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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended October 2, 2026

Or

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

For the transition period from to

(Commission File Number) 001-39317

ON SEMICONDUCTOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**36-3840979**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5701 N. Pima Road
Scottsdale, AZ 85250
(602) 244-6600

(Address, zip code and telephone number, including area code, of principal executive offices)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ON	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large Accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The number of shares of the issuer's common stock outstanding at October 28, 2026 was 389,284,489.

ON SEMICONDUCTOR CORPORATION FORM 10-Q

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(See the glossary of selected terms immediately following this table of contents for definitions of certain abbreviated terms.)

ON SEMICONDUCTOR CORPORATION
FORM 10-Q
GLOSSARY OF SELECTED ABBREVIATED TERMS*

Abbreviated Term	Defined Term
0% Notes	0% Convertible Senior Notes due 2027
2031 0% Notes	0% Convertible Senior Notes due 2031
0.50% Notes	0.50% Convertible Senior Notes due 2029
3.875% Notes	3.875% Senior Notes due 2028
ADAS	Advanced driver-assistance systems
AI	Artificial Intelligence
Amended and Restated SIP	ON Semiconductor Corporation Amended and Restated Stock Incentive Plan, as amended
ASU	Accounting Standards Update
Commission or SEC	Securities and Exchange Commission
Credit Agreement	Credit agreement, dated as of June 22, 2023, by and among the Company, as borrower, the several lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and certain other parties, providing for the Revolving Credit Facility
ESPP	ON Semiconductor Corporation 2000 Employee Stock Purchase Plan, as amended
HSR Act	Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended
Exchange Act	Securities Exchange Act of 1934, as amended
IP	Intellectual property
IRS	United States Internal Revenue Service
IT	Information Technology
Revolving Credit Facility	A $1.5 billion senior revolving credit facility created pursuant to the Credit Agreement
ROU	Right-of-use
RSU	Restricted stock unit
SiC	Silicon carbide
Securities Act	Securities Act of 1933, as amended
U.S. or United States	United States of America

* Terms used, but not defined, within the body of the Form 10-Q are defined in this Glossary.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share data)
(unaudited)

	October 2, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 4,157.7	$ 2,147.6
Short-term investments	210.0	400.0
Receivables, net	917.4	908.0
Inventories	2,069.7	1,989.6
Assets held-for-sale	26.2	25.0
Other current assets	464.3	352.9
Total current assets	7,845.3	5,823.1
Property, plant and equipment, net	2,823.7	3,369.0
Goodwill	1,686.5	1,679.9
Intangible assets, net	317.7	343.9
Deferred tax assets	1,018.1	929.1
ROU financing lease assets	—	23.1
Other assets	240.0	356.0
Total assets	$ 13,931.3	$ 12,524.1
Liabilities and Stockholders' Equity		
Accounts payable	$ 549.5	$ 572.3
Accrued expenses and other current liabilities	858.3	714.9
Current portion of financing lease liabilities	0.6	0.5
Current portion of long-term debt	802.8	—
Total current liabilities	2,211.2	1,287.7
Long-term debt	3,660.2	2,980.5
Deferred tax liabilities	46.4	41.7
Long-term financing lease liabilities	22.3	23.8
Other long-term liabilities	409.8	498.5
Total liabilities	6,349.9	4,832.2
Commitments and contingencies (Note 10)		
ON Semiconductor Corporation stockholders' equity:		
Common stock ($0.01 par value, 1,250,000,000 shares authorized, 627,260,040 and 624,962,201 issued, 389,258,454 and 396,740,551 outstanding, respectively)	6.3	6.2
Additional paid-in capital	5,676.5	5,538.6
Accumulated other comprehensive loss	(57.6)	(55.5)
Accumulated earnings	8,749.2	8,241.9
Less: Treasury stock, at cost: 238,001,586 and 228,221,650 shares, respectively	(6,813.3)	(6,057.9)
Total ON Semiconductor Corporation stockholders' equity	7,561.1	7,673.3
Non-controlling interest	20.3	18.6
Total stockholders' equity	7,581.4	7,691.9
Total liabilities and stockholders' equity	$ 13,931.3	$ 12,524.1

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in millions, except per share data)
(unaudited)

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
Revenue	$ 1,722.3	$ 1,550.9	$ 4,839.1	$ 4,465.3
Cost of revenue	1,009.3	963.7	2,926.7	3,032.4
Gross profit	713.0	587.2	1,912.4	1,432.9
Operating expenses:				
Research and development	145.0	141.9	430.1	449.8
Selling and marketing	66.8	62.8	193.1	194.4
General and administrative	107.8	87.3	299.1	262.9
Amortization of intangible assets	10.5	11.2	31.5	33.6
Restructuring, asset impairments and other, net	4.6	19.6	375.1	608.1
Total operating expenses	334.7	322.8	1,328.9	1,548.8
Operating income (loss)	378.3	264.4	583.5	(115.9)
Other income (expense), net:				
Interest expense	(13.9)	(17.7)	(40.3)	(53.6)
Interest income	17.3	22.7	52.4	74.5
Other income	17.6	3.6	30.0	9.2
Other income (expense), net	21.0	8.6	42.1	30.1
Income (loss) before income taxes	399.3	273.0	625.6	(85.8)
Income tax (provision) benefit	(84.9)	(17.7)	(116.6)	27.6
Net income (loss)	314.4	255.3	509.0	(58.2)
Less: Net income attributable to non-controlling interest	(0.5)	(0.3)	(1.7)	(2.6)
Net income (loss) attributable to ON Semiconductor Corporation	$ 313.9	$ 255.0	$ 507.3	$ (60.8)
Net income (loss) per share of common stock attributable to ON Semiconductor Corporation:				
Basic	$ 0.81	$ 0.63	$ 1.30	$ (0.15)
Diluted	$ 0.79	$ 0.63	$ 1.27	$ (0.15)
Weighted-average shares of common stock outstanding:				
Basic	389.3	406.9	391.2	414.3
Diluted	397.3	408.0	400.0	414.3
Comprehensive income (loss), net of tax:				
Net income (loss)	$ 314.4	$ 255.3	$ 509.0	$ (58.2)
Foreign currency translation adjustments	0.8	(0.9)	(0.4)	1.9
Effects of cash flow hedges and other adjustments	8.7	(3.1)	(1.7)	6.1
Other comprehensive income (loss), net of tax	9.5	(4.0)	(2.1)	8.0
Comprehensive income (loss)	323.9	251.3	506.9	(50.2)
Comprehensive income attributable to non-controlling interest	(0.5)	(0.3)	(1.7)	(2.6)
Comprehensive income (loss) attributable to ON Semiconductor Corporation	$ 323.4	$ 251.0	$ 505.2	$ (52.8)

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except share data)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Earnings	Treasury Stock		Non-Controlling Interest	Total Equity
	Number of shares	At Par Value				Number of shares	At Cost		
Balance at July 3, 2026	626,960,841	$ 6.3	$ 5,632.8	$ (67.1)	$ 8,435.3	(237,669,842)	$ (6,788.6)	$ 19.8	$ 7,238.5
Shares issued pursuant to the ESPP	100,324	—	6.6	—	—	—	—	—	6.6
RSUs released and stock grant awards issued	198,875	—	—	—	—	—	—	—	—
Payment of tax withholding for RSUs	—	—	—	—	—	(59,612)	(4.8)	—	(4.8)
Share-based compensation	—	—	37.1	—	—	—	—	—	37.1
Repurchase of common stock	—	—	—	—	—	(272,132)	(19.9)	—	(19.9)
Comprehensive income (loss)	—	—	—	9.5	313.9	—	—	0.5	323.9
Balance at October 2, 2026	627,260,040	$ 6.3	$ 5,676.5	$ (57.6)	$ 8,749.2	(238,001,586)	$ (6,813.3)	$ 20.3	$ 7,581.4
Balance at December 31, 2025	624,962,201	$ 6.2	$ 5,538.6	$ (55.5)	$ 8,241.9	(228,221,650)	$ (6,057.9)	$ 18.6	$ 7,691.9
Shares issued pursuant to the ESPP	347,170	—	18.6	—	—	—	—	—	18.6
RSUs released and stock grant awards issued	1,950,669	0.1	(0.1)	—	—	—	—	—	—
Warrants and bond hedges, net - 2031 0% Notes	—	—	(70.8)	—	—	—	—	—	(70.8)
Tax impact of warrants and bond hedges, net	—	—	78.4	—	—	—	—	—	78.4
Payment of tax withholding for RSUs	—	—	—	—	—	(660,264)	(52.2)	—	(52.2)
Share-based compensation	—	—	111.8	—	—	—	—	—	111.8
Repurchase of common stock	—	—	—	—	—	(9,119,672)	(703.2)	—	(703.2)
Comprehensive income (loss)	—	—	—	(2.1)	507.3	—	—	1.7	506.9
Balance at October 2, 2026	627,260,040	$ 6.3	$ 5,676.5	$ (57.6)	$ 8,749.2	(238,001,586)	$ (6,813.3)	$ 20.3	$ 7,581.4

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Earnings	Treasury Stock		Non-Controlling Interest	Total Equity
	Number of shares	At Par Value				Number of shares	At Cost		
Balance at July 4, 2025	624,436,148	$ 6.2	$ 5,451.1	$ (50.4)	$ 7,805.1	(213,231,935)	$ (5,271.2)	$ 20.4	$ 7,961.2
Shares issued pursuant to the ESPP	142,069	—	6.0	—	—	—	—	—	6.0
RSUs released and stock grant awards issued	150,716	—	—	—	—	—	—	—	—
Payment of tax withholding for RSUs	—	—	—	—	—	(46,927)	(2.4)	—	(2.4)
Share-based compensation	—	—	38.2	—	—	—	—	—	38.2
Repurchase of common stock	—	—	—	—	—	(6,133,386)	(328.2)	—	(328.2)
Comprehensive income (loss)	—	—	—	(4.0)	255.0	—	—	0.3	251.3
Balance at October 3, 2025	624,728,933	$ 6.2	$ 5,495.3	$ (54.4)	$ 8,060.1	(219,412,248)	$ (5,601.8)	$ 20.7	$ 7,926.1
Balance at December 31, 2024	622,655,553	$ 6.2	$ 5,372.2	$ (62.4)	$ 8,120.9	(199,700,380)	$ (4,640.5)	$ 18.1	$ 8,814.5
Shares issued pursuant to the ESPP	450,951	—	16.6	—	—	—	—	—	16.6
RSUs released and stock grant awards issued	1,622,426	—	—	—	—	—	—	—	—
Partial settlement - 0% Notes	2	—	—	—	—	—	—	—	—
Partial settlement of warrants - 0% Notes	1	—	—	—	—	—	—	—	—
Payment of tax withholding for RSUs	—	—	—	—	—	(565,552)	(27.5)	—	(27.5)
Share-based compensation	—	—	106.5	—	—	—	—	—	106.5
Repurchase of common stock	—	—	—	—	—	(19,146,316)	(933.8)	—	(933.8)
Comprehensive income (loss)	—	—	—	8.0	(60.8)	—	—	2.6	(50.2)
Balance at October 3, 2025	624,728,933	$ 6.2	$ 5,495.3	$ (54.4)	$ 8,060.1	(219,412,248)	$ (5,601.8)	$ 20.7	$ 7,926.1

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Nine Months Ended	
	October 2, 2026	October 3, 2025
Cash flows from operating activities:		
Net income (loss)	$ 509.0	$ (58.2)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	563.0	471.1
Gain on sale or disposal of fixed assets	(4.2)	(7.1)
Gain on divestiture of a business	(3.1)	—
Amortization of debt discount and issuance costs	11.0	8.6
Share-based compensation	111.8	106.5
Non-cash asset impairment charges	166.6	487.9
Change in deferred tax balances	(17.2)	(113.1)
Other	(3.5)	1.2
Changes in assets and liabilities (exclusive of acquisitions and divestiture):		
Receivables	(29.6)	119.4
Inventories	(85.0)	214.7
Other assets	(59.2)	(1.7)
Accounts payable	(24.4)	95.4
Accrued expenses and other current liabilities	129.3	(62.4)
Other long-term liabilities	(49.3)	(57.0)
Net cash provided by operating activities	1,215.2	1,205.3
Cash flows from investing activities:		
Payments for acquisition of property, plant and equipment	(84.0)	(272.1)
Proceeds from sale of property, plant and equipment	17.1	6.8
Proceeds related to divestiture of businesses, net of cash transferred	31.7	—
Purchase of short-term investments	(760.0)	(800.0)
Proceeds from the maturity of short-term investments	950.0	700.0
Payments for acquisition of a business, net of cash acquired	(13.0)	(117.5)
Other	2.9	(5.0)
Net cash provided by (used in) investing activities	144.7	(487.8)
Cash flows from financing activities:		
Proceeds for the issuance of common stock under the ESPP	18.6	16.6
Payment of tax withholding for RSUs	(52.0)	(27.5)
Repurchase of common stock	(710.4)	(927.4)
Issuance and borrowings under debt agreements	1,473.7	—
Reimbursement of debt issuance and other financing costs	3.4	—
Payment of debt issuance and other financing costs	(4.2)	—
Repayment of borrowings under debt agreements	(0.2)	—
Payment for purchase of bond hedges	(351.6)	—
Proceeds from issuance of warrants	281.0	—
Payment of financing lease obligations	(0.3)	(1.2)
Payments related to prior business acquisitions	(7.5)	(0.4)
Net cash provided by (used in) financing activities	650.5	(939.9)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.3)	3.0
Net increase (decrease) in cash, cash equivalents and restricted cash	2,010.1	(219.4)
Cash, cash equivalents and restricted cash, beginning of period (Note 6)	2,149.0	2,693.4
Cash, cash equivalents and restricted cash, end of period (Note 6)	$ 4,159.1	$ 2,474.0

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1: Background and Basis of Presentation

ON Semiconductor Corporation ("onsemi," "we," "us," "our," or the "Company"), with its wholly and majority-owned subsidiaries, operates under the onsemi™ brand. The Company is organized into three operating and reportable segments: the Power Solutions Group ("PSG"), the Analog and Mixed-Signal Group ("AMG") and the Intelligent Sensing Group ("ISG").

The Company's fiscal calendar year begins on January 1 and ends on December 31, with each fiscal quarter containing a thirteen-week accounting period. The quarters ended October 2, 2026 and October 3, 2025 each contained 91 days. The nine months ended October 2, 2026 and October 3, 2025 contained 275 days and 276 days, respectively.

The accompanying unaudited financial statements as of and for the quarter and nine months ended October 2, 2026 have been prepared following generally accepted accounting principles in the United States of America ("GAAP") for interim financial reporting and the rules and regulations of the SEC for interim reporting. Accordingly, the unaudited financial statements do not include all of the information and footnotes required by GAAP for audited financial statements. The balance sheet as of December 31, 2025 was derived from the Company's audited financial statements but does not include all disclosures required by GAAP for annual financial statements. In management's opinion, the interim information contains all adjustments, which include normal recurring adjustments necessary for a fair statement of the results for the interim periods. The footnote disclosures related to the interim financial information contained herein are also unaudited. Such financial information should be read in conjunction with the consolidated financial statements and related notes thereto for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 9, 2026 (the "2025 Form 10-K"). Certain reclassifications within revenue disaggregation by end-markets have been made to prior period amounts to conform to current period presentation. See Note 2: "Segments and Revenue" for additional information.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) calculation of future payouts for customer incentives and amounts subject to allowances and returns; (ii) valuation and obsolescence relating to inventories; (iii) measurement of valuation allowances against deferred tax assets and evaluations of uncertain tax positions; (iv) assumptions used in business combinations and the valuation of assets held-for-sale; and (v) testing for impairment of long-lived assets and goodwill. Actual results may differ from the estimates and assumptions used in the consolidated financial statements.

