufacturer of various plastic and metal components for industrial use; since January 2013, as Chairman of Grow Michigan, LLC, a \$30 million mezzanine debt fund targeted to promoting economic growth in Michigan's small business community; and since July 2013, as Chairman of AGY, LLC, a leading producer of high tech glass fiber for a variety of global applications. 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.

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

Harry J. Wilson is 44 years old and he has been a Director of Visteon since July 28, 2011. He is the Chief Executive Officer of MAEVA Group, LLC, a turnaround and restructuring boutique which he founded in 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. During the past five years he has served on the boards of Yahoo! Inc. and YRC Worldwide, Inc., and currently also serves on the board of Sotheby's.

Mr. Wilson has extensive financial and transactional expertise and significant automotive industry experience.

Rouzbah Yassini-Fard is 57 years old and he has been a Director of Visteon since January 5, 2015. He is founder and CEO of YAS Capital Partners, a boutique firm specializing in advancement of broadband Internet technology and services founded in 1997, and an Executive Director of the University of New Hampshire Broadband Center of Excellence. Dr. Yassini-Fard is known as the father of the cable modem for his pioneering work in broadband technology and creation of global standards for broadband. He has previously served on the boards of LANcity, Broadband Access Systems, TrueChat and Entropic Communications.

Dr. Yassini-Fard has extensive executive business experience with specific focus in the technology sector furthering the advancement of broadband Internet technology and services for ubiquitous connectivity worldwide.

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

After considering evolving governance practices and its current profile, since September 2012, the Board has separated the positions of Chairman and Chief Executive Officer by appointing a non-executive Chairman. The non-executive Chairman serves in a lead capacity to coordinate the 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;

Edgar Filing: VISTEON CORP - Form PRE 14A

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;

Table of Contents

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

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.

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

Table of Contents

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 2016, 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 Ms. Maguire and Messrs. Jones, Manzo, Scricco, Treadwell, Wilson, and Yassini-Fard, are independent. None of these non-employee directors currently has any relationship with the Company (other than as a director or stockholder). Mr. Lawande is not independent due to his employment as a senior executive of the Company.

Meetings and Executive Sessions

During 2015, the Board of Directors held twenty-two (22) regularly scheduled and special meetings and took action by written consent four (4) times in lieu of a meeting. 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 2015. All current directors who were also on the Board at the time of such meeting attended the last Annual Meeting of stockholders in 2015.

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. The Board may also establish special committees under the direction of the Board when necessary to address specific issues.

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 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 are qualified as an audit committee financial expert within the meaning of the rules and regulations of the Securities and Exchange Commission. During 2015, the Audit Committee held nine (9) 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. The Audit Committee Report can be found beginning on page 42.

Table of Contents

Organization and Compensation Committee

The Board also has a standing Organization and Compensation Committee, consisting of David L. Treadwell (Chair), Duncan H. Cocroft, 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 2015, the Organization and Compensation Committee held eight (8) regularly scheduled and special 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.

The Chief Executive Officer of the Company, with the consultation of the 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 as amended, 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, Human Resources, 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.

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 2015, 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 Willis 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), Joanne M. Maguire, Rouzbeh Yassini-Fard and Kam Ho George Yuen, all of whom are considered independent under the New York Stock Exchange listing standards and the Visteon Director Independence Guidelines. During 2015, the Corporate Governance and Nominating Committee held five (5) 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;

Table of Contents

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.

The Corporate Governance and Nominating Committee has the authority to retain consultants to assist the Committee in fulfilling its duties with director recruitment and compensation matters. During 2015, 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, and Kam Ho George Yuen, all of whom are considered independent under the Visteon Director Independence Guidelines. During 2015, the Finance and Corporate Strategy Committee held four (4) 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;

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.

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 Senior Vice President and Chief Accounting Officer. The code, entitled Ethics and Integrity Policy, is available on the Company's website at 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), 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.

Edgar Filing: VISTEON CORP - Form PRE 14A

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 47), 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, 2015. Directors who are employees of the Company receive no additional compensation for serving on the board.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	All Other Compensation (\$)	Total (\$)
Duncan H. Cocroft	120,000	105,000		225,000
Jeffrey D. Jones	95,000	105,000		200,000
Joanne M. Maguire	95,000	105,000		200,000
Robert J. Manzo	115,000	105,000		220,000
Francis M. Scricco	95,000	255,000		350,000
David L. Treadwell	115,000	105,000		220,000
Harry J. Wilson	105,000	105,000		210,000
Rouzbeh Yassini-Fard	95,000	105,000		200,000
Kam Ho George Yuen	95,000	105,000		200,000

(1) As of December 31, 2015, and pursuant to the Visteon Corporation Non-Employee Director Stock Unit Plan (described further below), Ms. Maguire and Messrs. Cocroft, Jones, Manzo, Scricco, Treadwell Wilson, Yassini and Yuen each owned 968 stock units. Mr. Scricco also owned 1,383 stock units granted pursuant to the 2010 Incentive Plan.

All non-employee directors currently receive an annual cash retainer of \$95,000. 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 as well as other company-requested activities.

The Company's Non-Employee Director Stock Unit Plan provides for an annual grant to each non-employee director of stock units valued at \$105,000 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 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 or upon a change in control. In 2015, the non-Executive Chairman of the Board received a restricted stock until award valued at \$150,000 under the 2010 Incentive Plan with terms similar to awards under the Non-Employee Director Stock Unit Plan.

Upon the change in control triggered by the sale of the Company's ownership of Halla Visteon Climate Control Corporation (HVCC Sale) in 2015, all non-employee directors received a lump sum payout of the outstanding amounts held under the Visteon Corporation Non-Employee Director Stock Unit Plan. In addition, the vesting of the annual restricted stock units awarded to the non-executive Chairman of the Board under the 2010 Incentive Plan accelerated upon the change in control. These amounts were paid automatically under the terms of the plans without any election by the participants. The total aggregate amount paid to the non-employee directors under these plans in connection with the HVCC sale was approximately \$5.5 million.

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. 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 or upon a change in control. As noted above, stock units held under the Non-Employee Director Stock Unit

Table of Contents

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 guideline also requires non-employee directors to hold all their equity-based awards from the Company until termination of board service.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following contains information regarding the stock ownership of the Company's directors and executive officers and the 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 1, 2016 (34,009,529 shares).

Directors, Nominees and Executive Officers

The following table contains stockholding information for the Company's directors and executive officers, as well as stock units credited to their accounts under various compensation and benefit plans as of April 1, 2016. No shares have been pledged as collateral for loans or other obligations by any director or executive officer listed below.

Name	Common Stock Beneficially Owned		Stock Units(2)(3)
	Number(1)	Percent of Outstanding	
Sachin S. Lawande		*	80,677
Duncan H. Cocroft	1,000	*	1,606
Jeffery D. Jones		*	2,291
Joanne M. Maguire		*	1,606
Robert J. Manzo	2,000	*	2,291
Francis M. Scricco	7,150	*	4,585
David L. Treadwell	2,000	*	1,606
Harry J. Wilson	2,500	*	1,606
Rouzbeh Yassini-Fard		*	1,606
Kam Ho George Yuen		*	1,606
Jeffrey M. Stafeil		*	
David G. Pettyes		*	
Peter M. Ziparo	836	*	2,480
William M. Robertson	618	*	3,496
Timothy J. Leuliette (4)		*	
Martin T. Thall		*	
Michael J. Widgren		*	
All executive officers and directors as a group (17 persons)	17,104	*	106,552

* 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 1, 2016: Mr. Ziparo (836 shares) and Mr. Robertson (618 shares).

