

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHMENT

18 Can any resulting loss be recognized? ► SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ^{SMY} Signature ► *Math E. Beckler* Date ► 10/16/2019
Print your name ► Math Beckler Title ► VP Global Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Amy E. Patel	<i>Amy E. Patel</i>	10/16/2019		P00391257
	Firm's name ► Deloitte Tax LLP	Firm's address ► 2901 N. Central Avenue, Suite 1200, Phoenix, AZ 85012		Firm's EIN ► 86-1065772	Phone no. 602-234-5100

ON Semiconductor Corporation

EIN: 36-3840979

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any lender's specific circumstances. Lenders are urged to consult their own tax advisors regarding U.S. tax consequences of the amendment described herein and the impact to tax basis resulting from the amendment.

ON Semiconductor Corporation
EIN: 36-3840979
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part II, Line 14

ON Semiconductor Corporation (“ON Semi”) has an outstanding Term Loan B Facility. This Form 8937 addresses the amendment to the Term Loan B Facility that took place on September 19, 2019. The last significant modification (*i.e.*, section 1001 event) with respect to the Term Loan B Facility took place on May 31, 2018 in connection with the Fourth Amendment to the Credit Agreement. The loan issued pursuant to the Fourth Amendment to the Credit Agreement (the “Prior Term Loan”) had a principal amount of approximately \$1.2 billion, an interest rate equal to LIBOR plus an applicable margin of 1.75 percent, and a maturity date of March 31, 2023. The Prior Term Loan had an issue price equal to 100.334% of the stated principal amount.

On September 19, 2019, ON Semi entered into the Seventh Amendment¹ to the Credit Agreement. The Seventh Amendment increased the amount borrowed under the Term Loan B Facility, increased the applicable margin by 25 bps, from 1.75 percent to 2.0 percent, and reset the maturity date to September 19, 2026. As a result of the Seventh Amendment, for U.S. federal income tax purposes, the Prior Term Loan was treated as retired in exchange for a new term loan (the “2019 Term Loan”) under Treas. Reg. § 1.1001-3.

Certain lenders under the Prior Term Loan rolled their interests in the Prior Term Loan into the 2019 Term Loan (the “Participating Lenders”), while other lenders were repaid in cash.

After the execution of the Seventh Amendment, the amount outstanding under the Term Loan B Facility was approximately \$1.6 billion.

Form 8937, Part II, Line 15

To the extent that the Prior Term Loan and the 2019 Term Loan constitute “securities” for purposes of the rules providing for tax-free recapitalizations under section 368(a)(1)(E) (“Tax Securities”), the Seventh Amendment likely qualifies as a tax-free recapitalization of the Prior Term Loan. To the extent that either the Prior Term Loan or the 2019 Term Loan are not Tax Securities, the Seventh Amendment does not qualify as a tax-free recapitalization of the Prior Term Loan.

To the extent the Seventh Amendment is a tax-free recapitalization of the Prior Term Loan, each Participating Lender’s aggregate tax basis in the 2019 Term Loan will generally equal such Participating Lender’s aggregate basis in the Prior Term Loan immediately prior to the deemed exchange (excluding any amounts attributable to accrued interest), increased by any gain recognized and decreased by any boot (*i.e.*, any cash consideration received as part of the transaction). Gain is recognized to the extent of any boot (*i.e.*, cash consideration received as part of the transaction). To the extent any portion of a U.S.

¹ The Fifth and Sixth Amendments related to the revolver under the Credit Agreement.

Lender's share of the consideration is allocable to interest on the Prior Term Loan that accrued while such lender held the Prior Term Loan, such portion would be generally treated as a payment of interest.

ON Semi intends to treat the Prior Term Loan and the 2019 Term Loan as Tax Securities such that the Seventh Amendment qualifies as a tax-free recapitalization of the Prior Term Loan. Participating Lenders should consult their tax advisors to determine the tax consequences of the Seventh Amendment to them.

Form 8937, Part II, Line 16

To the extent the Seventh Amendment is a tax-free recapitalization of the Prior Term Loan, each Participating Lender's aggregate tax basis in the 2019 Term Loan will generally equal such Participating Lenders aggregate basis in the Prior Term Loan immediately prior to the deemed exchange (excluding any amounts attributable to accrued interest), increased by any gain recognized and decreased by any boot).

ON Semi intends to treat the Prior Term Loan and the 2019 Term Loan as Tax Securities such that the Amendment qualifies as a tax-free recapitalization of the Prior Term Loan. Participating Lenders should consult their tax advisors to determine the tax consequences of the Seventh Amendment to them.

Form 8937, Part II, Line 17

Sections 354, 356, 358, 1001 and 1012.

Form 8937, Part II, Line 18

The Seventh Amendment generally should not result in a loss to Participating Lenders to the extent the amendment is a tax-free recapitalization of the Prior Term Loan. To the extent the Seventh Amendment is not a tax-free recapitalization of the Prior Term Loan, the Seventh Amendment may result in a loss to a Participating Lender to the extent such Participating Lender's tax basis in the Prior Term Loan exceeds the issue price of the 2019 Term Loan received plus any cash consideration received in exchange therefor.

Participating Lenders should consult their tax advisors to determine the tax consequences of the Seventh Amendment to them.