Definitive Agreement to Acquire Synaptics Incorporated

On June 25, 2026, the Company entered into an Agreement and Plan of Reorganization with Sonic Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of the Company, and Synaptics Incorporated ("Synaptics"), pursuant to which Sonic Acquisition Corp. will merge with and into Synaptics, with Synaptics surviving the merger and becoming a wholly owned subsidiary of the Company (the "Merger"). On October 1, 2026, the Company, Sonic Acquisition Corp., and Synaptics entered into an Amended and Restated Agreement and Plan of Merger (the "Amended Merger Agreement") to, among other things, amend and restate in its entirety the Agreement and Plan of Reorganization. The Amended Merger Agreement revises the Merger consideration to $123.00 per share in cash, without interest (the "Merger Consideration"). At the effective time of the Merger, each outstanding share of Synaptics common stock (subject to limited exceptions identified in the Amended Merger Agreement) will be converted into the right to receive the per-share Merger Consideration. The Company's Board of Directors unanimously approved the Amended Merger Agreement. The transaction is expected to close in mid-2027, subject to approval by Synaptics stockholders, the receipt of required regulatory approvals and other customary conditions.

In connection with the Amended Merger Agreement, the Company entered into a commitment letter on October 1, 2026 with Morgan Stanley Senior Funding, Inc. ("MSSF"), which was subsequently amended and restated to include JPMorgan Chase Bank, N.A. and other banks as commitment parties thereto (collectively and together with MSSF, the "Financing Parties"), pursuant to which the Financing Parties have agreed to provide, subject to satisfaction of customary closing conditions, up to

$2,450.0 million of senior secured term loans for the purpose of funding a portion of the Merger Consideration, and paying fees, costs and expenses in connection with the Merger.

The Amended Merger Agreement contains certain termination rights for each of the Company and Synaptics. In certain circumstances in which the Amended Merger Agreement is terminated, Synaptics may be required to pay the Company a termination fee of $235.0 million, including if the Amended Merger Agreement is terminated by the Company due to a change of recommendation by the Synaptics' board of directors, or by Synaptics to enter into a more favorable third-party acquisition proposal, as more fully described in the Amended Merger Agreement. In certain circumstances in which the Amended Merger Agreement is terminated due to the failure to obtain required regulatory approvals or following an injunction arising in connection with certain antitrust or foreign investment laws, the Company may be required to pay Synaptics a termination fee of $320.0 million, as more fully described in the Amended Merger Agreement.

The parties' HSR notifications were filed with the Federal Trade Commission ("FTC") and Department of Justice ("DOJ") on July 17, 2026. On August 12, 2026, the FTC granted early termination of the applicable waiting period under the HSR Act with respect to the Merger. The Company continues to advance the remaining required regulatory filings and currently expects to obtain all necessary approvals or waivers in order to close the Merger in mid-2027.

Note 2: Segments and Revenue

Segments

The Company is organized into three operating and reportable segments consisting of PSG, AMG and ISG. These segments represent management's view of the business for which separate financial information is available and evaluated regularly by the Chief Operating Decision Maker ("CODM"), who is the Company's Chief Executive Officer. The CODM uses segment gross profit for evaluating product pricing, factory utilization, allocation of capital and the assessment of segment profitability.

Revenue and gross profit for the operating and reportable segments were as follows (in millions):

	PSG	AMG	ISG	Total
For the quarter ended October 2, 2026:				
Revenue from external customers	$ 889.9	$ 597.3	$ 235.1	$ 1,722.3
Cost of revenue	550.2	297.6	161.5	1,009.3
Segment gross profit	$ 339.7	$ 299.7	$ 73.6	$ 713.0
For the quarter ended October 3, 2025:				
Revenue from external customers	$ 737.6	$ 583.3	$ 230.0	$ 1,550.9
Cost of revenue	527.4	287.2	149.1	963.7
Segment gross profit	$ 210.2	$ 296.1	$ 80.9	$ 587.2
For the nine months ended October 2, 2026:				
Revenue from external customers	$ 2,455.5	$ 1,683.4	$ 700.2	$ 4,839.1
Cost of revenue	1,685.1	802.9	438.7	2,926.7
Segment gross profit	$ 770.4	$ 880.5	$ 261.5	$ 1,912.4
For the nine months ended October 3, 2025:				
Revenue from external customers	$ 2,080.9	$ 1,705.6	$ 678.8	$ 4,465.3
Cost of revenue	1,566.7	826.8	638.9	3,032.4
Segment gross profit	$ 514.2	$ 878.8	$ 39.9	$ 1,432.9

The Company had one customer, a distributor, whose revenue accounted for approximately 15% and 12% of total revenue for the quarters ended October 2, 2026 and October 3, 2025, respectively, and approximately 14% and 13% of the total revenue for the nine months ended October 2, 2026 and October 3, 2025, respectively, across all reportable segments. One customer, a distributor, accounted for approximately 11% and 10% of the Company's accounts receivable balance as of October 2, 2026 and December 31, 2025, respectively.

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(unaudited)

Revenue for the operating and reportable segments disaggregated into geographic locations based on sales billed from the respective country and sales channel was as follows (in millions):

	Quarter Ended October 2, 2026			
	PSG	AMG	ISG	Total
Geographic Location:				
Hong Kong	$ 308.3	$ 203.7	$ 55.8	$ 567.8
Singapore	267.0	143.2	26.7	436.9
United Kingdom	156.1	95.3	65.3	316.7
United States	127.5	124.3	42.5	294.3
Other	31.0	30.8	44.8	106.6
Total	$ 889.9	$ 597.3	$ 235.1	$ 1,722.3
Sales Channel:				
Distributors	$ 598.5	$ 348.4	$ 111.7	$ 1,058.6
Direct customers	291.4	248.9	123.4	663.7
Total	$ 889.9	$ 597.3	$ 235.1	$ 1,722.3

	Nine Months Ended October 2, 2026			
	PSG	AMG	ISG	Total
Geographic Location:				
Hong Kong	$ 773.6	$ 478.6	$ 128.7	$ 1,380.9
Singapore	665.8	389.4	90.3	1,145.5
United Kingdom	522.1	316.7	224.0	1,062.8
United States	382.9	406.1	102.4	891.4
Other	111.1	92.6	154.8	358.5
Total	$ 2,455.5	$ 1,683.4	$ 700.2	$ 4,839.1
Sales Channel:				
Distributors	$ 1,575.3	$ 900.6	$ 346.2	$ 2,822.1
Direct customers	880.2	782.8	354.0	2,017.0
Total	$ 2,455.5	$ 1,683.4	$ 700.2	$ 4,839.1

ON SEMICONDUCTOR CORPORATION
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	Quarter Ended October 3, 2025			
	PSG	AMG	ISG	Total
Geographic Location:				
Hong Kong	$ 225.4	$ 161.1	$ 38.4	$ 424.9
Singapore	177.7	122.1	20.3	320.1
United Kingdom	135.2	104.3	75.5	315.0
United States	140.8	164.6	35.1	340.5
Other	58.5	31.2	60.7	150.4
Total	$ 737.6	$ 583.3	$ 230.0	$ 1,550.9
Sales Channel:				
Distributors	$ 455.2	$ 322.0	$ 118.2	$ 895.4
Direct customers	282.4	261.3	111.8	655.5
Total	$ 737.6	$ 583.3	$ 230.0	$ 1,550.9

	Nine Months Ended October 3, 2025			
	PSG	AMG	ISG	Total
Geographic Location:				
Hong Kong	$ 591.8	$ 462.4	$ 154.1	$ 1,208.3
Singapore	502.2	357.3	61.3	920.8
United Kingdom	446.1	329.6	234.2	1,009.9
United States	376.8	441.1	93.1	911.0
Other	164.0	115.2	136.1	415.3
Total	$ 2,080.9	$ 1,705.6	$ 678.8	$ 4,465.3
Sales Channel:				
Distributors	$ 1,229.7	$ 901.4	$ 313.0	$ 2,444.1
Direct customers	851.2	804.2	365.8	2,021.2
Total	$ 2,080.9	$ 1,705.6	$ 678.8	$ 4,465.3

The Company operates in various geographic locations. Sales to external customers have little correlation to where products are manufactured or the location of the end-customer. It is, therefore, not meaningful to present operating profit by geographical location.

Revenue

The Company's revenue is derived primarily from product sales and to a much lesser extent from product development agreements and non-recurring engineering ("NRE") arrangements. For each of the quarters and nine months ended October 2, 2026 and October 3, 2025, revenue recognized from product sales as a percentage of total revenue was approximately 100% and 99%, respectively, and revenue recognized from product development agreements and NRE arrangements was an immaterial amount and 1%, respectively.

Revenue disaggregated by end-markets and product technologies was as follows (in millions):

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
End-Markets:				
Automotive	$ 776.7	$ 787.3	$ 2,355.3	$ 2,282.4
Industrial	466.8	426.3	1,306.5	1,232.5
AI data center	180.2	65.6	413.2	179.0
Other*	298.6	271.7	764.1	771.4
Total	$ 1,722.3	$ 1,550.9	$ 4,839.1	$ 4,465.3
* Other includes the end-markets of computing, consumer, networking, communications, etc.				
Product Technologies:				
Intelligent power	$ 918.8	$ 792.8	$ 2,531.1	$ 2,243.1
Intelligent sensing	296.2	284.0	873.5	859.8
Other	507.3	474.1	1,434.5	1,362.4
Total	$ 1,722.3	$ 1,550.9	$ 4,839.1	$ 4,465.3

Revenue by end-markets and product technologies is determined using known customer applications and other available information. For certain sales, primarily to distributors, when the ultimate application is not known at the time of sale, these are estimated based on historical trends and other relevant factors.

Remaining Performance Obligations

A portion of the Company's orders are firm commitments that are non-cancellable, including certain orders or contracts with a duration of less than one year. Certain of the Company's customer contracts are multi-year agreements that include committed amounts ("Long-term Supply Agreements" or "LTSAs") for which the remaining performance obligations as of October 2, 2026 were approximately $5.5 billion (excluding the remaining performance obligations for contracts having a duration of one year or less). If products are shipped according to the terms of these contracts, the Company expects to recognize approximately 39% of this amount as revenue over the next 12 months. Total revenue estimates are based on negotiated contract prices and demand quantities, and could be influenced by risks and uncertainties, including manufacturing or supply chain constraints, modifications to customer agreements, and regulatory changes, among other factors. The timing, pricing or amounts of products delivered under LTSAs may be modified or canceled in certain circumstances, and the actual revenue recognized for the remaining performance obligations in future periods may significantly differ from current estimates.

Certain LTSAs include non-cancellable capacity payments from the customer, which are generally due within 30 days of the agreement. These payments reserve production availability or are prepayments for the same purpose and are not recognized as revenue until the performance obligations are satisfied. Payments received in advance of the satisfaction of performance obligations are recorded as contract liabilities. The Company fulfilled certain performance obligations and recognized revenue of $7.5 million and $42.0 million for each of the quarters ended October 2, 2026 and October 3, 2025, respectively, and $35.8 million and $90.4 million for the nine months ended October 2, 2026 and October 3, 2025, respectively, related to contract liabilities outstanding as of the end of each respective prior year.

Contract Balances

Contract assets and contract liabilities were as follows (in millions):

	As of	
	October 2, 2026	December 31, 2025
Contract assets included in:		
Other current assets	$ 41.7	$ 47.4
Contract liabilities included in:		
Accrued expenses and other current liabilities	$ 40.8	$ 51.8
Other long-term liabilities	27.8	69.8
Total	$ 68.6	$ 121.6

Note 3: Recent Accounting Pronouncements and Other Developments

Pending Adoption

Income Statement (Subtopic 220-40): Reporting Comprehensive Income - Expense Disaggregation Disclosures ("ASU 2024-03")

In November 2024, the FASB issued ASU 2024-03, which requires public business entities to expand disclosures about specific expense categories. The amendments in this ASU require a public entity to disclose, in tabular format, in the notes to the financial statements, specific information about certain costs and expenses. Although the ASU does not change the expense captions an entity presents on the face of the statement of operations, it requires disaggregation of certain expense captions into specified categories. For public business entities, the provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06")

In September 2025, the FASB issued ASU 2025-06 to modernize the accounting for software costs that are accounted for under Subtopic 350-40, *Intangibles - Goodwill and Other - Internal-Use Software*. The guidance removes all references to project stages throughout ASC 350-40 and clarifies the threshold that entities apply to begin capitalizing costs. For public business entities, the provisions of ASU 2025-06 are effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

Derivatives and Hedging (Topic 815): Hedge Accounting Improvements (ASU "2025-09")

In December 2025, the FASB issued ASU 2025-09 to amend certain aspects of its hedge accounting guidance to better reflect an entity’s risk management activities in the financial statements. The guidance expands the hedged risks permitted to be aggregated in a group of individual forecasted transactions and increases the variable price components eligible to be designated as the hedged risk in the forecasted purchase or sale of nonfinancial assets. For public business entities, the provisions of ASU 2025-09 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities (ASU "2025-10")

In December 2025, the FASB issued ASU 2025-10 to establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. For public business entities, the provisions of ASU 2025-10 are effective for fiscal years beginning after December 15, 2028. Early adoption is permitted. Management is currently evaluating the requirements under this new standard and does not expect the adoption to have a material impact on the Company's results of operations or financial condition.

Environmental Credits and Environmental Credit Obligations (Topic 818) (ASU "2026-02")

In May 2026, the FASB issued ASU 2026-02 to improve the financial accounting for and disclosure of activities related to environmental credits and environmental credit obligations. ASU 2026-02 provides recognition, measurement, presentation, and disclosure requirements for all entities that generate, purchase, or receive environmental credits or have a regulatory compliance obligation that may be settled with environmental credits. For public business entities, the provisions of ASU 2026-02 are effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

Note 4: Acquisitions and Divestitures

Acquisitions

There have been no material changes to the Company's accounting for its 2025 business combinations since December 31, 2025. The purchase accounting for the acquisition of rights to Vcore power technologies, including associated intellectual property licenses, from Aura Semiconductor, which was considered preliminary as of December 31, 2025, was final as of April 3, 2026, with no changes to the previous purchase price allocation.

On May 4, 2026, the Company completed the acquisition of rights to the RISC-V processor IP enterprise from Codasip s.r.o. The acquisition, which has been accounted for as a business combination, is intended to accelerate the Company's compute capabilities through acquired RISC-V cores, Codasip Studio EDA tools, supporting IP, and an assembled workforce. Total purchase consideration is up to $14.5 million in cash, including $1.45 million withheld and payable upon IP acceptance and completion of the contractual defect remediation period.

Divestitures

On July 3, 2026, the Company entered into a definitive agreement to sell a manufacturing facility in the Philippines for $25 million in cash, subject to customary closing adjustments and conditions. The transaction closed on October 2, 2026 and the Company received net cash proceeds of $24.2 million after customary closing adjustments. The Company recorded a gain on divestiture of approximately $3.1 million within Other income in the accompanying Consolidated Statement of Operations, after writing off the carrying value of the net assets disposed, net of cash transferred, of $24.3 million.

On July 7, 2026, the Company entered into a definitive agreement to sell its manufacturing facility in Mountain Top, PA for $40 million in cash, subject to customary closing adjustments and conditions, and received a $10 million deposit. The Company will continue operating the facility through 2027 to support the transition of production to other manufacturing sites, with the sale and transfer of ownership expected by the end of 2027. As of October 2, 2026, the facility did not meet the criteria for classification as held-for-sale, and accordingly, the Company continues to account for these assets as held-and-used.