(2) For non-employee directors, the amounts shown include stock units credited under 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, or in cash upon a change in control.

Edgar Filing: VISTEON CORP - Form PRE 14A

- (3) Includes 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.

- (4) For Mr. Leuliette, the amount shown does not reflect 309,472 shares or units of stock which are in dispute.

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 1, 2016. The table is based upon reports on Schedules 13G and 13D and Forms 4 filed with the SEC or other information believed to be reliable.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Ownership	Percent of Class
Common Stock	Standard Life Investments Ltd. One George Street Edinburgh EH2 2LL, United Kingdom	2,917,396 shares held with sole dispositive and voting power	7.15%
Common Stock	Iridian Asset Management LLC 276 Post Road West Westport, Connecticut 06880	2,810,375 shares held with shared dispositive and voting power	6.9%
Common Stock	The Vanguard Group. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	28,728 shares held with sole voting power, 2,200 shares with shared voting power; 2,637,367 shares held with sole dispositive power, and 28,628 shares held with shared dispositive power	6.53%

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 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 48 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

Harry J. Wilson

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis presents compensation information for the following current and former executive officers named in the Summary Compensation Table beginning on page 26 (the Named Executive Officers or NEOs), including:

Sachin S. Lawande, President and Chief Executive Officer (CEO);

Jeffrey M. Stafeil, former Executive Vice President and Chief Financial Officer (CFO);

David G. Pettyes, former Vice President and Chief Human Resources Officer;

Peter M. Ziparo, former Vice President and General Counsel;

William M. Robertson, Vice President and Controller;

Timothy D. Leuliette, former President and Chief Executive Officer (former CEO);

Martin T. Thall, former Executive Vice President and President, Electronics Product Group; and

Michael J. Widgren, former Senior Vice President, Corporate Controller and Chief Accounting Officer.

Executive Summary

Edgar Filing: VISTEON CORP - Form PRE 14A

The executive team's primary focus remains on optimizing the business portfolio in order to deliver profits and generate cash flows, maximizing shareholder value. During 2015, we continued the execution of our shareholder value creation plan and the positioning of the new Visteon for future growth. Specifically, as we enter 2016, we are a technology-focused, pure-play supplier of automotive cockpit electronics and connected car solutions.

Highlights of these key actions and other 2015 financial and strategic achievements are summarized below.

2015 total Visteon Adjusted EBITDA of \$282 million, up 59% from 2014;

2015 total Visteon Adjusted Free Cash Flow of \$311 million, up 180% from 2014;

Winning a record \$4.3 billion in lifetime value of new and re-win Electronics business during 2015 and growing the backlog to \$15.2 billion;

Concluding the sale of our 70 percent interest in HVCC for approximately \$3.4 billion;

Completing the divestiture of our interiors facility in Germany and minority ownership interest in our remaining interiors business in China;

Integrating the Johnson Controls electronics business and achieving \$70 million in annual cost synergies;

Authorizing the return of approximately \$2.375 billion to shareholders through a special cash distribution and share repurchases.

Table of Contents

Our recent total shareholder returns (TSR) have been strong, as shown below, with 2015 at +7% and the three-year TSR (2013 to 2015) at +113%.

2015 Named Executive Officer Annualized Target Compensation Opportunity Is Primarily Performance-based

The vast majority of the annualized target compensation opportunity (including long-term incentives awarded in 2012) is performance-based with the amounts realized, if any, based on our financial results or stock price performance. In 2015, 86% of the new CEO's annualized target compensation was provided through annual and long-term incentive award opportunities, when excluding the Sign-On/Buy-Out payment and equity award.

Base Salary 14% of the target compensation mix

Annual Incentive award opportunity 14%

Long-Term Incentive award opportunity 72%
Our Strong 2015 Performance Results Are Reflected in 2015 Compensation

The 2015 compensation for our Named Executive Officers is commensurate with the Company's 2015 performance and the goals of our executive compensation program. The mix of award types and incentive plan performance measures was selected to align with our business strategy, talent needs, and market practices. Actual pay realized by the executive officers was based primarily on the Company's financial and stock price performance results. A minority of pay was based on fixed elements (base salaries, perquisites, and retirement benefit contributions on base salaries), given our focus on performance-based pay elements (annual and long-term incentives).

The Company's Adjusted EBITDA performance for 2015 far exceeded our targeted Adjusted EBITDA metric for our Annual Incentive award opportunity. The Company also generated total shareholder return of +7% for 2015.

No New Long-Term Incentive Compensation Awards for Longer Serving NEOs

In 2012, the Organization and Compensation Committee (the Committee) granted long-term incentive (LTI) awards to certain Named Executive Officers that were designed to cover awards that would have been made in each of 2013, 2014 and 2015. As a result, Messrs. Leuliette, Stafeil and Widgren did not receive an annual grant of long-term incentive awards in 2015. Mr. Thall, who joined the Company in November 2013, was awarded a three year long-term

Table of Contents

incentive opportunity that was based on increasing the value of the Company’s Electronics business; he also did not receive an annual grant of long-term incentive awards in 2015. Messrs. Ziparo and Robertson received annual LTI awards in 2015 as their late 2012 awards were one year awards covering only 2013. Mr. Lawande received LTI awards in connection with his commencement of employment as the CEO in June 2015 as described later in this document. Mr. Pettyes did not receive an LTI award in connection with his late 2015 hire date.

2015 Say-on-Pay Advisory Vote Outcome

In 2015, our executive compensation program received 96.8% approval from our shareholders. This strong level of shareholder support was an improvement on the 88.8% approval received in 2014. Our goal is to continue to meet the approval of our shareholders and remain responsive to their concerns. As such, we regularly have discussions with shareholders to ensure they understand our officer pay program and to address any questions. During 2015 these discussions did not identify any issues, which further confirmed that, overall, our officer pay program is well aligned to shareholder value creation. As detailed throughout this Compensation Discussion & Analysis, we believe the officer compensation program is strongly aligned with shareholder value creation, and reflects strong corporate governance practices.

Executive Compensation Program Design and Governance Practices

Our executive compensation program is designed to provide strong alignment between executive pay and Company performance, and incorporates best practices. Here are some of the compensation practices we follow and those that we avoid.

What We Do

- ü The Committee approves all aspects of officer pay

- ü Target pay levels, on average, to be within a competitive range of the median of comparable companies, considering an individual’s responsibilities, business impact, performance and other factors

- ü Provide the majority of pay through performance-based annual and long-term programs

- ü Balance short- and long-term incentives using multiple performance metrics, covering individual, financial and total shareholder return performance

- ü Have double trigger (qualified termination of employment following a change in control) equity acceleration for all of the CEO’s awards and most equity awards granted since mid-2012. Beginning in 2015, all equity awards have a double trigger, as specified in the amended 2010 Incentive Plan

- ü Cap incentive awards that are based on performance goals

- ü Have change in control agreements with a double trigger for cash severance payments to be made

ü Apply robust stock ownership guidelines to ensure ongoing and meaningful alignment with stockholders

ü Have a compensation recovery (clawback) policy for executive officers in the event of a financial restatement

ü Prohibit hedging transactions, purchasing the Company s common stock on margin or pledging such shares

ü Provide limited perquisites

ü Review key elements of the officer pay program annually, as conducted by the Committee, which also considers our business and talent needs, and market trends

ü Use an independent compensation consultant

Table of Contents

- What We Don't Do*
- × Do not provide excise tax gross-ups
 - × Do not have compensation practices that encourage excessively risky business decisions
 - × Do not grant stock options or stock appreciation rights with an exercise price less than the fair market value on the grant date
 - × Do not provide dividends or dividend equivalents on unearned PSUs

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.