Note 5: Restructuring, Asset Impairments and Other, Net

Details of restructuring, asset impairments and other, net were as follows (in millions):

	Restructuring	Asset Impairments	Other	Total
For the quarter ended October 2, 2026:				
2026 Manufacturing Realignment Program	$ 1.5	$ 3.3	$ (0.2)	$ 4.6
Total	$ 1.5	$ 3.3	$ (0.2)	$ 4.6

	Restructuring	Asset Impairments	Other Charges	Total
For the quarter ended October 3, 2025:				
2025 Manufacturing Realignment Program	$ 2.8	$ 15.8	$ 1.0	$ 19.6
Total	$ 2.8	$ 15.8	$ 1.0	$ 19.6

	Restructuring	Asset Impairments	Other	Total
For the nine months ended October 2, 2026:				
2026 Manufacturing Realignment Program	$ 24.2	$ 166.6	$ 184.3	$ 375.1
Total	$ 24.2	$ 166.6	$ 184.3	$ 375.1

	Restructuring	Asset Impairments	Other Charges	Total
For the nine months ended October 3, 2025:				
2025 Manufacturing Realignment Program	$ 65.9	$ 487.9	$ 51.5	$ 605.3
2024 Business Realignment	0.7	—	2.1	2.8
Total	$ 66.6	$ 487.9	$ 53.6	$ 608.1

A summary of changes in the accrued restructuring balance by program was as follows (in millions):

	As of December 31, 2025	Charges	Usage	As of October 2, 2026
2026 Manufacturing Realignment Program	$ —	$ 24.2	$ (21.8)	$ 2.4
2025 Manufacturing Realignment Program	2.7	—	(2.0)	0.7
Other	3.3	—	(1.4)	1.9
Total	$ 6.0	$ 24.2	$ (25.2)	$ 5.0

The amounts recorded under the 2026 Manufacturing Realignment Program represent new restructuring activities that expand upon the Company's 2025 Manufacturing Realignment Program for actions and decisions taken in 2026.

2026 Manufacturing Realignment Program

During the quarter and nine months ended October 2, 2026, the Company continued to engage in additional restructuring and cost reduction initiatives under its previously disclosed multi-year manufacturing realignment program to better align manufacturing capacity and capabilities with anticipated long-term needs. These initiatives resulted in a reduction of global workforce, impairments of certain long-lived assets that met the held-for-sale criteria, and certain other charges primarily relating to the accelerated amortization and depreciation of assets for actions taken previously.

Restructuring

Restructuring charges include estimated severance payments and related benefit expenses for employees who were notified of their employment termination or terminated during the period.

In January 2026, as part of the 2026 Manufacturing Realignment Program, the Company initiated a restructuring plan to further reduce its global workforce by approximately 650 employees, and, in connection with such plan, the Company expects to incur total severance and other related benefit expenses of approximately $26 million in 2026. Of this, approximately $1.5 million and $24.2 million was recognized during the quarter and nine months ended October 2, 2026, respectively, with the remaining amount expected to be recognized during the remainder of 2026.

Of the aggregate expenses relating to these actions, the Company paid approximately $21.8 million to approximately 600 terminated employees and had approximately $2.4 million accrued as of October 2, 2026.

Asset Impairment

The Company recorded impairment charges of $3.3 million and $166.6 million during the quarter and nine months ended October 2, 2026, respectively, related to previous investments in manufacturing equipment at certain manufacturing facilities pursuant to held-for-sale accounting guidance due to the assets no longer being needed to meet anticipated long-term customer

demand. Of the $166.6 million of asset impairment charges, $92.3 million and $72.4 million were for assets held in South Korea and the Czech Republic, respectively. During the respective quarters in 2026, it was determined that the assets identified by the Company met all criteria to be classified as assets held-for-sale with the expectation that these assets would be disposed of within 12 months from the end of the quarter. The impairment charges were determined as the difference between the carrying value of these long-lived assets and their estimated fair values, less estimated costs to sell such assets. Fair values were determined primarily by using unobservable inputs such as estimated sales prices based on available market prices, underlying equipment condition and market demand for similar equipment, inputs categorized as Level 3 within the fair value hierarchy. The Company utilized a third-party valuation specialist to assist in the determination of assets held-for-sale. Fair value was estimated primarily using market and income approaches, including third-party appraisals where available. Key unobservable inputs included expected sales proceeds, estimated equipment condition, and discount adjustments for certain specialized tooling.

Additional impairment charges for manufacturing equipment may be incurred in future periods pursuant to the timing of meeting the necessary criteria for being classified as held-for-sale.

Other

Other charges amounted to $(0.2) million and $184.3 million for the quarter and nine months ended October 2, 2026, respectively. Of the $184.3 million for the nine months ended October 2, 2026, $81.7 million and $54.8 million related to the accelerated depreciation and amortization of one lease in each of the Czech Republic and the United States, respectively, that were abandoned in connection with the 2025 and 2026 Manufacturing Realignment Programs. The identified assets were fully depreciated and amortized as of April 3, 2026.

The Company continues to evaluate for potential operating improvements and efficiencies.

Note 6: Balance Sheet Information and Other Supplemental Disclosures

Goodwill

Goodwill is tested for impairment annually on the first day of the fourth quarter or more frequently if events or changes in circumstances would more likely-than-not reduce the fair value of a reporting unit below its carrying value.

The following table summarizes goodwill by operating and reportable segments (in millions):

	PSG	AMG	ISG	Total
Balances as of December 31, 2025 [1]	$ 703.9	$ 851.7	$ 124.3	$ 1,679.9
Addition related to business acquisition	—	7.7	—	7.7
Divestiture of a business	$ (0.1)	$ (1.0)	$ —	$ (1.1)
Balances as of October 2, 2026 [1]	$ 703.8	$ 858.4	$ 124.3	$ 1,686.5

[1] Net of accumulated goodwill impairment losses of $31.9 million in the PSG reportable segment and $748.9 million in the AMG reportable segment as of October 2, 2026 and December 31, 2025.

Inventories

Details of inventories were as follows (in millions):

	As of	
	October 2, 2026	December 31, 2025
Inventories:		
Raw materials	$ 305.8	$ 263.6
Work in process	1,430.2	1,388.9
Finished goods	333.7	337.1
Total	$ 2,069.7	$ 1,989.6

Defined Benefit Plans

The Company recognizes the aggregate amount of all over-funded plans as assets and the aggregate amount of all underfunded plans as liabilities in its financial statements. As of October 2, 2026, the net assets for the over-funded plans totaled $30.5 million. The total accrued pension liability for underfunded plans was $54.1 million, of which the current portion of $0.4 million was classified as Accrued expenses and other current liabilities. During the quarter and nine months ended October 2, 2026, the Company recognized an immaterial actuarial gain associated with the divestiture. As of December 31, 2025, the net funded status for all the plans was a liability of $26.4 million, of which the current portion of $1.5 million was classified as Accrued expenses and other current liabilities.

The components of the net periodic pension expense were as follows (in millions):

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
Service cost	$ 1.2	$ 1.1	$ 3.2	$ 3.3
Interest cost	1.4	1.4	4.2	4.1
Expected return on plan assets	(0.9)	(1.2)	(3.1)	(3.6)
Curtailment losses	—	—	—	1.5
Actuarial gain	(0.6)	—	(0.6)	—
Total	$ 1.1	$ 1.3	$ 3.7	$ 5.3

Leases

Operating lease arrangements are comprised primarily of real estate and equipment agreements. The components of lease expense (including accelerated amortization related to ROU asset abandonment discussed in Note 5) were as follows (in millions):

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
Operating lease	$ 9.7	$ 16.4	$ 59.4	$ 54.7
Variable lease	1.4	1.5	4.7	4.4
Short-term lease	0.5	0.6	1.3	2.1
Total	$ 11.6	$ 18.5	$ 65.4	$ 61.2

The operating lease liabilities and operating ROU assets recognized in the Consolidated Balance Sheets were as follows (in millions):

	As of	
	October 2, 2026	December 31, 2025
Operating lease liabilities included in:		
Accrued expenses and other current liabilities	$ 27.8	$ 33.9
Other long-term liabilities	194.1	214.5
Total	$ 221.9	$ 248.4
Operating ROU assets included in:		
Other assets	$ 156.9	$ 200.8

As of October 2, 2026, the weighted-average remaining lease terms were 9.6 years and 15.3 years, and the weighted-average discount rates were 5.2% and 5.8%, for operating leases and financing leases, respectively.

Supplemental Disclosure of Cash Flow Information

Certain of the cash and non-cash activities were as follows (in millions):

	Nine Months Ended	
	October 2, 2026	October 3, 2025
Non-cash investing activities:		
Capital expenditures in accounts payable and other long-term liabilities	$ 77.1	$ 106.9
Operating ROU assets obtained in exchange for lease liabilities	4.4	14.2
Cash paid for:		
Interest expense	$ 36.7	$ 53.2
Income taxes	143.5	103.9
Operating lease payments in operating cash flows	30.9	45.2

The following table shows a reconciliation of the captions in the Consolidated Balance Sheets to the Consolidated Statements of Cash Flows (in millions):

	As of			
	October 2, 2026	December 31, 2025	October 3, 2025	December 31, 2024
Consolidated Balance Sheets:				
Cash and cash equivalents	$ 4,157.7	$ 2,147.6	$ 2,472.5	$ 2,691.3
Restricted cash (included in other current assets)	1.4	1.4	1.5	2.1
Cash, cash equivalents and restricted cash in Consolidated Statements of Cash Flows	$ 4,159.1	$ 2,149.0	$ 2,474.0	$ 2,693.4

Note 7: Long-Term Debt

Long-term debt consisted of the following (in millions, with annualized interest rates):

	As of	
	October 2, 2026	December 31, 2025
Revolving Credit Facility due 2028	$ —	$ —
0.50% Notes due 2029 [1]	1,500.0	1,500.0
0% Notes due 2031	1,500.0	—
0% Notes due 2027	804.7	804.9
3.875% Notes due 2028 [2]	700.0	700.0
Gross long-term debt	4,504.7	3,004.9
Less: Unamortized debt discount [3]	(1.7)	(2.5)
Less: Unamortized debt issuance costs [4]	(40.0)	(21.9)
Net long-term debt, including current maturities	4,463.0	2,980.5
Less: Current maturities	(802.8)	—
Net long-term debt	$ 3,660.2	$ 2,980.5

[1] Interest is payable on March 1 and September 1 of each year at 0.50% annually.

[2] Interest is payable on March 1 and September 1 of each year at 3.875% annually.

[3] Unamortized debt discount of $1.7 million and $2.5 million for the 3.875% Notes as of October 2, 2026 and December 31, 2025, respectively.

[4] Unamortized debt issuance costs of $12.8 million and $16.5 million for the 0.50% Notes, $24.7 million and $0.0 million for the 2031 0% Notes, $1.9 million and $4.5 million for the 0% Notes and $0.6 million and $0.9 million for the 3.875% Notes, in each case as of October 2, 2026 and December 31, 2025, respectively.

Expected maturities of gross long-term debt (including current portion - see section below on 0% Notes due 2027) as of October 2, 2026 were as follows (in millions):

Period	Expected Maturities
Remainder of 2026	$ 804.7
2027	—
2028	700.0
2029	1,500.0
2030	—
Thereafter	1,500.0
Total	$ 4,504.7

The Company was in compliance with its covenants under all debt agreements as of October 2, 2026, and expects to remain in compliance with all covenants over at least the next 12 months.

0% Convertible Senior Notes due 2027

As of October 2, 2026, based on the maturity date of the 0% Notes, the $804.7 million remaining outstanding principal amount of the 0% Notes, net of unamortized issuance costs, was classified as a current portion of long-term debt. Additionally, pursuant to the indenture governing the 0% Notes, since the last reported sale price of the Company's common stock for at least 20 trading days during the period of 30 consecutive trading days ending on October 2, 2026 was greater than or equal to $68.86 (130% of the conversion price) on each applicable trading day, the holders have the right to surrender any portion of their 0% Notes (in minimum denominations of $1,000 in principal amount or an integral multiple thereof) for conversion during the calendar quarter ending December 31, 2026, and only during such calendar quarter.

0% Convertible Senior Notes due 2031

On May 11, 2026, the Company issued $1.5 billion aggregate principal amount of 0% Convertible Senior Notes due May 1, 2031 (the "2031 0% Notes") in a private offering. The Company received net proceeds of $1,472.9 million after deducting purchaser discounts and debt issuance and other financing costs. Concurrently with the issuance, the Company paid $351.6 million to enter into convertible note hedge transactions and received $281.0 million in proceeds from the sale of warrants. The Company also used $331.9 million of the net proceeds to repurchase 3.1 million shares of the Company’s common stock. The remaining proceeds are intended for general corporate purposes, including the repayment of outstanding debt.

The 2031 0% Notes were accounted for as a single liability instrument. The embedded conversion feature qualified for the scope exception applicable to contracts indexed to, and settled in, the Company's own stock and, therefore, was not accounted for separately as a derivative. Debt issuance costs of $26.9 million were recorded as a direct deduction from the carrying amount of the 2031 0% Notes and are amortized to interest expense over the contractual term of the notes using the effective interest method.

The 2031 0% Notes are senior unsecured obligations of the Company and are fully and unconditionally guaranteed by certain subsidiaries. The 2031 0% Notes will not bear regular interest, and the principal amount of the Notes will not accrete. The 2031 0% Notes were issued under an indenture dated May 11, 2026, by and among the Company, the guarantors and Computershare Trust Company, National Association, as trustee (the "Indenture"), and will mature on May 1, 2031, unless earlier converted, redeemed, or repurchased in accordance with their terms.

Holders may convert their 2031 0% Notes at any time beginning on February 1, 2031, until the close of business on the second scheduled trading day immediately preceding the maturity date. Before that date, conversion is permitted only if certain conditions are met, including specified stock price thresholds, trading price conditions, redemption events, or certain corporate transactions. The initial conversion rate is 6.1997 shares of common stock per $1,000 principal amount, equivalent to an initial conversion price of approximately $161.30 per share. Upon conversion, the Company may settle the principal amount in cash and may settle any excess value in cash, shares of common stock, or a combination of both, at its election. The conversion rate may be adjusted for certain events as specified in the Indenture. As of October 2, 2026, there have been no changes to the initial conversion price of the 2031 0% Notes since the issuance date. The maximum number of shares that could be issued upon conversion is approximately 14.2 million shares, which is subject to customary anti-dilution adjustment provisions.

Beginning May 7, 2029, the Company may redeem the 2031 0% Notes, in whole or in part, for cash if the Company's stock price exceeds 130% of the conversion price for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period ending on, and including, the last trading day of the immediately preceding calendar quarter. The redemption price will be equal to 100% of the principal amount.

In connection with the issuance of the 2031 0% Notes, the Company recorded $26.3 million of initial purchaser discounts and incurred $0.6 million of additional issuance costs, both of which were capitalized as debt issuance costs. The effective interest rate, including the impact of debt issuance costs, is 0.4% over the contractual term of the 2031 0% Notes.

The Company entered into convertible note hedge transactions with certain financial institutions to reduce potential dilution and/or offset potential cash payments in excess of the principal amount upon conversion of the 2031 0% Notes. These hedge transactions cover the number of shares underlying the 2031 0% Notes, subject to customary adjustments, and are expected to settle at the same time as any conversions. The Company paid $351.6 million for these hedge transactions, which was recorded in stockholders’ equity.

At the same time, the Company sold warrants to certain financial institutions covering 9.3 million shares of its common stock at an initial strike price of $211.54 per share, which represents a 100.0% premium to the Company's stock price on May 6, 2026, subject to adjustment. The warrants expire on August 1, 2031, and the maximum number of shares that may be issued under the warrants is approximately 18.6 million shares. The Company received $281.0 million in proceeds from the sale of the warrants, which was recorded in stockholders’ equity. The proceeds from the warrants partially offset the cost of the hedge transactions.