Party:	Primary Roles:
Organization and Compensation Committee (comprised solely of independent directors)	Oversee all aspects of the executive compensation program Approve officer compensation levels, incentive plan goals, and award payouts Approve specific goals and objectives, as well as corresponding compensation, for the CEO
Senior Management (CEO, CFO, VP HR, and General Counsel)	Ensure the executive compensation program best achieves the Company's objectives, considering the business strategy, talent needs, and market trends Make recommendations regarding the potential structure of the executive compensation program, including input on key business strategies and objectives Make recommendations regarding the pay levels of the officer team (excluding the CEO)
Compensation Consultant (Frederic W. Cook & Co., Inc.)	Provide any other information requested by the Committee Advise the Committee on competitive market practices and trends

Edgar Filing: VISTEON CORP - Form PRE 14A

Provide proxy pay data for our compensation peer group

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

Review management proposals and provide recommendations regarding CEO pay

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

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;

Table of Contents

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 a competitive range of market median, 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 each year, the Company reviews survey and proxy compensation data regarding market practices. In 2015, 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 16 companies in similar industries (the Compensation Peer Group) with median annual revenues of approximately \$7 billion (range of \$3 to \$18 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 with which we compete for executive talent. When general industry compensation data are used, the Company is not aware of the specific participant companies in the analysis. The Compensation Peer Group for 2015, which is unchanged from 2014, is listed below.

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

In connection with the change in the size and scope of the Company which occurred during 2015, the Committee has modified the compensation peer group to be used for 2016 executive compensation decisions.

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. During 2015 three of the Named Executive Officers received base salary increases. Effective April 1, 2015, Mr. Ziparo received a 10% market- and merit-based salary increase to \$385,000, Messrs. Robertson and Thall received merit-based salary increases of 3% to \$311,140 and \$612,850, respectively and, coinciding with his promotion, Mr. Robertson received a market- and merit-based increase resulting in an annualized salary of \$325,000. The actual salaries paid to each Named Executive Officer for 2015 are presented in the Summary Compensation Table.

Annual Incentive Awards

The Company’s Annual Incentive (AI) program provides key salaried employees the opportunity to earn during their tenure an annual cash bonus based on specified individual, financial, operational and/or strategic goals. This program is designed to motivate executives to achieve key short-term financial and operational goals of the Company. The target

Table of Contents

incentive opportunities are expressed as a percentage of base salary, which are set by the 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, 2015 (or the executives' earlier termination dates) were: Mr. Lawande 100%, Mr. Stafeil 90%, Messrs. Ziparo, Robertson and Pettyes 50%, Mr. Leuliette 125%, Mr. Thall 80% and Mr. Widgren 60%. Actual awards earned can range from 0% to 200% of target based on Company and individual performance.

On March 5, 2015, the Committee approved 2015 AI award opportunities for approximately 1,500 global salaried employees, including the Named Executive Officers. The Committee determined that the maximum amount an executive officer would be eligible for under the 2015 AI would be based upon the Company's achievement of Adjusted EBITDA (Electronics and Corporate only) in 2015, which serves as a single umbrella performance measure. The Committee would then exercise its negative discretion from these maximum amounts based on assessment of individual and Company performance with respect to relevant financial and operational goals.

Specific threshold, target, and maximum goals for the 2015 AI are set forth below, as well as the percentage of the target award earned and 2015 actual results.

Measure (\$ in millions)	2015 Threshold	2015 Target	2015 Maximum	Resulting Award	
	(0%)	(100%)	(200%)	2015 Actual as % of Target	
Adjusted EBITDA (Electronics and Corporate only)	<\$ 110	\$ 150	\$ 230	\$ 294	200%

Adjusted EBITDA was defined as net income (loss) attributable to the Company, plus net interest expense, provision for income taxes, depreciation and amortization and net income attributable to non-controlling interests, as further adjusted to eliminate the impact of asset impairments, gains or losses on divestitures, discontinued operations, net restructuring expenses and other reimbursable costs, non-cash stock-based compensation expense, certain non-recurring employee charges and benefits, reorganization items, other non-operating gains and losses, and equity in net income of non-consolidated affiliates.

In its exercise of negative discretion from these maximum amounts, the Committee reduced the awards payable to all NEOs under the umbrella arrangement and determined their actual AI awards based on their individual performance and the degree of achievement of the general financial performance, new business wins and quality goals used in determining the funding of AI awards for employees other than executive officers. The total funding available for participants was based on achieved Electronics and Corporate Adjusted EBITDA results of \$294 million for 2015.

The Committee considered the following factors in determining the amount of the final awards:

Individual performance factors, including strategic transactions and leadership;

Adjusted Free Cash Flow performance;

New Business Wins; and

Quality.

As a result of the foregoing, the executives' 2015 incentive awards were paid at approximately the following rates: 181% of target for Messrs. Lawande and Robertson, 179% of target for Mr. Ziparo, 177% of target for Mr. Stafeil, and 100% of target for Messrs. Thall and Widgren. Messrs. Pettyes and Leuliette did not receive 2015 incentive award payouts due to their terminations of employment. The payouts for the executives reflect their leadership and significant contributions to our strong 2015 performance, including the sale of our interest in HVCC, interiors divestiture, overall financial results and TSR of +7% as detailed in the Executive Summary. The amounts paid to the Named Executive Officers are set forth in the Summary Compensation Table under the column Non-Equity Incentive Plan Compensation.

Long-Term Incentive Awards

Edgar Filing: VISTEON CORP - Form PRE 14A

The Company's Long-Term Incentive program is designed to reward executives for the achievement of specified multi-year goals that are linked to the Company's long-term financial performance, to align the delivery of incentive value with increases in the Company's stock price and to retain key employees. Typically awards are granted each year with

Table of Contents

a vesting or performance period of three years; however, in some situations, such as the recruitment of new executives or to focus on objectives with a different duration, the Company may use a shorter or longer period. The annualized total targeted long-term incentive award opportunity, expressed as a percentage of base salary, is typically determined by organization level.

2015 Long-Term Incentive Grants to Messrs. Ziparo and Robertson

On March 5, 2015, Messrs. Ziparo and Robertson, who did not participate in the late 2012 three-year awards, received regular long-term incentive grants with a grant date value, in total, equal to 105% and 90% of base salary, respectively. The grant mix was performance stock units, stock options and restricted stock units, as described below.