The Company also recorded a deferred tax asset of $78.4 million related to the tax effects of the hedge and warrant transactions, including the deductibility of the net cost. The Company recorded a deferred tax asset associated with the tax basis created by the note hedge and warrant transactions. The deferred tax effects were recorded within additional paid-in capital.

Note 8: Earnings Per Share and Equity

Earnings Per Share

Net income per share of common stock for calculating basic and diluted earnings per share was calculated as follows (in millions, except per share data):

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
Net income (loss) for diluted earnings per share of common stock	$ 313.9	$ 255.0	$ 507.3	$ (60.8)
Basic weighted-average shares of common stock outstanding	389.3	406.9	391.2	414.3
Dilutive effect of share-based awards	1.8	1.1	2.0	—
Dilutive effect of convertible notes and warrants	6.2	—	6.8	—
Diluted weighted-average shares of common stock outstanding	397.3	408.0	400.0	414.3
Net income (loss) per share of common stock attributable to ON Semiconductor Corporation:				
Basic	$ 0.81	$ 0.63	$ 1.30	$ (0.15)
Diluted	$ 0.79	$ 0.63	$ 1.27	$ (0.15)

Basic income (loss) per share of common stock is computed by dividing net income (loss) for basic earnings by the weighted-average number of shares of common stock outstanding during the period. To calculate the diluted weighted-average shares of common stock outstanding, the treasury stock method has been applied to calculate the number of incremental shares from the assumed issuance of shares relating to RSUs. The excluded number of anti-dilutive share-based awards was 0.9 million and 1.0 million for the quarters ended October 2, 2026 and October 3, 2025, respectively, and 0.5 million and 2.2 million for the nine months ended October 2, 2026 and October 3, 2025, respectively, as the inclusion would have the effect of increasing the net income per common share attributable to the Company or decreasing the net loss per common share attributable to the Company.

The dilutive impacts related to the 0.50% Notes, the 0% Notes, and the 2031 0% Notes (collectively, the "Convertible Notes") have been calculated using the if-converted method for the quarters and nine months ended October 2, 2026 and October 3, 2025. The Convertible Notes are repayable in cash up to the par value and in cash or shares of common stock for the excess over par value. Prior to conversion, the convertible note hedges are not considered for purposes of the earnings per share calculations as their effect would be anti-dilutive. Upon conversion, the convertible note hedges are expected to offset the dilutive effect of the Convertible Notes when the stock price is above the applicable conversion price, as shown below:

0.50% Notes	$ 103.87
0% Notes	52.97
2031 0% Notes	161.30

The dilutive impact of the warrants issued concurrently with the issuance of the Convertible Notes has been included in the calculation of diluted weighted-average common shares outstanding, if applicable. The warrants become dilutive when the stock price exceeds the applicable exercise price, as shown below:

0.50% Notes	$ 156.78
0% Notes	74.34
2031 0% Notes	211.54

Equity

Share Repurchase Program

In February 2023, the Board of Directors approved a share repurchase program (the "Share Repurchase Program") under which the Company could repurchase up to an aggregate of $3.0 billion (exclusive of fees, commissions and other expenses) of the Company's common stock through December 31, 2025. In November 2025, the Board of Directors approved a new Share Repurchase Program (the "New Share Repurchase Program") under which the Company may repurchase up to an aggregate of $6.0 billion (exclusive of fees, commissions and other expenses) of the Company's common stock through December 31, 2028.

Activity under the New Share Repurchase Program and the Share Repurchase Program during the quarters and nine months ended October 2, 2026 and October 3, 2025, respectively, was as follows (in millions, except per share data):

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
Number of repurchased shares [1]	0.3	6.1	9.1	19.1
Aggregate purchase price	$ 19.9	$ 325.0	$ 697.4	$ 925.0
Fees, commissions and excise tax	—	3.2	5.8	8.8
Total	$ 19.9	$ 328.2	$ 703.2	$ 933.8
Weighted-average purchase price per share [2]	$ 73.13	$ 52.99	$ 76.48	$ 48.31

[1] None of these shares had been reissued or retired as of October 2, 2026, but may be reissued later.

[2] Exclusive of fees, commissions or other expenses.

As of October 2, 2026, the authorized amount remaining under the New Share Repurchase Program was approximately $5.3 billion.

Shares for Restricted Stock Units Tax Withholding

The amounts remitted for employee withholding taxes during the quarters ended October 2, 2026 and October 3, 2025 were $4.8 million and $2.4 million, respectively, for which the Company withheld 0.1 million and an immaterial number of shares of common stock, respectively, that were underlying the RSUs that vested. The amounts remitted for employee withholding taxes during the nine months ended October 2, 2026 and October 3, 2025 were $52.2 million and $27.5 million, respectively, for which the Company withheld 0.7 million and 0.6 million shares of common stock, respectively, that were underlying the RSUs that vested. This tax withholding activity is separate from the Share Repurchase Program and the New Share Repurchase Program.

Non-Controlling Interest in Leshan-Phoenix Semiconductor Company Limited ("Leshan")

The results of Leshan have been consolidated in the Company's financial statements. The Leshan non-controlling interest balance was $20.3 million as of October 2, 2026 after including its $1.7 million share of earnings for the nine months ended October 2, 2026. As of December 31, 2025, the Leshan non-controlling interest balance was $18.6 million.

Note 9: Share-Based Compensation

Total share-based compensation expense related to RSUs, stock grant awards and the ESPP was recorded within the Consolidated Statements of Operations and Comprehensive Income as follows (in millions):

	Quarters Ended		Nine Months Ended	
	October 2, 2026	October 3, 2025	October 2, 2026	October 3, 2025
Cost of revenue	$ 7.2	$ 7.8	$ 20.4	$ 19.9
Research and development	7.2	7.3	20.5	19.9
Selling and marketing	4.8	5.7	14.7	15.3
General and administrative	17.9	17.4	56.2	51.4
Share-based compensation expense	37.1	38.2	111.8	106.5
Income tax benefit	(7.8)	(8.0)	(23.5)	(22.4)
Share-based compensation expense, net of tax	$ 29.3	$ 30.2	$ 88.3	$ 84.1

As of October 2, 2026, the total unrecognized expected share-based compensation expense, net of estimated forfeitures, related to non-vested RSUs with service, performance and market conditions was $174.9 million, which is expected to be recognized over a weighted-average period of 1.6 years. Upon vesting of RSUs or stock grant awards or completion of a purchase under the ESPP, new shares of common stock are issued. The annualized pre-vesting forfeiture rate for RSUs was estimated to be 8% for each of the quarters ended October 2, 2026 and October 3, 2025.

Shares Available

As of October 2, 2026 and December 31, 2025, there was an aggregate of 26.6 million and 28.5 million shares of common stock, respectively, available for grant under the Amended and Restated SIP.

Restricted Stock Units

RSUs generally vest ratably over three years for awards with service conditions and over three or five years for awards with performance, service and market conditions, or a combination thereof, and are settled in shares of common stock upon vesting. A summary of the RSU transactions for the nine months ended October 2, 2026 was as follows (in millions, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Non-vested RSUs at December 31, 2025	5.0	$ 57.99
Granted	1.8	85.82
Achieved	0.1	52.88
Released	(2.0)	60.28
Forfeited	(0.6)	61.64
Non-vested RSUs at October 2, 2026	4.3	68.11

Note 10: Commitments and Contingencies

Environmental Contingencies

The Company has encountered and dealt with a number of environmental issues over time relating to the various locations where it conducts its operations and has incurred certain costs related to clean-up activities and environmental remediation efforts. In certain instances, the Company has been indemnified for such costs, often from third parties who were the prior owners of such facilities. Any costs to the Company in connection with such environmental matters have generally not been, and based on the information available, are not expected to be material.

Financing Contingencies

In the ordinary course of business, the Company provides standby letters of credit or other guarantee instruments to certain parties initiated by either the Company or its subsidiaries, as required for transactions, including, but not limited to, material purchase commitments, agreements to mitigate collection risk, leases, utilities arrangements and/or customs guarantees. The Revolving Credit Facility includes $25.0 million available for the issuance of letters of credit, of which $1.9 million was outstanding as of October 2, 2026, which reduced the borrowing capacity under such facility. As of October 2, 2026, the Company also had outstanding guarantees and letters of credit outside of its Revolving Credit Facility totaling $6.9 million.

As part of obtaining financing in the ordinary course of business, the Company issued guarantees related to certain of its subsidiaries, which totaled $1.9 million as of October 2, 2026. Based on historical experience and information currently available, the Company believes that it will not be required to make payments under the standby letters of credit or guarantee arrangements for the foreseeable future.

Indemnification Contingencies

The Company is a party to a variety of agreements entered into in the ordinary course of business, including acquisition agreements, pursuant to which it may be obligated to indemnify the other parties for certain liabilities that arise out of or relate to the subject matter of the agreements. Some of the agreements entered into by the Company require it to indemnify the other party against losses due to IP infringement, property damage (including environmental contamination), personal injury, failure to comply with applicable laws, the Company's negligence or willful misconduct or breach of representations and warranties and covenants related to such matters as title to sold assets. In the case of certain acquisition agreements, these agreements may require us to maintain such indemnification provisions for the acquiree's directors, officers and other employees and agents, in certain cases for a number of years following the acquisition.

While the Company's future obligations under certain agreements may contain limitations on liability for indemnification, other agreements do not contain such limitations and under such agreements it is not possible to predict the maximum potential amount of future payments due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under any of these indemnities have not had a material effect on the Company's business, financial condition, results of operations or cash flows. Additionally, the Company does not believe that any amounts that it may be required to pay under these indemnities in the future will be material to the Company's business, financial position, results of operations, or cash flows.

Legal Matters

The Company is currently involved in a variety of legal matters that arise in the ordinary course of business. Based on information currently available, and except as otherwise disclosed herein, the Company is not involved in any pending or threatened legal proceedings that it believes could reasonably be expected to have a material adverse effect on its financial condition, results of operations or liquidity. However, the litigation process is inherently uncertain, and the Company cannot guarantee that the outcome of any litigation matter will be favorable to the Company.

Securities Class Action and Derivative Litigation Concerning the Company's SiC Business

On December 13, 2023, a putative class action captioned Hubacek v. On Semiconductor Corp., et al., Case No. 1:23-cv-01429 (D. Del.), was filed by an alleged stockholder of the Company in the U.S. District Court for the District of Delaware against the Company and certain of its officers. This action was transferred to the U.S. District Court for the District of Arizona in March of 2024. The initial complaint asserted claims for alleged violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The initial complaint alleged that the defendants made misleading statements regarding the Company's SiC business. An amended complaint was filed on May 31, 2024. The amended complaint again asserts claims for alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiff seeks a ruling that this case may proceed as a class action, and seeks damages, attorneys' fees and costs. The Company filed a motion to dismiss the amended complaint on July 30, 2024. Upon reviewing the Company's motion to dismiss the amended complaint, plaintiff deemed it necessary to further amend their complaint. On September 6, 2024, the plaintiff filed their second amended complaint. The Company filed a motion to dismiss this second amended complaint on October 10, 2024. Full briefing for this motion to dismiss the second amended complaint was completed on December 20, 2024. Oral arguments for this motion to dismiss were heard by the court

on June 27, 2025. On July 11, 2025, the court granted the Company's motion to dismiss the plaintiff's second amended complaint without prejudice. On August 11, 2025, the plaintiff filed their third amended complaint. The Company filed a motion to dismiss this third amended complaint on September 25, 2025. Full briefing on this motion to dismiss the third amended complaint was completed on December 10, 2025. On July 23, 2026, the court granted the Company's motion to dismiss the plaintiff's third amended complaint with prejudice. On August 24, 2026, the plaintiff filed a Notice of Appeal to the Ninth Circuit Court of Appeals. The plaintiff's opening appellate brief is to be filed by November 6, 2026. The Company expects briefing to be completed in the first quarter of 2027.

On January 3, 2024, a purported stockholder derivative action captioned Silva v. El-Khoury, et al., Case No. 1:24-cv-00007 (D. Del.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Delaware. On February 12, 2024, a purported stockholder derivative action captioned Smalley et al. v. El-Khoury et al. Case No. 1:24-cv-00183 (D. Del.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Delaware. Both aforementioned derivative actions, Silva and Smalley, were voluntarily dismissed without prejudice on April 15, 2024. On February 28, 2024, a purported stockholder derivative action captioned Mumme et al. v. El-Khoury et al. Case No. CV2024-003974 (D. AZ.), was filed by a purported stockholder of the Company in the Superior Court of the State of Arizona in and for the County of Maricopa. On March 15, 2024, a purported stockholder derivative action captioned Chan et al. v. Abe et al. Case No. 2:24-cv-00552 (D. AZ.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Arizona. On June 16, 2025, a purported stockholder derivative action captioned Balsam-Respler et al. v. El-Khoury et al. Case No. 2:25-cv-001672 (D. AZ.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Arizona. On September 23, 2025, the U.S. District Court for the District of Arizona consolidated the Balsam-Respler and Chan derivative complaints into a consolidated action entitled In re ON Semiconductor Corporation Stockholder Derivative Litigation, Case No. CV-24-00552 (D.AZ.). The allegations in these derivative complaints are substantially similar to the allegations in the securities class action complaint discussed above. The derivative suits purport to assert claims (1) on behalf of the Company against certain of its officers for contribution under the federal securities laws and (2) against all of the defendants for breach of fiduciary duty, aiding and abetting, unjust enrichment, abuse of control, gross mismanagement, and waste. The plaintiffs seek an award of damages, pre-judgment interest, punitive damages, attorneys' fees, and other costs and expenses related to the litigation. The Company believes that the plaintiffs lack standing to assert claims on the Company's behalf. These pending derivative actions were stayed by agreement, pending the resolution of Hubacek v. On Semiconductor Corp.

Intellectual Property Matters

The Company faces risk of exposure from claims of infringement of the IP rights of others. In the ordinary course of business, the Company receives letters asserting that the Company's products or components breach another party's rights. Such letters may request royalty payments from the Company, that the Company cease and desist using certain IP, and/or request other remedies.

Note 11: Fair Value Measurements

Fair Value of Financial Instruments

The following tier level hierarchy is used to determine fair values of the financial instruments:

- Level 1: based on observable inputs that reflect quoted prices for identical assets or liabilities in active markets.
- Level 2: based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: based on the use of unobservable inputs for the assets and liabilities and other types of analyses.

The carrying values of cash and cash equivalents, which include money market funds and demand and time deposits, approximate fair value because of the short-term maturity of these instruments. Money market funds and demand deposits are classified as Level 1 while time deposits are classified as Level 2 within the fair value hierarchy. The carrying amounts of other current assets, excluding assets held-for-sale, and liabilities, such as accounts receivable and accounts payable, approximate fair value due to the short-term maturity of the amounts, and such amounts are considered Level 2 in the fair value hierarchy.

The Company held $210.0 million and $400.0 million of short-term investments in time deposits as of October 2, 2026 and December 31, 2025, respectively.

In connection with the Vcore acquisition in 2025, the Company is required to pay additional cash consideration upon the receipt and acceptance of specified products and the achievement of certain revenue milestones. The maximum contingent cash consideration to be distributed is $144.0 million. Contingent consideration is classified as Level 3 within the fair value hierarchy. Key unobservable inputs included the probability of completing future product milestones, the probability of achieving revenue targets, the expected timing of payments, volatility and risk-adjusted discount rates. The contingent liability for revenue milestones was valued using Monte Carlo simulations.

The contingent consideration, which will be settled in cash, has been allocated between accrued expenses and other long-term liabilities based on the expected timing of payments. Accordingly, it will be remeasured at fair value each reporting period, with changes recognized in the Consolidated Statements of Operations. The decrease in contingent consideration for the nine months ended October 2, 2026 was primarily due to payments made during the period. The fair value of the contingent consideration was as follows (in millions):

	As of	
	October 2, 2026	December 31, 2025
Contingent consideration included in:		
Accrued expenses and other current liabilities	$ 41.7	$ 48.3
Other long-term liabilities	64.5	61.6
Total	$ 106.2	$ 109.9

Fair Value of Long-Term Debt, including Current Portion

The carrying amounts and fair values of the Company's long-term borrowings were as follows (in millions):

	As of			
	October 2, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion [1]				
0.50% Notes	$ 1,487.2	$ 1,659.0	$ 1,483.5	$ 1,424.2
2031 0% Notes	1,475.3	1,354.5	—	—
0% Notes	802.8	1,286.8	800.4	965.0
3.875% Notes	697.7	675.1	696.6	684.2

[1] Carrying amounts shown are net of unamortized debt discount, if applicable, and unamortized debt issuance costs.

Fair values of the 0.50% Notes, 2031 0% Notes, 0% Notes and 3.875% Notes were estimated based on market prices in active markets (Level 1).

Note 12: Financial Instruments

Foreign Currencies

The following summarizes the notional amounts and related fair values of the Company's foreign currency derivative instruments in U.S. dollars (in millions):

	Notional or contractual amount	Fair Value of	
		Assets [1]	Liabilities [2]
As of October 2, 2026			
Derivative instruments with hedge accounting designation:			
Cash flow hedges	$ 444.1	$ 8.4	$ 6.1
		$ 8.4	$ 6.1
As of December 31, 2025			
Derivative instruments with hedge accounting designation:			
Cash flow hedges	$ 386.7	$ 0.3	$ —
Derivative instruments without hedge accounting designation:			
Currency derivatives	190.5	0.1	—
		$ 0.4	$ —

[1] Included in Other current assets.

[2] Included in Accrued expenses and other current liabilities.

Cash flow hedges and currency derivatives are measured at fair value using a discounted cash flow model based on observable forward exchange rates and credit-adjusted discount rates, and are classified as Level 2 fair value measurements. Gains and losses on cash flow hedges and currency derivatives were immaterial for the quarters and nine months ended October 2, 2026 and October 3, 2025.

Derivative Instruments with Hedge Accounting Designation

Cash Flow Hedges

The Company maintains a foreign currency cash flow hedging program to reduce the risk that its U.S. dollar net cash outflows from procurement activities will be adversely affected by fluctuations in foreign currency exchange rates. The Company enters into forward contracts (principally Philippine peso, Korean won and Czech koruna) to hedge certain portions of forecasted cash flows denominated in foreign currencies. These contracts generally mature within 18 months and are designated as cash flow hedges for accounting purposes. The Company did not identify any ineffectiveness with respect to the notional amounts of the foreign currency forward contracts effective as of October 2, 2026.

Derivative Instruments without Hedge Accounting Designation

Currency Derivatives

As of October 2, 2026, the Company had no net outstanding foreign exchange contracts. As of December 31, 2025, the Company had net outstanding foreign exchange contracts that hedged existing assets and liabilities associated with transactions on its balance sheet, which were undesignated hedges for accounting purposes. Such contracts were obtained through financial institutions and were scheduled to mature within two months from the time of purchase.

Convertible Note Hedges

The Company entered into convertible note hedges in connection with the issuance of the 0% Notes, the 2031 0% Notes, and 0.50% Notes. See Note 7: "Long-Term Debt" for more information.

Other

As of October 2, 2026, the Company had no outstanding commodity derivatives, currency swaps, options or equity contracts held at subsidiaries or affiliated companies. The Company does not hedge the value of its equity investments in its subsidiaries or affiliated companies.

The Company is exposed to credit-related losses if its hedge counterparties fail to perform their obligations. As of October 2, 2026, the counterparties to the Company's hedge contracts were held at financial institutions which the Company believes to be highly rated, and no credit-related losses are anticipated.

Note 13: Income Taxes

The Company recognizes interest and penalties accrued related to uncertain tax positions in tax expense in the Consolidated Statements of Operations and Comprehensive Income. The Company maintains a partial valuation allowance on certain U.S. state deferred tax assets and on certain foreign net operating losses and tax credits.

As of the end of the quarter, the Company was under examination by the IRS for the 2022 and 2023 tax years. Subsequent to quarter-end, the IRS notified the Company that it has completed its examination. Tax years prior to 2022 are generally not subject to examination by the IRS. For state tax returns, the Company is generally not subject to income tax examinations for tax years prior to 2020. With respect to jurisdictions outside the United States, the Company is generally not subject to examination for tax years prior to 2017.

Note 14: Changes in Accumulated Other Comprehensive Loss

Amounts comprising accumulated other comprehensive loss and reclassifications were as follows (in millions):

	Currency Translation Adjustments	Effects of Cash Flow Hedges	Total
Balance as of December 31, 2025	$ (55.5)	$ —	$ (55.5)
Other comprehensive loss prior to reclassifications	(0.4)	(2.1)	(2.5)
Amounts reclassified from accumulated other comprehensive loss	—	0.4	0.4
Net current period other comprehensive loss [1]	(0.4)	(1.7)	(2.1)
Balance as of October 2, 2026	$ (55.9)	$ (1.7)	$ (57.6)

[1] Effects of cash flow hedges were net of tax impact of $0.5 million for the nine months ended October 2, 2026.

Note 15: Subsequent Events

On October 5, 2026, the Company completed the acquisition of Silver Atena GmbH ("Silver Atena"). Silver Atena adds specialized systems engineering and application expertise that expands the Company’s capabilities in developing system platforms and integrated customer solutions. The total purchase consideration was $52.2 million in cash, subject to customary purchase price adjustments. Due to the timing of the transaction, the Company has not yet completed the initial accounting for the business combination, including the determination of the acquisition-date fair values of the assets acquired and liabilities assumed. The related purchase accounting and required disclosures will be included in the Company’s consolidated financial statements as of and for the year ended December 31, 2026.

On November 2, 2026, the Company entered into a definitive agreement to acquire Ferric, Inc., ("Ferric") which is expected to expand the Company’s power management portfolio with advanced integrated voltage regulator technology designed to improve compute performance, energy efficiency and system footprint. The base purchase consideration is approximately $600.0 million in cash, subject to customary adjustments, with potential additional consideration of up to $175.0 million based on the achievement of specified revenue targets through 2029. The transaction is expected to close in the fourth quarter of 2026, subject to the satisfaction of customary closing conditions. Upon closing, assuming it takes place during the fourth quarter of 2026, the related purchase accounting and required disclosures will be included in the Company’s consolidated financial statements as of and for the year ended December 31, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with our audited historical consolidated financial statements, which are included in the 2025 Form 10-K, and our unaudited consolidated financial statements for the fiscal quarter ended October 2, 2026, which are included elsewhere in this Form 10-Q. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on expectations and assumptions as of the date of this Form 10-Q and are subject to risks, uncertainties and other factors. Actual results could differ materially because of the factors discussed below or elsewhere in this Form 10-Q. See Part II, Item 1A. "Risk Factors" of this Form 10-Q and Part I, Item 1A. "Risk Factors" of the 2025 Form 10-K.

Executive Overview

onsemi Overview

ON Semiconductor Corporation ("onsemi," "we," "us," "our," or the "Company"), with its wholly and majority-owned subsidiaries, operates under the onsemi™ brand. The Company is organized into three operating and reportable segments: the Power Solutions Group ("PSG"), the Analog and Mixed-Signal Group ("AMG"), and the Intelligent Sensing Group ("ISG").

We deliver intelligent power and intelligent sensing technologies that enable electrification, energy efficiency, safety and automation across automotive, industrial and AI data center end-markets.

We believe the automotive industry continues to evolve as a result of advancements in autonomous driving, advanced driver-assistance systems ("ADAS"), vehicle electrification and increasing electronic content across vehicle platforms. Our sensing solutions support ADAS and active safety applications, as well as the continued development of autonomous driving capabilities. Our intelligent power solutions support vehicle electrification by enabling higher power density and improved system efficiency, which can reduce cooling requirements and contribute to reductions in the size and weight of electric vehicle ("EV") systems.

In the industrial market, our intelligent power technologies support solar energy and industrial power applications, while our intelligent sensing technologies enable automation across factories and buildings. Our intelligent power technologies also support medical applications, including continuous glucose monitors, where power efficiency can help extend battery life. In addition, our technologies support emerging applications in robotics and humanoid systems, as well as space applications, including Low Earth Orbit ("LEO") satellites. The increasing power requirements associated with AI infrastructure also create opportunities for our technologies across the broader energy ecosystem, including energy storage systems ("ESS"), energy infrastructure and Solid State Transformers ("SSTs").

In our AI data center end-market, our innovative intelligent power technologies enable power density and energy efficiency in a market in which energy needs are growing rapidly, and AI data center operators are focused on reducing energy consumption. We believe we have one of the most comprehensive portfolios of products and technologies for this market to address the complete power tree from the grid to the core as power requirements of AI data center racks is expected to increase rapidly in the coming years.

Within other end-markets, we primarily serve intelligent power applications across the smartphone, client-computing and consumer electronics markets. Our products are designed to improve energy efficiency and extend battery life across these applications.

Business Strategy Developments

We are focused on increasing profitable revenue through differentiated technologies to address the high-growth megatrends in automotive, industrial, AI data center, and other markets. We continue to optimize and right-size our manufacturing footprint to align our capacity with our long-term outlook, while focusing on generating efficiencies that result in meaningful gross margin expansion and operating cash flows. We intend to achieve efficiencies in our operating and capital expenditures and invest in research and development initiatives to accelerate growth in high-margin products.

Definitive Agreement to Acquire Synaptics Incorporated

On June 25, 2026, we entered into an Agreement and Plan of Reorganization with Sonic Acquisition Corp. and Synaptics Incorporated ("Synaptics"), pursuant to which Synaptics will become a wholly owned subsidiary of onsemi (the "Merger"). On October 1, 2026, we entered into an Amended and Restated Agreement and Plan of Merger (the "Amended Merger Agreement") to, among other things, revise the Merger consideration to $123.00 per share in cash, without interest (the "Merger Consideration"). At the effective time of the Merger (the "Closing"), each outstanding share of Synaptics common stock, subject to limited exceptions set forth in the Amended Merger Agreement, will be converted into the right to receive the per-share Merger Consideration. The Amended Merger Agreement also provides for our assumption of certain Synaptics equity awards, subject to certain adjustments thereto in respect of, among other things, performance-based vesting conditions. Our Board of Directors unanimously approved the Amended Merger Agreement.

The Merger, which is anticipated to close in mid-2027, is subject to the satisfaction or waiver of customary closing conditions, including, but not limited to, adoption of the Amended Merger Agreement by Synaptics' stockholders, the expiration or early termination of the waiting period under the HSR Act, and other regulatory approvals under certain antitrust and foreign investment regimes, and the absence of any order, injunction or law of such jurisdictions prohibiting the Merger.

The parties' HSR notifications were filed with the FTC and DOJ on July 17, 2026. On August 12, 2026, the FTC granted early termination of the applicable waiting period under the HSR Act with respect to the Merger.

The Amended Merger Agreement contains certain termination rights for each of us and Synaptics. In certain circumstances in which the Amended Merger Agreement is terminated, Synaptics may be required to pay us a termination fee of $235.0 million, including if the Amended Merger Agreement is terminated by us due to a change of recommendation by the Synaptics Board, or by Synaptics to enter into a more favorable third-party acquisition proposal, as more fully described in the Amended Merger Agreement. In certain circumstances in which the Amended Merger Agreement is terminated due to the failure to obtain required regulatory approvals, we may be required to pay Synaptics a termination fee of $320.0 million, as more fully described in the Amended Merger Agreement.

For more information on risks related to the Merger, see Part II, Item 1A. "Risk Factors" of this Form 10-Q.

2026 Manufacturing Realignment Program

During the quarter and nine months ended October 2, 2026, the Company continued to engage in additional restructuring and cost reduction initiatives under its previously disclosed multi-year manufacturing realignment program to better align manufacturing capacity and capabilities with anticipated long-term needs.

We expect to incur total severance costs and related benefit expenses of $26.0 million related to the termination of approximately 650 employees. Of this, approximately $1.5 million and $24.2 million was recognized during the quarter and nine months ended October 2, 2026, respectively. We also recorded non-cash impairment charges of $3.3 million and $166.6 million during the quarter and nine months ended October 2, 2026, respectively, related to previous investments in manufacturing equipment at certain manufacturing facilities pursuant to held-for-sale accounting guidance. Other charges were $(0.2) million and $184.3 million for the quarter and nine months ended October 2, 2026, respectively, related to contract termination costs and other facility exit activities during the quarter ended October 2, 2026 and accelerated depreciation of leasehold improvements and accelerated amortization of ROU assets that were abandoned in connection with the 2025 and 2026 Manufacturing Realignment Programs during the nine months ended October 2, 2026. The total of the aforementioned costs was included within Restructuring, Asset Impairments and Other, Net in the Consolidated Statement of Operations.

For additional information, see Note 5: "Restructuring, Asset Impairments and Other, Net" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Share Repurchases

During the quarter ended October 2, 2026, we repurchased approximately 0.3 million shares of common stock for an aggregate purchase price of $19.9 million. During the nine months ended October 2, 2026, we repurchased approximately 9.1 million shares of common stock for an aggregate purchase price of $703.2 million. For additional information, see Note 8: "Earnings Per Share and Equity" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Results of Operations

Quarter Ended October 2, 2026 compared to the Quarter Ended October 3, 2025

The following table summarizes certain information relating to our operating results that has been derived from our unaudited consolidated financial statements (in millions):

	Quarters Ended		
	October 2, 2026	October 3, 2025	Dollar Change
Revenue	$ 1,722.3	$ 1,550.9	$ 171.4
Cost of revenue	1,009.3	963.7	45.6
Gross profit	713.0	587.2	125.8
Operating expenses:			
Research and development	145.0	141.9	3.1
Selling and marketing	66.8	62.8	4.0
General and administrative	107.8	87.3	20.5
Amortization of intangible assets	10.5	11.2	(0.7)
Restructuring, asset impairments and other, net	4.6	19.6	(15.0)
Total operating expenses	334.7	322.8	11.9
Operating income	378.3	264.4	113.9
Other income (expense), net:			
Interest expense	(13.9)	(17.7)	3.8
Interest income	17.3	22.7	(5.4)
Other income	17.6	3.6	14.0
Other income (expense), net	21.0	8.6	12.4
Income before income taxes	399.3	273.0	126.3
Income tax provision	(84.9)	(17.7)	(67.2)
Net income	314.4	255.3	59.1
Less: Net income attributable to non-controlling interest	(0.5)	(0.3)	(0.2)
Net income attributable to ON Semiconductor Corporation	$ 313.9	$ 255.0	$ 58.9

The following table summarizes certain information relating to our segment results (in millions):

	Quarter Ended October 2, 2026	As a % of Total	Quarter Ended October 3, 2025	As a % of Total	Dollar Change
Revenue:					
PSG	$ 889.9	51.6 %	$ 737.6	47.6 %	$ 152.3
AMG	597.3	34.7 %	583.3	37.6 %	14.0
ISG	235.1	13.7 %	230.0	14.8 %	5.1
Total	$ 1,722.3	100.0 %	$ 1,550.9	100.0 %	$ 171.4
Cost of revenue:					
PSG	$ 550.2	54.5 %	$ 527.4	54.7 %	$ 22.8
AMG	297.6	29.5 %	287.2	29.8 %	10.4
ISG	161.5	16.0 %	149.1	15.5 %	12.4
Total	$ 1,009.3	100.0 %	$ 963.7	100.0 %	$ 45.6
Gross profit: [1]					
PSG	$ 339.7	38.2 %	$ 210.2	28.5 %	$ 129.5
AMG	299.7	50.2 %	296.1	50.8 %	3.6
ISG	73.6	31.3 %	80.9	35.2 %	(7.3)
Total	$ 713.0	41.4 %	$ 587.2	37.9 %	$ 125.8

[1] Gross profit margin as a percentage of respective segment revenue balances.