Award Type and Weighting	Primary Role	Design Features
<p><i>Performance Stock</i></p> <p><i>Units (50% of the total</i></p> <p><i>LTI award)</i></p>	<p>Reward the achievement of total shareholder return (TSR) results over 2015 to 2017 relative to returns of 16 similar companies</p>	<p>Performance stock units (PSU) provide executives the opportunity to earn shares based on the Company's three-year total shareholder return (TSR) relative to 16 automotive sector peer companies (listed below)</p> <p>The awards are divided among three periods with all earned awards paid at the end of the three-year cycle (paid in early 2018)</p> <p>2015 TSR performance (25% of award opportunity)</p> <p>2015 to 2016 TSR performance (25% of award opportunity)</p> <p>2015 to 2017 TSR performance (50% of award opportunity)</p> <p>The awards for the first and second performance periods will be increased to reflect the performance over the entire three-year cycle, if greater. If the Company's actual TSR is negative during a performance period, the award earned for that period cannot exceed 100% of target (regardless of ranking within the peer group).</p> <p>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 16 TSR peer companies)</p> <p>No award earned if Visteon is in the bottom 3 companies</p>

#4 rank, 35% of the target award is earned

#9 rank, 100% of the target award is earned

#14 or higher rank, 150% of the target award is earned

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

TSR is calculated using the 20-trading day average closing price at the start and end of the performance period, adjusted for dividends

Table of Contents

Award Type and Weighting	Primary Role	Design Features
<p><i>Stock Options (25% of the total LTI award)</i></p>	<p>Reward for appreciation in the Company stock price</p>	<p>Exercise price equal to the average of the high and low trading prices on the date of grant (\$101.58)</p> <p>Vest one-third per year beginning one year after the date of grant</p>
<p><i>Restricted Stock Units (25% of the total LTI award)</i></p>	<p>Facilitate retention and provide an ownership-like stake</p>	<p>Seven-year term, upon which any unexercised options would expire</p> <p>Vest one-third per year beginning one year after the date of grant</p>

Relative TSR Peer Group (16 companies)

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

Mr. Lawande's 2015 Long-Term Incentive Compensation

Mr. Lawande began his tenure as CEO on June 29, 2015. Pursuant to the Employment Agreement, dated June 8, 2015, the Company made initial equity grants (Initial Equity Grants) under the Visteon Corporation 2010 Incentive Plan as Amended (the Amended Plan) with a grant date value equal to \$5 million pro-rated based on his June 29, 2015 hire date. The Initial Equity Grants are comprised of (i) twenty-five percent (25%) time-based restricted stock units that will vest in three (3) equal annual installments on June 29 in each of 2016, 2017 and 2018, respectively, subject to Mr. Lawande's continued employment, (ii) twenty-five percent (25%) options to purchase the Company's common stock at an exercise price equal to the fair market value of the underlying stock on the grant date and that will vest in three (3) equal annual installments on June 29 in each of 2016, 2017 and 2018, respectively, subject to Mr. Lawande's continued employment and (iii) fifty percent (50%) performance-based stock units that will be earned, subject to Mr. Lawande's continued employment, based on the Company's total shareholder return for a specified three (3)-year performance period. The performance measurement for Mr. Lawande's performance-based stock units is identical to the 2015 PSUs awarded to Messrs. Ziparo and Robertson discussed previously. The exercise price for Mr. Lawande's stock options was measured on June 29, 2015 at \$104.75.

Additionally, pursuant to the Employment Agreement and in connection with the forfeiture of outstanding long-term incentive awards at his prior employer, Mr. Lawande received a \$3.25 million cash payment and a grant of time-based restricted stock units (Sign-On/Buy-Out RSUs) that will vest on the third (3rd) anniversary of the commencement of Mr. Lawande's employment, June 29, 2018, subject to Mr. Lawande's continued employment. The Sign-On/Buy-Out RSUs had a grant date value equal to \$3.25 million and are subject to the terms and conditions of the Amended Plan. The Sign-On/Buy-Out RSUs also provide for dividend equivalents in the form of additional shares of the Company's common stock in the event of the issuance of dividends on shares of the Company's common stock (with such additional shares subject to the same terms and conditions of the Sign-On/Buy-Out RSUs), and, generally in the event Mr. Lawande's employment is terminated by the Company without Cause or by Mr. Lawande for Good Reason, the Sign-On/Buy-Out RSUs will fully vest. See the section Employment Agreement with Mr. Lawande for additional information regarding his employment agreement and sign-on/buy-out elements.

Other Compensation Elements

Stock Ownership Guidelines

Edgar Filing: VISTEON CORP - Form PRE 14A

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 CEO, within five years from their date of hire or election, if later. All of the Named Executive Officers employed by the

Table of Contents

Company as an officer 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 appreciation rights, and unearned performance stock units). The stock ownership guidelines are as follows:

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.

Executive Perquisites and International Service Employee Program

The Company has historically provided the Named Executive Officers with a flexible perquisite allowance program during their tenure to provide basic competitive benefits. The flexible perquisite allowance was a fixed amount that was paid to each eligible executive and was 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 varied by management level, with a range of \$15,000 to \$60,000 per year and was not grossed up. The amount paid to the Named Executive Officers in 2015 pursuant to the flexible perquisite allowance program is included in the All Other Compensation column of the Summary Compensation Table. The flexible perquisite allowance program was eliminated in 2016. The Company continues to maintain an Executive Security Program that permits the CEO to use corporate provided aircraft for personal and business travel, and provides the benefit of various personal health and safety protections. The CEO does not receive a tax gross-up for personal use of corporate provided aircraft. There was no personal use of corporate provided aircraft during 2015.

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. Mr. Thall began an international assignment in January 2015 and was based in Kerpen, Germany until his termination in July 2015.

Retirement Benefits Overview

The Named Executive Officers participate during their tenure in the Company's qualified retirement and savings plans in their respective home countries on the same basis as other similarly situated employees. 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 December 31, 2011, the U.S. defined benefit pension plan was frozen for all participants. All of the NEOs participate or participated, as applicable, in U.S.-based plans.

The Named Executive Officers, as well as most U.S. salaried employees, are entitled during their tenure to participate in the Visteon Investment Plan, Visteon's 401(k) investment and savings plan. The Company's match is 100% of the employee's eligible contributions up to 6% of eligible pay (subject to IRS limits), which was designed to attract and retain employees in light of the Company's freezing of other retirement benefit plans. Amounts deferred for each Named Executive Officer are reflected in the Salary column of the Summary Compensation Table. The Company also maintains a Savings Parity Plan, which provides eligible participants during their tenure with Company contributions of 6% of eligible pay that are restricted due to IRS limits under the broad-based, qualified 401(k) plan. The Company's Supplemental Executive Retirement Plan (SERP) provides eligible participants during their tenure with annual Company contributions of 6%, 9% (Executive and Senior Vice Presidents), or 14.5% (CEO) of pay in

Table of Contents

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. Company contributions to these plans on behalf of the NEOs are included in the All Other Compensation column of the Summary Compensation Table.

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 (except Mr. Lawande whose change in control benefits are included in his employment agreement and Mr. Pettyes who did not have a change in control agreement), including the Named Executive Officers. These agreements, which were last revised in October 2012, provide for certain benefits if a qualifying termination occurs following a change in control of the Company, as defined by the agreements. For the Named Executive Officers, and subject to the terms of the agreements, change in control cash severance benefits are provided during their tenure as a multiple of 1.5, 2.0 (EVPs and Mr. Lawande), or 2.5 (Mr. Leuliette) 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, pursuant to their terms. The agreements have a double trigger provision, which would require that the executive's employment terminate following a change in control, as defined in the agreements, in order to receive benefits under the agreements. No excise tax gross-up provisions are contained in the change in control severance arrangements.

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, which was revised effective October 2012 (except Mr. Lawande whose severance benefits are included in his employment agreement). Subject to the terms of the Plan, a specific and consistent level of severance benefits are provided with a cash severance payment of 1.0 (VPs) or 1.5 (SVPs, EVPs and CEO) times the sum of an executive's annual base salary and target annual incentive. Executives would also be entitled to, subject to the terms of the Plan, 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. The terms of Mr. Lawande's compensation package, including potential severance and change in control benefits, are detailed in his employment agreement, see the section Employment Agreement with Mr. Lawande.