Revenue

Revenue was $1,722.3 million and $1,550.9 million for the quarters ended October 2, 2026 and October 3, 2025, respectively, representing an increase of $171.4 million, or approximately 11%, year over year due to higher demand in the industrial, AI data center and other end-markets. The increase was partially offset by lower sales volume in the automotive end-market due to the reallocation of supply to the industrial and AI data center end-markets. We had one customer, a distributor, whose revenue accounted for approximately 15% and 12% of our total revenue for the quarters ended October 2, 2026 and October 3, 2025, respectively, across all reportable segments.

Revenue from PSG

Revenue from PSG increased by $152.3 million, or approximately 21%, for the quarter ended October 2, 2026 compared to the quarter ended October 3, 2025 due to higher demand. This was driven by an increase in revenue of $64.9 million, $71.3 million and $31.4 million in the industrial, AI data center and other end-markets, respectively, offset by a decrease of $15.3 million within the automotive end-market.

Revenue from AMG

Revenue from AMG increased by $14.0 million, or approximately 2%, for the quarter ended October 2, 2026 compared to the quarter ended October 3, 2025, primarily driven by an increase of $18.4 million and $43.3 million in the automotive and AI data center end-markets, respectively, due to higher demand, offset by a decrease of $41.6 million and $6.1 million within the industrial and other end-markets, respectively.

Revenue from ISG

Revenue from ISG increased by $5.1 million, or approximately 2%, for the quarter ended October 2, 2026 compared to the quarter ended October 3, 2025 due to increased demand. This was driven by an increase in revenue of $17.2 million and $1.6 million in the industrial and other end-markets, respectively, offset by a decrease of $13.7 million in the automotive end-market.

Revenue by Geographic Location

Revenue by geographic location, based on sales billed from the respective country or region, was as follows (dollars in millions):

	Quarter Ended October 2, 2026	As a % of Total Revenue [1]	Quarter Ended October 3, 2025	As a % of Total Revenue [1]
Hong Kong	$ 567.8	33.0 %	$ 424.9	27.4 %
Singapore	436.9	25.4 %	320.1	20.6 %
United Kingdom	316.7	18.4 %	315.0	20.3 %
United States	294.3	17.1 %	340.5	22.0 %
Other	106.6	6.2 %	150.4	9.7 %
Total revenue	$ 1,722.3		$ 1,550.9	

[1] Certain amounts may not total due to rounding of individual amounts.

Gross Profit and Gross Margin

Gross profit increased by $125.8 million, or approximately 21%, to $713.0 million for the quarter ended October 2, 2026 compared to $587.2 million for the quarter ended October 3, 2025 primarily due to higher revenue, improved manufacturing utilization and favorable product mix within certain business segments, partially offset by higher prices for certain manufacturing inputs.

Our gross margin increased by 3.5 percentage points from 37.9% for the quarter ended October 3, 2025 to 41.4% for the quarter ended October 2, 2026. The increase was primarily due to improved manufacturing utilization and favorable product mix within certain business segments, partially offset by higher prices for certain manufacturing inputs.

PSG gross profit increased by $129.5 million, primarily driven by higher revenue across all end-markets and improved manufacturing utilization. PSG gross margin increased by 9.7 percentage points to 38.2% from 28.5%, primarily due to improved utilization and operating leverage on higher volumes along with favorable product mix during the quarter ended October 2, 2026.

AMG gross profit increased by $3.6 million and gross margin decreased by 0.6 percentage points to 50.2% from 50.8%, primarily due to unfavorable product mix.

ISG gross profit decreased by $7.3 million and gross margin decreased 3.9 percentage points to 31.3% from 35.2%, primarily due to unfavorable product mix.

Operating Expenses

Research and development expenses were $145.0 million for the quarter ended October 2, 2026, as compared to $141.9 million for the quarter ended October 3, 2025, representing an increase of $3.1 million, or approximately 2%. The increase was primarily attributable to higher variable compensation offset by a decrease in material costs.

Selling and marketing expenses were $66.8 million for the quarter ended October 2, 2026, as compared to $62.8 million for the quarter ended October 3, 2025, representing an increase of $4.0 million, or approximately 6%. The increase was primarily attributable to higher variable compensation.

General and administrative expenses were $107.8 million for the quarter ended October 2, 2026, as compared to $87.3 million for the quarter ended October 3, 2025, representing an increase of $20.5 million, or approximately 23%. The increase was primarily attributable to third-party acquisition costs for the proposed Synaptics acquisition and higher variable compensation.

Other Operating Expenses

Amortization of Intangible Assets

Amortization of intangible assets was $10.5 million for the quarter ended October 2, 2026, as compared to $11.2 million for the quarter ended October 3, 2025, representing a decrease of $0.7 million, or approximately 6%.

Restructuring, Asset Impairments and Other, Net

Restructuring, asset impairments and other, net was $4.6 million for the quarter ended October 2, 2026, as compared to $19.6 million for the quarter ended October 3, 2025. Charges incurred for the quarter ended October 2, 2026 related to restructuring actions during the period. See Note 5: "Restructuring, Asset Impairments and Other, Net" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information.

Interest Expense

Interest expense decreased by $3.8 million to $13.9 million during the quarter ended October 2, 2026, as compared to $17.7 million during the quarter ended October 3, 2025, driven by a lower weighted-average interest rate following the repayment of our interest-bearing Revolving Credit Facility on December 31, 2025 and the issuance of our 2031 0% Notes. Our average gross long-term debt for the quarter ended October 2, 2026 was $4,461.2 million at a weighted-average interest rate of 1.2%, as compared to $3,379.9 million at a weighted-average interest rate of 2.1% for the quarter ended October 3, 2025.

Interest Income

Interest income decreased by $5.4 million, or approximately 24%, to $17.3 million during the quarter ended October 2, 2026 compared to $22.7 million during the quarter ended October 3, 2025. The decrease was primarily attributable to lower average balances of interest-bearing cash equivalents and short-term investments, reflecting a shift to money market funds that generate dividend income.

Other Income (Expense)

During the quarter ended October 2, 2026, other income was $17.6 million compared to other income of $3.6 million during the quarter ended October 3, 2025, primarily due to higher dividend income from increased average money market fund balances. The immaterial gain on divestiture is included in this line for the quarter ended October 2, 2026.

Income Tax Provision

We recorded an income tax provision of $84.9 million and $17.7 million for the quarters ended October 2, 2026 and October 3, 2025, respectively, representing effective tax rates of 21.3% and 6.5%, respectively. The increase in the effective tax rate for the quarter was primarily attributable to a discrete tax benefit recognized in 2025 in connection with a return-to-provision adjustment following the finalization of our 2024 U.S. federal income tax return. The discrete benefit had a greater impact on the 2025 effective tax rate due to the lower level of pre-tax income in that period.

For additional information, see Note 13: "Income Taxes" in the notes to the unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Results of Operations

Nine Months Ended October 2, 2026 compared to the Nine Months Ended October 3, 2025

The following table summarizes certain information relating to our operating results that has been derived from our unaudited consolidated financial statements (in millions):

	Nine Months Ended		
	October 2, 2026	October 3, 2025	Dollar Change
Revenue	$ 4,839.1	$ 4,465.3	$ 373.8
Cost of revenue	2,926.7	3,032.4	(105.7)
Gross profit	1,912.4	1,432.9	479.5
Operating expenses:			
Research and development	430.1	449.8	(19.7)
Selling and marketing	193.1	194.4	(1.3)
General and administrative	299.1	262.9	36.2
Amortization of intangible assets	31.5	33.6	(2.1)
Restructuring, asset impairments and other, net	375.1	608.1	(233.0)
Total operating expenses	1,328.9	1,548.8	(219.9)
Operating income (loss)	583.5	(115.9)	699.4
Other income (expense), net:			
Interest expense	(40.3)	(53.6)	13.3
Interest income	52.4	74.5	(22.1)
Other income	30.0	9.2	20.8
Other income (expense), net	42.1	30.1	12.0
Income (loss) before income taxes	625.6	(85.8)	711.4
Income tax (provision) benefit	(116.6)	27.6	(144.2)
Net income (loss)	509.0	(58.2)	567.2
Less: Net income attributable to non-controlling interest	(1.7)	(2.6)	0.9
Net income (loss) attributable to ON Semiconductor Corporation	$ 507.3	$ (60.8)	$ 568.1

The following table summarizes certain information relating to our segment results (in millions):

	Nine Months Ended October 2, 2026	As a % of Total	Nine Months Ended October 3, 2025	As a % of Total	Dollar Change
Revenue:					
PSG	$ 2,455.5	50.7 %	$ 2,080.9	46.6 %	$ 374.6
AMG	1,683.4	34.8 %	1,705.6	38.2 %	(22.2)
ISG	700.2	14.5 %	678.8	15.2 %	21.4
Total revenue	$ 4,839.1	100.0 %	$ 4,465.3	100.0 %	$ 373.8
Cost of revenue:					
PSG	$ 1,685.1	57.6 %	$ 1,566.7	51.7 %	$ 118.4
AMG	802.9	27.4 %	826.8	27.3 %	(23.9)
ISG	438.7	15.0 %	638.9	21.0 %	(200.2)
Total	$ 2,926.7	100.0 %	$ 3,032.4	100.0 %	$ (105.7)
Gross profit: [1]					
PSG	$ 770.4	31.4 %	$ 514.2	24.7 %	$ 256.2
AMG	880.5	52.3 %	878.8	51.5 %	1.7
ISG	261.5	37.3 %	39.9	5.9 %	221.6
Total	$ 1,912.4	39.5 %	$ 1,432.9	32.1 %	$ 479.5

[1] Gross profit margin as a percentage of respective segment revenue balances.

Revenue

Revenue was $4,839.1 million and $4,465.3 million for the nine months ended October 2, 2026 and October 3, 2025, respectively, representing an increase of $373.8 million, or approximately 8%, year over year due to higher demand across substantially all end-markets. We had one customer, a distributor, whose revenue accounted for approximately 14% and 13% of our total revenue for the nine months ended October 2, 2026 and October 3, 2025, respectively, across all reportable segments.

Revenue from PSG

Revenue from PSG increased by $374.6 million, or approximately 18%, for the nine months ended October 2, 2026 compared to the nine months ended October 3, 2025 due to higher demand. This was driven by an increase in revenue of $82.3 million, $94.7 million, $153.6 million and $44.0 million in the automotive, industrial, AI data center and other end-markets, respectively.

Revenue from AMG

Revenue from AMG decreased by $22.2 million, or approximately 1%, for the nine months ended October 2, 2026 compared to the nine months ended October 3, 2025, primarily driven by a decrease in revenue of $48.1 million and $57.8 million in the industrial and other end-markets, respectively, primarily due to lower demand, offset by an increase of $3.1 million and $80.6 million in the automotive and AI data center end-markets, respectively.

Revenue from ISG

Revenue from ISG increased by $21.4 million, or approximately 3%, for the nine months ended October 2, 2026 compared to the nine months ended October 3, 2025 due to higher demand. This was driven by an increase in revenue of $27.4 million and $6.5 million in the industrial and other end-markets, offset by a decrease of $12.5 million in the automotive end-market.

Revenue by Geographic Location

Revenue by geographic location, based on sales billed from the respective country or region, was as follows (dollars in millions):

	Nine Months Ended October 2, 2026	As a % of Total Revenue [1]	Nine Months Ended October 3, 2025	As a % of Total Revenue [1]
Hong Kong	$ 1,380.9	28.5 %	$ 1,208.3	27.1 %
Singapore	1,145.5	23.7 %	920.8	20.6 %
United Kingdom	1,062.8	22.0 %	1,009.9	22.6 %
United States	891.4	18.4 %	911.0	20.4 %
Other	358.5	7.4 %	415.3	9.3 %
Total revenue	$ 4,839.1		$ 4,465.3	

[1] Certain amounts may not total due to rounding of individual amounts.

Gross Profit and Gross Margin

Gross profit increased by $479.5 million, or approximately 33%, to $1,912.4 million for the nine months ended October 2, 2026 compared to $1,432.9 million for the nine months ended October 3, 2025 primarily due to the absence of $235.8 million of excess and obsolete inventory charges and lower write-offs of consumables and manufacturing supplies compared to the prior-year period, partially offset by higher prices for certain manufacturing inputs.

Our gross margin increased by 7.4 percentage points from 32.1% for the nine months ended October 3, 2025 to 39.5% for the nine months ended October 2, 2026. The increase was primarily driven by the absence of the prior-year excess and obsolete inventory charges, lower write-offs of consumables and manufacturing supplies, improved manufacturing utilization and favorable product mix within certain business segments, partially offset by higher prices for certain manufacturing inputs.

PSG gross profit increased by $256.2 million, primarily due to higher revenue across all end-markets and improved manufacturing utilization. PSG gross margin increased by 6.7 percentage points to 31.4% from 24.7%, primarily due to lower write-offs of consumables and manufacturing supplies, improved manufacturing utilization and operating leverage from higher volumes.

AMG gross profit increased by $1.7 million, primarily driven by higher revenue in the AI data center end-market, partially offset by lower revenue in the industrial and other end-markets. AMG gross margin increased by 0.8 percentage points to 52.3% from 51.5% primarily due to favorable product mix.

ISG gross profit increased by $221.6 million and gross margin increased to 37.3% from 5.9%, primarily due to the absence of $230.3 million of excess and obsolete inventory charges recognized in the prior-year period.

Operating Expenses

Research and development expenses were $430.1 million for the nine months ended October 2, 2026, as compared to $449.8 million for the nine months ended October 3, 2025, representing a decrease of $19.7 million, or approximately 4%. The decrease was primarily attributable to a decrease in material costs offset by an increase in variable compensation.

Selling and marketing expenses were $193.1 million for the nine months ended October 2, 2026, as compared to $194.4 million for the nine months ended October 3, 2025, representing a decrease of $1.3 million, or approximately 1%.

General and administrative expenses were $299.1 million for the nine months ended October 2, 2026, as compared to $262.9 million for the nine months ended October 3, 2025, representing an increase of $36.2 million, or approximately 14%. The increase was primarily attributable to third-party acquisition costs for the proposed Synaptics acquisition and increased variable compensation.

Other Operating Expenses

Amortization of Intangible Assets

Amortization of intangible assets was $31.5 million and $33.6 million for the nine months ended October 2, 2026 and October 3, 2025, respectively, representing a decrease of $2.1 million, or approximately 6%.

Restructuring, Asset Impairments and Other, Net

Restructuring, asset impairments and other, net was $375.1 million for the nine months ended October 2, 2026, as compared to $608.1 million for the nine months ended October 3, 2025, representing a decrease of $233.0 million. Charges incurred for the nine months ended October 2, 2026 primarily relate to restructuring actions during the period. See Note 5: "Restructuring, Asset Impairments and Other, Net" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information.