Executive Separations (Messrs. Leuliette, Stafeil, Ziparo, Pettyes, Thall and Widgren)

Messrs. Stafeil, Ziparo and Widgren's separation benefits were consistent with their respective change in control agreements discussed directly above. Because Mr. Thall was on an international service assignment at the time his employment ceased, the Company provided benefits in excess of those included in his change in control agreement to repatriate him to the United States which approximated \$75,000. The Company and Mr. Pettyes entered into a separation agreement in January 2016 whereby the Company paid him approximately \$535,000. The 2015 compensation associated with the separation benefits for Messrs. Thall and Widgren is included in the All Other Compensation column of the Summary Compensation Table.

On June 10, 2015 the Company announced that Mr. Leuliette's employment was terminated effective June 8, 2015. Separation benefits, which are in dispute, have not been paid.

Table of Contents

Executive Compensation Policies

Stock Awards Granting Policy. In 2015 the Company granted regular stock awards to two of its Named Executive Officers (Messrs. Ziparo and Robertson) and other eligible key employees. Stock awards made to executives and key employees at the time they become employees or officers of the Company (such as for Mr. Lawande, who joined the Company in June 2015) 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/Anti-Pledging 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 acquisition 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 hedging transactions involving the Company's stock or pledging 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 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. Specifically, as detailed previously, the Company maintains a market competitive, balanced executive compensation program with varying incentive award types, performance metrics, performance/vesting periods and includes governance features that mitigate potential risk (including Committee oversight, maximum potential payouts are set under incentive plans, stock ownership guidelines, and a pay clawback policy).

Table of Contents**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, the three other most highly compensated executive officers serving as such as of December 31, 2015, determined based on the individual's total compensation for the year ended December 31, 2015 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 Executive Vice President and President, Electronics Product Group and former Senior Vice President, Corporate Controller and Chief Accounting Officer.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Options Awards (\$)(3)	Change in Pension Value Non-Equity & Nonqualified Incentive Plan Compensation Deferred Earnings All Other Compensation			Total (\$)(7)
						(\$)(4)	(\$)(5)	(\$)(6)	
Sachin S. Lawande Chief Executive Officer and President (8)	2015	\$ 507,576	\$ 3,250,000	\$ 5,845,106	\$ 636,971	\$ 921,387	\$	\$ 84,453	\$ 11,245,493
Jeffrey M. Stafeil Former Executive Vice President and Chief Financial Officer (9)	2015	\$ 689,585	\$	\$	\$	\$ 1,101,270	\$	\$ 248,634	\$ 2,039,489
	2014	\$ 684,564	\$	\$	\$	\$ 691,571	\$	\$ 306,476	\$ 1,682,611
	2013	\$ 659,750	\$	\$	\$	\$ 1,071,200	\$	\$ 140,468	\$ 1,871,418
Peter M. Ziparo Former Vice President and General Counsel (9)	2015	\$ 376,250	\$	\$ 276,381	\$ 91,868	\$ 344,175	\$	\$ 89,225	\$ 1,177,899
	2014	\$ 333,480	\$	\$ 280,884	\$ 102,416	\$ 237,405	\$ 34,378	\$ 81,717	\$ 1,070,280
William M. Robertson Vice President and Corporate Controller (10)	2015	\$ 316,539	\$	\$ 204,469	\$ 67,949	\$ 294,125	\$	\$ 71,599	\$ 954,681
David G. Pettyes Former Vice President and Chief Human Resources Officer (11)	2015	\$ 78,220	\$ 375,000	\$	\$	\$	\$	\$ 67,544	\$ 520,764
Timothy D. Leuliette Former Chief Executive Officer and President (12)	2015	\$ 520,462	\$	\$	\$	\$	\$	\$ 590,715	\$ 1,111,177
	2014	\$ 1,184,500	\$	\$	\$	\$ 1,673,106	\$	\$ 1,010,256	\$ 3,867,862
	2013	\$ 1,167,250	\$	\$	\$	\$ 2,842,800	\$	\$ 438,199	\$ 4,448,249
Martin T. Thall Former Executive Vice President and President, Electronics (13)	2015	\$ 304,183	\$	\$	\$	\$ 6,226,817	\$	\$ 3,345,896	\$ 9,876,896
	2014	\$ 595,000	\$	\$	\$	\$ 690,200	\$	\$ 800,906	\$ 2,086,106
	2013	\$ 70,833	\$ 300,000	\$ 1,225,120	\$	\$ 89,278	\$	\$ 9,959	\$ 1,695,190
Michael J. Widgren Former Senior Vice President, Corporate Controller and Chief Accounting Officer (14)	2015	\$ 191,955	\$	\$	\$	\$ 112,459	\$	\$ 1,107,192	\$ 1,411,606
	2014	\$ 419,225	\$	\$	\$	\$ 260,981	\$ 33,115	\$ 155,375	\$ 868,696
	2013	\$ 406,667	\$	\$	\$	\$ 444,276	\$	\$ 99,892	\$ 950,835

(1) This column is comprised of sign-on bonus payments to Messrs. Lawande and Pettyes in 2015 and Mr. Thall in 2013.

(2) The amounts shown in this column represent the grant date fair values for performance stock units and restricted stock unit awards in 2015, 2014 and 2013. The grant date fair values have been determined based on the assumptions and methodologies set forth in Note 15 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, 2015 (the 2015 10-K).

(3) The amounts shown in this column represent the grant date fair values for stock options granted in 2015 and 2014. The grant date fair values have been determined based on the assumptions and methodologies set forth in Note 15 Stock-Based Compensation to the consolidated financial statements included in

Edgar Filing: VISTEON CORP - Form PRE 14A

Item 8 Financial Statements and Supplementary Data of the Company's 2015 10-K. No stock options were granted to the Named Executive Officers during 2013.

- (4) For 2015, this column is comprised of the amounts payable to each of the Named Executive Officers under the 2015 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 2015. For Mr. Thall, in addition to his 2015 annual incentive payment of \$243,125, a payment of \$5,983,692 in settlement of his cash-based long-term incentive award provided in 2013 upon his commencement of employment is included. The amount paid was based on the growth in the valuation of the electronics business over Mr. Thall's service period.
- (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.

Table of Contents

(6) For 2015, 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;

Company-contributions to the Company's 401(k) defined contribution plan, DC SERP and Savings Parity Plan on behalf of Mr. Lawande (\$73,598), Mr. Stafeil (\$207,173), Mr. Ziparo (\$73,638), Mr. Robertson (\$55,862), Mr. Pettyes (\$4,054), Mr. Leuliette (\$449,681), Mr. Thall (\$149,158) and Mr. Widgren (\$67,941);

reimbursement of legal expenses incurred by Mr. Lawande in connection with his employment contract (\$10,000);

tax payments and reimbursements on behalf of Mr. Pettyes (\$12,928) and Mr. Thall (\$350,239);

severance and related payments to Messrs. Thall (\$2,226,091) and Widgren (\$1,013,916) pursuant to their change in control and/or their separation agreements; regarding Mr. Leuliette, separation benefits, which are in dispute, have not been paid; and

perquisites and other personal benefits, which included: (A) the cost of personal health and safety protection equipment and services under the Executive Security Program in 2015 for Mr. Leuliette (\$72,389); (B) payments under the executive flexible perquisite account program (discontinued starting in 2016) to Mr. Stafeil (\$40,000), Mr. Ziparo (\$15,000), Mr. Robertson (\$15,000), Mr. Leuliette (\$60,000), Mr. Thall (\$40,000) and Mr. Widgren (\$25,000); (C) domestic relocation payments and reimbursements on behalf of Mr. Pettyes (\$50,473); and (D) the payment of expenses to or on behalf of Mr. Thall (\$579,514) 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.