Interest Expense

Interest expense decreased by $13.3 million to $40.3 million during the nine months ended October 2, 2026, as compared to $53.6 million during the nine months ended October 3, 2025, driven by a lower weighted-average interest rate following the repayment of our interest-bearing Revolving Credit Facility on December 31, 2025 and the issuance of our 2031 0% Notes. Our average gross long-term debt balance for the nine months ended October 2, 2026 was $3,721.8 million at a weighted-average interest rate of 1.4%, as compared to $3,379.9 million at a weighted-average interest rate of 2.1% for the nine months ended October 3, 2025.

Interest Income

Interest income decreased by $22.1 million, or approximately 30%, to $52.4 million during the nine months ended October 2, 2026, compared to $74.5 million during the nine months ended October 3, 2025. The decrease was primarily attributable to lower average balances of interest-bearing cash equivalents and short-term investments, reflecting a shift to money market funds that generate dividend income.

Other Income (Expense)

Other income was $30.0 million for the nine months ended October 2, 2026, as compared to other income of $9.2 million for the nine months ended October 3, 2025, primarily due to higher dividend income from increased average money market fund balances. The immaterial gain on divestiture is included in this line for the nine months ended October 2, 2026.

Income Tax (Provision) Benefit

We recorded an income tax provision of $116.6 million and income tax benefit of $27.6 million during the nine months ended October 2, 2026 and October 3, 2025, respectively, representing effective tax rates of 18.6% and 32.2%, respectively. The change in the effective tax rate was primarily attributable to a discrete tax benefit recognized in 2025 related to a return-to-provision adjustment upon finalization of our 2024 U.S. federal income tax return. The impact of this discrete benefit on the 2025 effective tax rate was amplified by the relatively lower level of pre-tax income in that period.

For additional information, see Note 13: "Income Taxes" in the notes to the unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash on hand, short-term investments, cash generated from operations, available borrowings under our Revolving Credit Facility as well as new debt and/or equity issuances. In the near term, we expect to fund our cash requirements by utilizing any or a combination of these principal sources. Our cash and cash equivalents and short-term investments were approximately $4.4 billion as of October 2, 2026, and the Revolving Credit Facility has approximately $1.5 billion available for future borrowings.

In connection with the Amended Merger Agreement, the Company entered into a commitment letter on October 1, 2026 with Morgan Stanley Senior Funding, Inc. ("MSSF"), which was subsequently amended and restated to include JPMorgan Chase Bank, N.A. and other banks as commitment parties thereto (collectively and together with MSSF, the "Financing Parties"), pursuant to which the Financing Parties have agreed to provide, subject to satisfaction of customary closing conditions, up to $2,450.0 million of senior secured term loan for the purpose of funding a portion of the Merger Consideration, and paying fees, costs and expenses in connection with the Merger. The transaction will be financed through a combination of cash on hand and the indebtedness to be incurred pursuant to such commitment letter. The ultimate treatment of Synaptics' existing indebtedness following the closing of the transaction is unknown at this time; however, in connection with the closing, we currently intend to cause Synaptics to redeem and/or discharge the Synaptics Senior Notes (defined below) and to repay its $350 million revolving credit facility, and we expect that holders of the Synaptics Convertible Notes (defined below) will convert such notes to receive additional cash conversion consideration based on the make-whole table contained in the indenture governing the Synaptics Convertible Notes.

We require cash to: (i) fund our operating expenses, working capital requirements, outlays for strategic acquisitions and investments; (ii) service our debt, including principal and interest; (iii) incur capital expenditures; and (iv) repurchase our common stock. During the ordinary course of business, we evaluate our cash requirements and, if necessary, adjust our expenditures to reflect the current market conditions and our projected sales and demand. Future capital expenditures may be impacted by events and transactions that are not currently forecasted.

After considering our anticipated funding of the pending Synaptics acquisition as described above, we believe that our cash on hand, cash generated from operations and amounts available under the Revolving Credit Facility are adequate to meet our working capital requirements and other business needs for at least the next 12 months and thereafter for the foreseeable future. We expect to fund the Synaptics acquisition through a combination of cash on hand and borrowings under the Commitment Letter.

We continually evaluate our debt and capital structure and, when appropriate, we have completed and may in the future opportunistically undertake various measures to secure liquidity, repurchase shares of our common stock, reduce interest costs, amend, replace, renew, refinance, redeem or repurchase existing key financing arrangements and, in some cases, extend a portion of our debt maturities to continue to provide us additional operating flexibility.

Operating Activities

Our cash flows from operating activities were $1,215.2 million and $1,205.3 million for the nine months ended October 2, 2026 and October 3, 2025, respectively. The increase of $9.9 million was primarily driven by increased net income partially offset by favorable changes in working capital, including the timing of cash receipts and payments.

Net income for the nine months ended October 2, 2026 improved compared to the prior-year period, primarily due to lower non-cash asset impairment and restructuring-related charges, partially offset by accelerated depreciation and amortization expense for ROU assets and related improvements that were abandoned in connection with the 2025 and 2026 Manufacturing Realignment Programs.

Our ability to generate positive operating cash flows depends on, among other factors, the achievement of revenue targets, management of manufacturing and operating costs and effective management of working capital. The timing of collections from customers, payments to suppliers and inventory management also significantly influence our operating cash flows.

Investing Activities

Our cash flows provided by investing activities were $144.7 million for the nine months ended October 2, 2026 and our cash flows used in investing activities were $487.8 million for the nine months ended October 3, 2025. The change of $632.5 million was primarily attributable to a decrease in capital expenditures, a decrease in purchases of short-term investments and a decrease in the payments for acquisition of a business during the nine months ended October 2, 2026. Additionally, we received $31.7 million of proceeds related to the divestiture of businesses during the nine months ended October 2, 2026. Our capital expenditures as a percentage of revenue were approximately 2%, and we expect annualized capital expenditures of approximately 2-3% of revenue for the year ended December 31, 2026.

Financing Activities

Our cash flows provided by financing activities were $650.5 million for the nine months ended October 2, 2026 and our cash flows used in financing activities were $939.9 million for the nine months ended October 3, 2025. The change of

$1,590.4 million was primarily attributable to the issuance of the 2031 0% Notes in the aggregate principal amount of $1.5 billion during the nine months ended October 2, 2026, along with decreased share repurchases under our New Share Repurchase Program.

Our 0% Notes will mature on May 1, 2027 unless earlier repurchased or redeemed by the Company or converted pursuant to their terms.

Key Factors Potentially Affecting Liquidity

We believe that the key factors that could adversely affect our internal and external sources of cash include, among other considerations:

- changes in demand for our products, competitive pricing pressures, supply chain constraints, effective management of our manufacturing capacity, our ability to achieve further reductions in operating expenses, our ability to make progress on the achievement of our business strategy and sustainability goals, the impact of our restructuring programs on our production and cost efficiency, and our ability to make the research and development expenditures required to remain competitive in our business; and

- the debt and equity capital markets could impact our ability to obtain needed financing on acceptable terms or to respond to business opportunities and developments as they arise, including interest rate fluctuations, macroeconomic conditions, sudden reductions in the general availability of lending from banks or the related increase in cost to obtain bank financing and our ability to maintain compliance with covenants under our debt agreements in effect from time to time.

Debt Guarantees and Related Covenants

As of October 2, 2026, we were in compliance with the indentures relating to our 0% Notes, 2031 0% Notes, 0.50% Notes and 3.875% Notes and with covenants included in the Credit Agreement. The 0% Notes, 2031 0% Notes, 0.50% Notes and 3.875% Notes are senior to the existing and future subordinated indebtedness of onsemi and its guarantor subsidiaries, rank equally in right of payment to all of our existing and future senior debt and, as unsecured obligations, are subordinated to all of our existing and future secured debt to the extent of the assets securing such debt.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 3: "Recent Accounting Pronouncements and Other Developments" in the notes to the unaudited consolidated financial statements included elsewhere in this Form 10-Q and our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in market risk from the information presented in Part II, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" in the 2025 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

We also carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended October 2, 2026.

There have been no changes to our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the fiscal quarter ended October 2, 2026 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10: "Commitments and Contingencies" under the heading "Legal Matters" in the notes to the consolidated unaudited financial statements included elsewhere in this Form 10-Q for additional information on our legal proceedings and related matters. See also Part I, Item 1 "Business - Government Regulation" of the 2025 Form 10-K for information on certain environmental matters.

Item 1A. Risk Factors

Our business, financial condition and results of operations are subject to a number of trends, risks and uncertainties. We review and, where applicable, update our risk factors each quarter. There have been no material changes from the risk factors disclosed in Part I, Item 1A of the 2025 Form 10-K, other than the addition of the following risk factors:

Trends, Risks and Uncertainties Related to the Proposed Transaction with Synaptics

Completion of the proposed transaction with Synaptics may be delayed or not occur at all for a variety of reasons, including that the Merger Agreement is terminated, and the failure to complete the Merger could adversely affect our business, results of operations, financial condition, and the market price of our common stock.

On October 1, 2026, we entered into the Amended Merger Agreement with Synaptics, pursuant to which Synaptics will become a wholly owned subsidiary of onsemi. Completion of the Merger is subject to customary closing conditions, including (1) the adoption of the Merger Agreement by the holders of a majority of the shares of Synaptics common stock outstanding and entitled to vote (the "Required Synaptics Stockholder Vote"), (2) the approval of the Merger under certain antitrust and foreign investment regimes, (3) the absence of any order, injunction or law of certain jurisdictions prohibiting the Merger, (4) the accuracy of the other party's representations and warranties, subject to certain standards set forth in the Merger Agreement, (5) compliance in all material respects with the other party's covenants and other obligations under the Merger Agreement, and (6) the absence of a continuing material adverse effect with respect to Synaptics. Therefore, there can be no assurance that the Merger will be completed in the expected timeframe (mid-2027), or at all. Subject to the terms and conditions of the Merger Agreement, the parties have agreed to use reasonable best efforts to take all actions reasonably necessary to consummate the Merger, including obtaining all required or necessary consents, approvals or waivers from third parties, and cooperating to obtain the regulatory approvals necessary to complete the Merger.

The Merger Agreement may be terminated under certain circumstances, including (1) by either onsemi or Synaptics if the Merger is not completed by June 25, 2027, which date may be extended for up to three periods of three months each, in each case under certain circumstances (the "End Date"), (2) by either onsemi or Synaptics if any court or governmental authority of a specified jurisdiction has issued a final non-appealable order or injunction prohibiting the Merger, (3) by onsemi prior to the Required Synaptics Stockholder Vote if the Synaptics Board fails to include in its proxy statement its recommendation to its stockholders to vote in favor of the adoption of the Merger Agreement or changes its recommendation, (4) by Synaptics prior to the Required Synaptics Stockholder Vote in order to accept a Superior Proposal (as defined in the Merger Agreement) (subject to payment of a termination fee, described below), (5) by either onsemi or Synaptics if Synaptics fails to receive the Required Synaptics Stockholder Vote at its stockholder meeting (including any adjournments and postponements thereof), or (6) by either party if the other party materially breaches its covenants, or breaches its representations and warranties, in the Merger Agreement such that the applicable conditions to closing would not be satisfied, subject in certain cases to the right of the breaching party to cure the breach. onsemi and Synaptics may also terminate the Merger Agreement by mutual written consent.

Upon termination of the Merger Agreement, Synaptics, under specified circumstances, including termination by Synaptics to accept a Superior Proposal or by onsemi following a change in recommendation by the Synaptics Board, will be required to pay

onsemi a termination fee of $235.0 million. Additionally, onsemi, under specified circumstances, including termination following an injunction arising in connection with certain antitrust or foreign investment laws, or failure to receive certain required regulatory approvals of specified governmental authorities by the End Date, will be required to pay Synaptics a regulatory termination fee of $320.0 million.

Failure to complete the Merger within the expected timeframe or at all could adversely affect our business and the market price of our common stock in a number of ways, including:

- the market price of our common stock may decline to the extent that the current market price reflects an assumption that the Merger will be consummated;
- if the Merger Agreement is terminated under certain circumstances specified in the Merger Agreement, we would be required to pay a termination fee as described above;
- we have incurred, and will continue to incur, significant expenses for professional services in connection with the Merger for which we will have received little or no benefit if the Merger is not consummated; and
- we may experience negative publicity and/or reactions from our investors, employees, customers, suppliers, distributors and other business partners.

As previously announced, the Amended Merger Agreement was entered into following Synaptics' receipt of an unsolicited Acquisition Proposal from Cirrus Logic, Inc. Synaptics could in the future receive additional unsolicited acquisition proposals from third parties, and there can be no assurance as to how Synaptics, onsemi, any such third party or other parties may respond to any such proposals. As a result, it is possible that the Amended Merger Agreement could be terminated or revised in certain related circumstances.

Completion of the proposed Merger is subject to the satisfaction or waiver of closing conditions contained in the Merger Agreement, including certain regulatory approvals which may not be received, may take longer than expected or the receipt of which may impose conditions that are not presently anticipated or that cannot be met, and if these closing conditions are not satisfied or waived, the proposed Merger will not be completed.

Various consents, clearances, approvals, authorizations and declarations of non-objection, or expiration of waiting periods (or extensions thereof), from certain regulatory and governmental authorities in certain jurisdictions are included in the Merger Agreement as conditions to completing the proposed Merger. Regulatory and governmental entities may impose conditions on their respective approvals, in which case lengthy negotiations may ensue among such regulatory or governmental entities, the Company and Synaptics. Such conditions, any such negotiations and the process of obtaining such regulatory approvals, consents or clearances, including any potential changes to the terms of the Merger, could have the effect of delaying or preventing consummation of the proposed Merger.

Subject to the terms of the Merger Agreement, we have agreed to use our reasonable best efforts to take all actions necessary to consummate the Merger, including cooperating to obtain the regulatory approvals necessary to complete the Merger. Nonetheless, certain conditions to the completion of the pending Merger are not within our or Synaptics's control, and we cannot predict when or if these conditions will be satisfied (or waived, as applicable). There can be no assurance that all required approvals will be obtained or that all closing conditions will otherwise be satisfied (or waived, if applicable), and, if all required approvals are obtained and all closing conditions are satisfied (or waived, if applicable), we can provide no assurance as to the terms, conditions and timing of such approvals or that the pending Merger will be completed in a timely manner or at all. Even if regulatory approvals are obtained, it is possible conditions will be imposed that could result in a material delay in, or the abandonment of, the pending Merger or otherwise have an adverse effect on the Company.

Failure to realize the benefits expected from the Merger could adversely affect our business, results of operations, and financial condition.

The anticipated benefits we expect from the Merger are based on projections and assumptions regarding Synaptics and our combined company's future performance, which may not materialize as expected or which may prove to be inaccurate. In addition, Synaptics' business may not perform as expected during the pendency of the Merger due to, among other factors, restrictions on Synaptics' interim operations under the Merger Agreement, challenges in retaining and attracting key employees, and uncertainty in its relationships with customers, suppliers, partners and other business counterparties. Synaptics has experienced and may continue to experience departures of key employees during the pendency of the Merger. Any such developments could adversely affect the business and financial performance of the combined company and reduce or delay the anticipated benefits of the Merger.

Our business, operating results and financial condition could be adversely affected if we are unable to realize the anticipated benefits from the Merger on a timely basis, if at all, including, among other things, realizing the anticipated synergies from the Merger in the anticipated amounts or within the anticipated timeframes or cost expectations, if at all. Achieving the benefits of the Merger will depend, in part, on our ability to integrate the business and operations of Synaptics successfully and efficiently with our business.

The challenges involved in this integration, which may be complex and time-consuming, include, among others, the following:

- avoiding business disruptions, preserving customer and other important relationships of Synaptics and attracting new business and operational relationships;
- coordinating and integrating independent research and development and engineering teams across technologies and product platforms to enhance product development while reducing costs;
- integrating financial forecasting and controls, procedures and reporting cycles;
- consolidating and integrating corporate, IT, finance, human resources and administrative infrastructures;
- coordinating sales and marketing efforts to effectively position the combined company's capabilities and the direction of product development;
- integrating Synaptics's systems, operations and product lines;
- meeting obligations that we will have to counterparties of Synaptics that arise as a result of the change in control of Synaptics or otherwise under its commercial agreements; and
- integrating employees and related HR systems and benefits, maintaining employee productivity and retaining key employees.