(7) Total 2015 Compensation of \$11.2 million for Mr. Lawande includes one-time sign-on/buy-out cash compensation of \$3.25 million as shown in the Bonus column above and one-time sign-on/buy-out equity of \$3.25 million included in the Stock Awards column above. Total Target Direct Compensation for Mr. Lawande for 2015 (assuming he was with the Company for a full year) is \$7,000,000.

(8) Mr. Lawande joined Visteon as Chief Executive Officer and President effective June 29, 2015.

(9) Messrs. Stafeil and Ziparo were separated from Visteon effective March 31, 2016.

(10) Mr. Robertson was appointed Vice President and Corporate Controller effective June 11, 2015.

(11) Mr. Pettyes joined Visteon as Vice President and Chief Human Resources Officer effective October 12, 2015 and was separated from Visteon effective January 31, 2016.

(12) Mr. Leuliette was separated from Visteon effective June 8, 2015.

(13) Mr. Thall joined Visteon as Executive Vice President and President, Electronics Product Group on November 19, 2013 and was separated from Visteon effective July 1, 2015.

(14) Mr. Widgren was separated from Visteon effective June 12, 2015.

Table of Contents

The following table summarizes all incentive plan awards that were made to the Named Executive Officers during 2015.

Grants of Plan-Based Awards in 2015

	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 Underlying	All Other Option Awards: Number of Securities Underlying	Exercise Price of Option Awards	Market Price on Grant Date	
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Units (#)(3)	(#)(3)	(\$/Sh)	(\$/Sh)	
nde centive (1)		\$ 76,438	\$ 509,589	\$ 1,019,178								
k Award	06/29/2015								17,309	\$ 104.75	\$ 104.02	\$
ock Units	06/29/2015				1,048	11,974	17,961	36,103				\$
eil												4/30/
		40,000			0.92	3/4/24						
Marcelli		25,000	25,000		0.67	8/9/25						
COO,		1,150,000			0.70	6/30/25						
(3)		100,000			1.00	5/16/23						

(1)

On November 10, 2015, Mr. Zelibor received an option to purchase up to 100,000 shares of Company stock at an exercise price of \$.86 per share. The option vests 12,500 shares on January 1, 2016 and the remaining vest quarterly in equal installments of 12,500 shares beginning April 1, 2016. On July 1, 2015, Mr. Zelibor received an option to purchase up to 350,000 shares of Company stock at an exercise price of \$.70 that vested immediately. On March 4, 2014, Mr. Zelibor received an option to purchase 40,000 shares of common stock at an exercise price of \$0.92 per share. The options vested quarterly over one year in equal installments of 10,000 beginning April 1, 2014. On May 1, 2012, Mr. Zelibor received an option to purchase up to 500,000 shares of common stock at an exercise price of \$1.30 per share. The options vested quarterly over one year in equal installments of 125,000 shares per quarter beginning May 1, 2012. On December 19, 2011, Mr. Zelibor received an option to purchase up to 250,000 shares of common stock at an exercise price of \$1.01 per share. The option vested 62,500 shares immediately and the remaining annually over three years in equal annual installments of 62,500 shares per year beginning December 19, 2011.

(2)

On August 10, 2015, Mr. Marcelli received an option to purchase 50,000 shares of common stock. The options vest 12,500 immediately and the remainder in equal quarterly installments of 12,500 shares. On July 1, 2015, Mr. Marcelli received an option to purchase up to 1,150,000 shares of Company stock at an exercise price of \$.70 that vested immediately. August 1, 2013, Mr. Marcelli received an option to purchase up to 100,000 shares of common stock. The options vested in equal installments of 25,000 options with the first installment vesting on August 1, 2013 and the remaining installments vesting quarterly commencing on October 1, 2013.

(3)

In the event of a change in control of our Company, such person's options will become fully vested and/or exercisable, as the case may be, immediately prior to such change in control, and shall remain exercisable as set forth in their stock option agreement.

Compensation of Directors

Set forth below is a summary of the compensation of our directors during our December 31, 2015 fiscal year.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Thomas E. Zelibor (1)							
James S. Marcelli (1)							
Andrew J. Ashton (1)							
William C. Pickett, III (2)			180,115				180,115
Joseph A. Miller (3)			24,901				24,901
Ronald A. Bucchi, (4)			40,909				40,909
Siraj Nour El-Ahmadi (5)			68,428				68,428
George L. Lauro (6)	18,871	10,000	55,529				84,400
Michael Lebby (7)	15,581	8,387	30,518				54,486

(1)

Serves as an executive officer and a director, but receives no additional compensation for serving as a director.

(2)

On January 1, 2014, Mr. Pickett received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.715 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in equal quarterly installments of 10,000 per quarter commencing on April 1, 2014. On March 4, 2015, Mr. Pickett received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.80 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 10,000 options per year commencing on April 1, 2015. On July 1, 2015, Mr. Pickett received an option to purchase up to 350,000 shares of Company stock at an exercise price of \$.70 that vested immediately.

(3)

On May 10, 2011, Mr. Miller received an option to purchase up to 200,000 shares of Company stock at an exercise price of \$1.12 that vest pursuant to the following schedule: 50,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 50,000 options per year commencing on May 10, 2012. On January 1, 2014, Mr. Miller received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.715 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in equal quarterly installments of 10,000 per quarter commencing on April 1, 2014. On March 4, 2015, Mr. Miller

received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.80 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 10,000 options per year commencing on April 1, 2015.

(4)

On June 11, 2012, Mr. Bucchi received an option to purchase up to 200,000 shares of Company stock at an exercise price of \$0.90 that vest pursuant to the following schedule: 50,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 50,000 options per year commencing on June 11, 2013. On August 29, 2013, Mr. Bucchi received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.84 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in equal quarterly installments of 10,000 options per quarter commencing on October 1, 2013. On January 1, 2014, Mr. Bucchi received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.715 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in equal quarterly installments of 10,000 per quarter commencing on April 1, 2014. On March 4, 2015, Mr. Bucchi received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.80 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 10,000 options per year commencing on April 1, 2015.

(5)

On November 1, 2013, Mr. Siraj Nour El-Ahmadi received an option to purchase up to 200,000 shares of Company stock at an exercise price of \$0.93 that vest pursuant to the following schedule: 50,000 shares on November 1, 2013 and the remaining options vest in equal annual installments of 50,000 options per year commencing on November 1, 2014. On January 1, 2014, Mr. Siraj Nour El-Ahmadi received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.715 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in equal quarterly installments of 10,000 per quarter commencing on April 1, 2014.

On March 4, 2015, Mr. Siraj Nour El-Ahmadi received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.80 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 10,000 options per year commencing on April 1, 2015.

(6)

During 2015 Mr. Lauro received \$18,871 in cash and 12,040 shares of common stock as compensation for serving on our Operations Committee. On May 12, 2014, Mr. Lauro received an option to purchase up to 200,000 shares of Company stock at an exercise price of \$0.763 that vest pursuant to the following schedule: 50,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 50,000 options per year commencing on May 12, 2015. On March 4, 2015, Mr. Lauro received an option to purchase up to 50,000 shares of Company stock at an exercise price of \$0.80 that vest pursuant to the following schedule: 20,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 10,000 options per year commencing on April 1, 2015.

(7)

During 2015 Mr. Lebby received \$15,581 in cash and 12,718 shares of common stock as compensation for serving on our Operations Committee. On August 26, 2015, Mr. Lebby received an option to purchase up to 200,000 shares of Company stock at an exercise price of \$0.69 that vest pursuant to the following schedule: 50,000 shares vested immediately; and the remaining options vest in 3 equal annual installments of 50,000 options per year commencing on August 26, 2016.

In the event of a change in control of our Company, all of the above person's options become fully vested and/or exercisable, as the case may be, immediately prior to such change in control, and shall remain exercisable as set forth in their stock option agreement.

Compensation Committee

Our Board of Directors currently has no standing compensation committee or committee performing similar functions. This is due to the Company's development stage, lack of business operations, the small number of executive officers involved with the Company, and the fact that the Company operates with few employees. The Company's entire Board of Directors currently participates in the consideration of executive officer and director compensation. Our Board of Directors will continue to evaluate, from time to time, whether it should appoint standing compensation committee.

Compensation Policies and Practices As They Relate To Our Risk Management

No risks arise from our Company's compensation policies and practices for our employees that are reasonably likely to have a material adverse effect on our Company.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth, as of March 17, 2016, the names, addresses, amount and nature of beneficial ownership and percent of such ownership of each person or group known to our Company to be the beneficial owner of more than five percent (5%) of our common stock:

Security Ownership of Certain Beneficial Owners

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (3)	% of Class Owned (4)
Frederick J. Goetz, Jr. (2)	3,319,542	5.06%
Mary Goetz (2)	4,517,306	6.88%

(1)

In care of our Company at 1831 Lefthand Circle, Suite C, Longmont, CO 80501.

(2)

Frederick J. Goetz, Jr. is Mary Goetz's son.

(3)

To our best knowledge, as of the date hereof, such holders had the sole voting and investment power with respect to the voting securities beneficially owned by them, unless otherwise indicated herein. Includes the person's right to obtain additional shares of common stock within 60 days from the date hereof.

(4)

Based on 65,591,629 shares of common stock outstanding on March 17, 2016. Does not include shares underlying: (i) options to purchase shares of our common stock under our 2007 Plan, or (ii) outstanding warrants to purchase shares of our common stock.

The following table sets forth, as of March 17, 2016, the names, addresses, amount and nature of beneficial ownership and percent of such ownership of our common stock of each of our officers and directors, and officers and directors as a group:

Security Ownership of Management

Name and Address (1)	Amount and Nature of Beneficial Ownership (2)	% Owned (3)(4)
Thomas E. Zelibor Chief Executive Officer, Principal Executive Officer and Chmn. of the Board of Directors	1,221,824(5)	1.86%
James S. Marcelli President, Chief Operating Officer, Principal Financial Officer and Director	1,578,400(6)	2.40%
Andrew J. Ashton Senior Vice President, Secretary, and Director	2,981,667	4.54%
William C. Pickett, III Director	601,000(7)	*
Joseph A. Miller, Jr. Director	356,800(8)	*
Ronald A. Bucchi Director	567,400(9)	*
Siraj Nour El-Ahmadi Director	280,000(10)	*
George L. Lauro Director	257,727(11)	*
Michael Lebby Director	96,468(12)	*
Directors and Officers as a Group (9 Persons):	7,941,286	12.10%

* Less than 1%.

(1)

In care of our Company at 1831 Lefthand Circle, Suite C, Longmont, CO 80501.

(2)

To our best knowledge, as of the date hereof, such holders had the sole voting and investment power with respect to the voting securities beneficially owned by them, unless otherwise indicated herein. Includes the person's right to obtain additional shares of common stock within 60 days from March 17, 2016.

(3)

Based on 65,591,629 shares of common stock outstanding on March 17, 2016. Does not include shares underlying: (i) options to purchase shares of our common stock under our 2007 Plan and (ii) outstanding warrants to purchase shares of our common stock.

(4)

If a person listed on this table has the right to obtain additional shares of common stock within 60 days from March 17, 2016, the additional shares are deemed to be outstanding for the purpose of computing the percentage of class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of any other person.

(5)

Consists of 50,124 shares of common stock, an option to purchase up to 1,165,000 shares of common stock exercisable within 60 days from March 17, 2016 and a warrant to purchase up to 6,700 shares of common stock exercisable within 60 days from March 17, 2016.

(6)

Consists of 246,700 shares of common stock, an option to purchase up to 1,325,000 shares of common stock exercisable within 60 days from March 17, 2016, and a warrant to purchase up to 6,700 shares of common stock exercisable within 60 days from March 17, 2016.

(7)

Consists of 21,000 shares of common stock and an option to purchase up to 580,000 shares of common stock exercisable within 60 days from March 17, 2016.

(8)

Consists of 13,400 shares of common stock, options to purchase up to 330,000 shares of common stock exercisable within 60 days from March 17, 2016 and warrants to purchase up to 13,400 shares of common stock exercisable within 60 days from March 17, 2016.

(9)

Consists of 174,000 shares of common stock, an option to purchase up to 380,000 shares of common stock exercisable within 60 days from March 17, 2016 and warrants to purchase up to 13,400 shares of common stock exercisable within 60 days from March 17, 2016. Mr. Bucchi disclaims beneficial ownership of 53,000 shares held by his spouse.

(10)

Consists of an option to purchase up to 280,000 shares of common stock exercisable within 60 days from March 17, 2016.

(11)

Consists of 27,727 shares of common stock and options to purchase up to 230,000 shares of common stock exercisable within 60 days from March 17, 2016.

(12)

Consists of 16,468 shares of common stock and an option to purchase up to 80,000 shares of common stock exercisable within 60 days from March 17, 2016.

We are not aware of any arrangements that could result in a change of control.

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding our compensation plans under which our equity securities are authorized for issuance can be found in Part II Item 5 of this report.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

No related party transaction was required to be reported under this Item 13.

Policies and Procedures for Related-Party Transactions

Our Company does not have any formal written policies or procedures for related party transactions, however in practice, our board of directors reviews and approves all related party transactions and other matters pertaining to the integrity of management, including potential conflicts of interest, trading in our securities, or adherence to standards of business conduct.

Director Independence

Although we are currently traded on the Over-the-Counter Markets, our Board has reviewed each of the directors relationships with the Company in conjunction with Section 121 and Part 8 (Corporate Governance Requirements) of the listing standards of the NYSE Alternext US and has affirmatively determined that five of our directors, William C. Pickett, III, Joseph A. Miller, Jr. Ronald A. Bucchi, Siraj Nour El-Ahmadi, George L. Lauro, and Michael Lebby are independent directors in that they are independent of management and free of any relationship that would interfere with their independent judgment as members of our Board of Directors. Mr. Bucchi serves as our audit committee financial expert as that term is defined by the rules promulgated by the Securities and Exchange Commission.

Our Company does not have a separately designated nominating or compensation committee or committee performing similar functions; therefore, our full Board of Directors currently serves in these capacities. Three members of our Board of Directors, Thomas E. Zelibor, James S. Marcelli and Andrew J. Ashton, are not independent directors pursuant to the standards described above.

Item 14.

Principal Accounting Fees and Services.

Audit Fees.

The aggregate fees billed for the years ended December 31, 2015 and 2014 for professional services rendered by Morison Cogen, LLP for the audit of the Company's annual financial statements and review of financial statements included in the Company's Form 10-Q or services that are normally provided by Morison Cogen, LLP in connection with statutory and regulatory filings or engagements were \$54,400 for the year ended December 31, 2015; and \$51,330 for the year ended December 31, 2014.

Audit-Related Fees.

Fees billed for the years ended December 31, 2015 and December 31, 2014 for assurance and related services by Morison Cogen, LLP that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under the category Audit Fees described above were \$0 for the year ended December 31, 2015 and \$0 for the year ended December 31, 2014.

Tax Fees.

Fees billed for the year ended December 31, 2015 for tax compliance by Morison Cogen, LLP was \$6,000; and for the year ended December 31, 2014 was \$6,000.

All Other Fees.

Fees billed for the years ended December 31, 2015 and December 31, 2014 for products and services provided by Morison Cogen, LLP, other than the services reported in the Audit Fees, Audit-Related Fees, and Tax Fees categories above were \$0 for year ended December 31, 2015 and 2014.

Audit Committee Pre-Approval Policies.

The Company's audit committee currently does not have any pre-approval policies or procedures concerning services performed by Morison Cogen, LLP. All the services performed by Morison Cogen, LLP that are described above were pre-approved by the Company's audit committee.

None of the hours expended on Morison Cogen, LLP's engagement to audit the Company's financial statements for the years ended December 31, 2015 were attributed to work performed by persons other than Morison Cogen, LLP's full-time, permanent employees.

PART IV**Item 15. Exhibits, Financial Statement Schedules**

(a) The following Audited Financial Statements are filed as part of this Form 10-K Report:

Report of Independent Registered Public Accounting Firm

Balance Sheets

Statements of Operations

Statement of Stockholders' Equity

Statements of Cash Flows

Notes to Financial Statements

(b) The following exhibits are filed as part of this report.

Exhibit No.	Description of Exhibit	Location
3.1	Articles of Incorporation	Incorporated by reference to Company's Form 10-SB as filed with the SEC on April 13, 2007
3.2	Certificate of Amendment to Articles of Incorporation	Incorporated by reference to Company's Definitive Schedule 14C Information Statement as filed with the SEC on February 19, 2008
3.3	Certificate of Amendment to Articles of Incorporation filed June 8, 2015	Incorporated by reference to Company's Form S-1 Registration Statement as filed with the SEC on August 3, 2015
10.1	Form of June 15, 2015 Subscription Agreement	Incorporated by reference to the Company's Form 8-K as filed with the SEC on June 15, 2015
10.2	Form of June 15, 2015 Warrant	Incorporated by reference to the Company's Form 8-K as filed with the SEC on June 15, 2015
10.3	Employee Agreement - James Marcelli	Incorporated by reference to Company's Form 10-Q as filed with the SEC on August 12, 2015
10.4	Director Agreement - Michael Lebby	Incorporated by reference to the Company's Form 8-K as filed with the SEC on August 27, 2015
10.5	Statement Of Operations Committee Work	Incorporated by reference to the Company's Form 8-K as filed with the SEC on August 27, 2015
10.6	Employee Agreement Amendment Thomas E. Zelibor	Incorporated by reference to the Company's Form 10-Q as filed with the SEC on November 16, 2015
10.7		

Edgar Filing: VISTEON CORP - Form PRE 14A

	Form of Regulation D Subscription Agreement	Incorporated by reference to the Company's Form 8-K as filed with the SEC on December 31, 2015
10.8	Form of Regulation S Subscription Agreement	Incorporated by reference to the Company's Form 8-K as filed with the SEC on December 31, 2015
10.9	Form of Regulation D Warrant	Incorporated by reference to the Company's Form 8-K as filed with the SEC on December 31, 2015
10.10	Form of Regulation S Warrant	Incorporated by reference to the Company's Form 8-K as filed with the SEC on December 31, 2015
10.11	Purchase Agreement, dated as of January 29, 2016, by and between the Company and Lincoln Park Capital Fund, LLC	Incorporated by reference to the Company's Form 8-K as filed with the SEC on February 1, 2016
10.12	Registration Rights Agreement, dated as of January 29, 2016, by and between the Company and Lincoln Park Capital Fund, LLC	Incorporated by reference to the Company's Form 8-K as filed with the SEC on February 1, 2016
10.13	Termination Agreement, dated as of February 1, 2016, by and between the Company and Lincoln Park Capital Fund, LLC	Incorporated by reference to the Company's Form 8-K as filed with the SEC on February 1, 2016

14.1	Code of Ethics and Business Conduct	Incorporated by reference to the Company's Annual Report on Form 10-K as filed with the SEC on April 1, 2013
31.1	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Executive Officer of the Company.	Filed herewith
31.2	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, executed by the Principal Financial Officer of the Company.	Filed herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Executive Officer of the Company.	Filed herewith
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Principal Financial Officer of the Company.	Filed herewith
101	XBRL data files of Financial Statements and Notes contained in this Annual Report on Form 10-K	

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIGHTWAVE LOGIC, INC.

Registrant

By: /s/ Thomas E. Zelibor
 Thomas E. Zelibor,
 Chief Executive Officer
 (Principal Executive Officer)

Date: March 18, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas E. Zelibor Thomas E. Zelibor	Chief Executive Officer, (Principal Executive Officer) Chmn. of the Board of Directors	March 18, 2016
/s/ James S. Marcelli James S. Marcelli	President, Chief Operating Officer, (Principal Financial Officer) Director	March 18, 2016
/s/ Andrew J. Ashton Andrew J. Ashton	Senior Vice President & Secretary, Director	March 18, 2016
/s/ Siraj Nour El-Ahmadi Siraj Nour El-Ahmadi	Director	March 18, 2016
/s/ William C. Pickett, III William C. Pickett, III	Director	March 18, 2016

Edgar Filing: VISTEON CORP - Form PRE 14A

/s/ Joseph A. Miller Joseph A. Miller	Director	March 18, 2016
/s/ Ronald A. Bucchi Ronald A. Bucchi	Director	March 18, 2016
/s/ George L Lauro George L Lauro	Director	March 18, 2016
/s/ Michael Lebby Michael Lebby	Director	March 18, 2016

LIGHTWAVE LOGIC, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

CONTENTS

	<u>PAGE</u>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	F-2
BALANCE SHEETS	F-3
STATEMENTS OF OPERATIONS	F-4
STATEMENT OF STOCKHOLDERS' EQUITY	F-5
STATEMENTS OF CASH FLOWS	F-6
NOTES TO FINANCIAL STATEMENTS	F-7 - F-21

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Lightwave Logic, Inc.

Longmont, Colorado

We have audited the accompanying balance sheets of Lightwave Logic, Inc., as of December 31, 2015 and 2014 and the related statements of operations, stockholders' equity and cash flows for the years then ended. Lightwave Logic, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lightwave Logic, Inc., as of December 31, 2015 and 2014 and results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ MORISON COGEN LLP

Blue Bell, Pennsylvania

March 18, 2016

Table of Contents

F-2

LIGHTWAVE LOGIC, INC.**BALANCE SHEETS**

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,730,705	\$ 3,165,940
Prepaid expenses and other current assets	264,491	128,227
	3,995,196	3,294,167
PROPERTY AND EQUIPMENT - NET	495,062	375,227
OTHER ASSETS		
Intangible assets - net	619,767	610,029
TOTAL ASSETS	\$ 5,110,025	\$ 4,279,423
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 32,852	\$ 178,165
Accounts payable and accrued expenses- related parties	5,069	10,323
Accrued expenses	65,036	33,353
TOTAL LIABILITIES	102,957	221,841
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value, 1,000,000 authorized no shares issued or outstanding	&	