If we do not successfully manage these issues and the other challenges inherent in integrating a new business, then we may not achieve the anticipated benefits of the Merger on our anticipated timeframe, if at all, and our business, revenue, expenses, operating results, financial condition and stock price could be materially adversely affected.

Efforts to complete the Merger could disrupt our relationships with third parties and employees, divert management's attention, or result in negative publicity or legal proceedings, any of which could adversely impact our operating results and ongoing business.

We have expended, and will continue to expend, significant management time and resources in an effort to complete the Merger, which may have a negative impact on our ongoing business and operations. Uncertainty regarding the outcome of the Merger and our future could disrupt our business relationships with our existing and potential customers, distributors, service providers and other business partners, who may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than Synaptics. Uncertainty regarding the outcome of the Merger could also adversely affect our ability to recruit and retain key personnel and other employees. The pendency of the Merger may also result in negative publicity and a negative impression of us in the financial markets, and may lead to litigation or other demands against us and our directors and officers. Even if these matters are without merit, defending against or otherwise resolving these claims can result in substantial costs and divert management time and resources. Such matters would be distracting to management and, may, in the future, require us to incur significant costs. Such matters could result in the Merger being delayed and/or enjoined by a court of competent jurisdiction, which could prevent the Merger from being completed. The occurrence of any of these events individually or in combination could have a material and adverse effect on our business, results of operations, and financial condition.

As a result of the Merger, we anticipate that the scope and size of our operations and business will substantially change and will result in certain incremental risks to us, including increased competition. We may not realize the full expected benefits of the Merger.

We anticipate that the Merger will substantially expand the scope and size of our business by adding substantial assets and operations to our existing business. Any such future growth of our business will impose significant added responsibilities on management, including, among other things, the need to identify, recruit, train and integrate additional employees. Our senior management's attention may be diverted from the management of our business and its daily operations to the completion of the Merger and, following the closing, the integration of Synaptics's business. Further, the Merger could also create uncertainty for our or Synaptics's employees and customers, particularly during the post-transaction integration process. It could also disrupt existing business relationships, make it more difficult to develop new business relationships, or otherwise negatively impact the way that we operate our business.

We also anticipate that the Merger will result in increased competition. Synaptics operates in highly competitive segments and is facing increasing competition for its products and services. These competitive pressures may result in decreased sales

volumes, price reductions and/or increased operating costs, and could result in lower revenues, margins and net income for the combined company. The Merger could also result in our failure to realize expected synergies or cost savings. Our ability to manage our business and growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may also encounter risks, costs and expenses associated with any undisclosed or other unanticipated liabilities and use more cash and other financial resources on integration and implementation activities than we expect. We may not be able to integrate the Synaptics business into our existing operations on our anticipated timelines or realize the full expected economic benefits of the Merger, which may have a material adverse effect on our business, operating results and financial condition. In addition, the completion of the Merger may heighten the potential adverse effects on our business, operating results or financial condition described in the risk factors disclosed in Part I, Item 1A of the 2025 Form 10-K.

The treatment of Synaptics' indebtedness in connection with the Merger may involve repayment by us of substantial indebtedness, which could reduce our flexibility to operate our business and negatively affect our financial condition.

We already have substantial outstanding indebtedness. For risks related to such indebtedness, see the risks set forth in "Trends, Risks and Uncertainties Related to Our Indebtedness" in the 2025 Form 10-K.

We intend to incur additional indebtedness to finance a portion of the consideration for the proposed transaction with Synaptics, which will materially increase the amount of our outstanding long-term indebtedness and could subject us to additional risks. In connection with the Amended Merger Agreement, we entered into a commitment letter on October 1, 2026 with Morgan Stanley Senior Funding, Inc. ("MSSF"), which was subsequently amended and restated to add JPMorgan Chase Bank, N.A. and other banks as commitment parties thereto (collectively and together with MSSF, the "Financing Parties"), pursuant to which the Financing Parties have agreed to provide, subject to satisfaction of customary closing conditions, up to $2,450,000,000 of senior secured term loan facilities for the purpose of funding a portion of the Merger Consideration, and paying fees, costs and expenses in connection with the Merger.

Synaptics has outstanding 4.000% Senior Notes due 2029 (the "Synaptics Senior Notes"). At our request and at our sole cost and expense, Synaptics must use reasonable best efforts to exercise its right to redeem, discharge, defease, or make an offer to repurchase the Synaptics Senior Notes in accordance with their terms, with any such redemption, discharge, defeasance, or repurchase to be effective at the effective time of the Merger or such later time as we may request. In connection with the Merger, we currently intend to cause Synaptics to redeem and/or discharge the Synaptics Senior Notes. In addition, the Amended Merger Agreement requires Synaptics to use its reasonable best efforts to deliver to us an executed payoff letter with respect to Synaptics' existing $350 million senior secured revolving credit facility with Wells Fargo Bank, National Association, together with all related lien release documentation necessary to effect the release of any liens related to such facility.

Our ability to fund the repayment, redemption and/or discharge of Synaptics' indebtedness will depend on, among other factors, prevailing market conditions and other factors beyond our control, and the repayment, redemption and/or discharge — or any such failure to do so — could materially and adversely affect our operations and financial condition.

In addition, Synaptics has outstanding 0.75% Convertible Senior Notes due 2031 (the "Synaptics Convertible Notes"). Following completion of the Merger, the Synaptics Convertible Notes will, pursuant to a supplemental indenture, become convertible into cash rather than shares of Synaptics common stock. As the Merger will constitute a "Make-Whole Fundamental Change" under, and as defined in, the indenture governing the Synaptics Convertible Notes (the "Synaptics Convertible Notes Indenture"), holders of the Synaptics Convertible Notes will be able to convert their Synaptics Convertible Notes during a window after the closing date of the Merger and receive additional cash conversion consideration based on the make-whole table contained in the Synaptics Convertible Notes Indenture. Any conversions of the Synaptics Convertible Notes will result in cash payments to the holders thereof, which will only be partially offset by the capped call transactions entered into by Synaptics concurrently with the issuance of the Synaptics Convertible Notes. The repayment, redemption and/or discharge of Synaptics' existing indebtedness could have material and adverse effects on our business, operating results and financial condition, including, among other things:

- increasing our vulnerability to changing economic, regulatory and industry conditions;
- limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry;
- placing us at a competitive disadvantage compared to our competitors with less indebtedness;
- requiring us to dedicate a portion of our cash on hand or borrowing capacity to fund the repayment of Synaptics' existing indebtedness, thereby reducing the availability of cash to fund our business needs;
- limiting our ability to return capital (for example, through stock repurchases or dividends) to our stockholders;

- limiting our ability to borrow additional funds in the future to fund growth, acquisitions, working capital, capital expenditures or other purposes; and
- increasing the risks described under "Trends, Risks and Uncertainties Related to Our Indebtedness" in the 2025 Form 10-K.

This disclosure does not constitute a notice of redemption with respect to the Synaptics Senior Notes.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements," as that term is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements, other than statements of historical facts, included or incorporated in this Form 10-Q could be deemed forward-looking statements, particularly statements about our plans, strategies, prospects and our proposed acquisition of Synaptics and the treatment of Synaptics' existing indebtedness following the closing of the proposed acquisition under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," "anticipates," "should" or similar expressions, or by discussions of strategy, plans or intentions. All forward-looking statements in this Form 10-Q are made based on our current expectations, forecasts, estimates and assumptions and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements.

Important factors that could cause our actual results to differ materially from those anticipated in the forward-looking statements are described under Part I, Item 1A "Risk Factors" in the 2025 Form 10-K, under Part II, Item 1A. "Risk Factors" and elsewhere in this Form 10-Q and from time to time in our other SEC reports. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information, which speaks only as of the date made, except as may be required by law. Investing in our securities involves a high degree of risk and uncertainty, and you should carefully consider the trends, risks and uncertainties described in the aforementioned reports and subsequent reports filed with or furnished to the SEC before making any investment decision with respect to our securities. The risk factors described in this Form 10-Q and in our 2025 Form 10-K are not all of the risks we may face. Other risks not presently known to us or that we currently believe are immaterial may materially affect our business. If any of the trends, risks or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

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

The following table provides information regarding repurchases of our common stock during the quarter ended October 2, 2026:

Period [1]	Total Number of Shares Purchased	Average Price Paid per Share ($)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar value of Shares that May Yet be Purchased Under the Plans or Programs (in millions) ($)
July 4, 2026 - July 31, 2026	—	$ —	—	$ 5,322.4
August 1, 2026 - August 28, 2026	155,504	73.16	155,504	5,311.1
August 29, 2026 - October 2, 2026	116,628	73.13	116,628	5,302.5
Total	272,132	$ 73.15	272,132	

[1] These time periods represent our fiscal month start and end dates for the third quarter of 2026.

Shares withheld to satisfy statutory tax withholding requirements related to the vesting of share-based awards are not issued or considered repurchases of our common stock under our New Share Repurchase Program and, therefore, are excluded from the table above.

New Share Repurchase Program

In November 2025, the Board of Directors approved a new Share Repurchase Program (the "New Share Repurchase Program") under which the Company may repurchase up to an aggregate of $6.0 billion of the Company's common stock (exclusive of fees, commissions and other expenses). Under the New Share Repurchase Program, which does not require the Company to

purchase any minimum amount of common stock or at all, the Company may repurchase shares from January 1, 2026 through December 31, 2028. The New Share Repurchase Program may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

We repurchased 0.3 million shares of the Company's common stock under the New Share Repurchase Program during the quarter ended October 2, 2026. As of October 2, 2026, the authorized amount remaining under the New Share Repurchase Program was approximately $5.3 billion.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements

During the quarter ended October 2, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Exhibit Description*
2.1	Amended and Restated Agreement and Plan of Merger, dated as of October 1, 2026, by and among ON Semiconductor Corporation, Sonic Acquisition Corp. and Synaptics Incorporated (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated October 1, 2026) †
10.1	$2,450,000,000 Senior Secured Term Loan Facilities Second Amended and Restated Commitment Letter, dated as of October 19, 2026, by and among ON Semiconductor Corporation, Morgan Stanley Senior Funding, Inc., JPMorgan Chase Bank, N.A. and other commitment parties party thereto (1)
31.1	Certification by CEO pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (1)
31.2	Certification by CFO pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (1)
32	Certification by CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (2)
101.INS	XBRL Instance Document (1)
101.SCH	XBRL Taxonomy Extension Schema Document (1)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (1)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (1)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (1)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (1)
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Reports filed under the Exchange Act (Form 10-K, Form 10-Q and Form 8-K) are filed under File No. 000-30419 and File No. 001-39317.

(1) Filed herewith.

(2) Furnished herewith.

† Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally a copy of any omitted schedule upon request by the SEC.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ON SEMICONDUCTOR CORPORATION
(Registrant)

Date: November 2, 2026

By: /s/ THAD TRENT

Thad Trent

Executive Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer and officer duly authorized to sign this report)

Exhibit 10.1

MORGAN STANLEY SENIOR FUNDING, INC.
1585 Broadway
New York, New York 10036

JPMORGAN CHASE BANK, N.A.
270 Park Avenue
New York, New York 10017

BANK OF AMERICA, N.A.
One Bryant Park
New York, New York 10036

HSBC BANK USA, NATIONAL ASSOCIATION
HSBC SECURITIES (USA) INC.
66 Hudson Blvd E
New York, New York 10001
HSBC BANK PLC
8 Canada Square
Canary Wharf London, E14 5HQ

CITIGROUP GLOBAL MARKETS INC.
388 Greenwich Street
New York, New York 10013

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
1301 Avenue of the Americas
New York, New York 10019

PNC BANK, NATIONAL ASSOCIATION
PNC CAPITAL MARKETS LLC
300 Fifth Avenue,
Pittsburgh, Pennsylvania 15222

BMO CAPITAL MARKETS CORP.
BMO BANK, N.A.
BANK OF MONTREAL
151 West 42nd Street
New York, New York 10036

SUMITOMO MITSUI BANKING CORPORATION
277 Park Avenue
New York, New York 10172

ROYAL BANK OF CANADA
200 Vesey Street
New York, New York 10281

TRUIST BANK
TRUIST SECURITIES, INC.
740 Battery Ave. SE
Atlanta, Georgia 30339

KBC BANK N.V., NEW YORK BRANCH
1177 Avenue of the Americas
New York, New York 10036

STANDARD CHARTERED BANK
3 Bryant Park
New York, New York 10036

BARCLAYS
745 Seventh Avenue
New York, New York 10019

CONFIDENTIAL

October 19, 2026

ON Semiconductor Corporation
5701 N. Pima Road
Scottsdale, Arizona 85250
Attn: Mr. Thad Trent, Chief Financial Officer

Project Sonic
$2.45 Billion Senior Secured Term Loan Facilities
Second Amended and Restated Commitment Letter

Ladies and Gentlemen:

Reference is made to that certain Commitment Letter, dated as of October 1, 2026 (the "Original Commitment Letter" and such date, the "Original Signing Date"), between MSSF (as defined below) and

you, as amended and restated by that certain Amended and Restated Commitment Letter, dated as of October 7, 2026 (the "First Amended and Restated Commitment Letter" and such date, the "First Amendment and Restatement Date"), among MSSF, JPMCB (as defined below) and you. The First Amended and Restated Commitment Letter is hereby amended, restated and superseded in its entirety as follows; *provided* that, notwithstanding anything to the contrary herein, MSSF shall be entitled to the benefits of the indemnification and expense reimbursement provisions of this Second Amended and Restated Commitment Letter, together with all Exhibits hereto (this "Commitment Letter") as if they were in effect on the Original Signing Date and MSSF and JPMCB shall be entitled to the benefits of the indemnification and expense reimbursement provisions of this Commitment Letter as if they were in effect on the First Amendment and Restatement Date.

ON Semiconductor Corporation, a Delaware corporation (the "Company" or "you"), has advised Morgan Stanley Senior Funding, Inc. (together with its designated affiliates, "MSSF"), JPMorgan Chase Bank, N.A. ("JPMCB"), Bank of America, N.A. ("Bank of America"), HSBC Securities (USA) Inc. ("HSBC Securities"), HSBC Bank USA, National Association ("HSBC Bank USA"), HSBC Bank Plc ("HSBC Bank UK"), Citi (as defined below), Crédit Agricole Corporate and Investment Bank ("Credit Agricole"), PNC Bank, National Association ("PNC Bank"), PNC Capital Markets LLC ("PNC Capital Markets"), BMO Capital Markets Corp. ("BMOCM"), BMO Bank, N.A. (acting through such of its affiliates or branches as it deems appropriate, "BMO Bank"), Bank of Montreal ("Bank of Montreal"), Sumitomo Mitsui Banking Corporation ("SMBC"), Royal Bank of Canada[1] ("RBC"), Truist Securities, Inc. ("Truist Securities"), Truist Bank ("Truist Bank" and, together with Truist Securities, "Truist"), KBC Bank N.V., New York Branch ("KBC"), Standard Chartered Bank ("SC") and Barclays Bank PLC ("Barclays", and together with MSSF, JPMCB, Bank of America, HSBC Securities, HSBC Bank USA, HSBC BANK UK, Citi, Credit Agricole, PNC Bank, PNC Capital Markets, BMOCM, BMO Bank, Bank of Montreal, SMBC, RBC, Truist, KBC and SC, the "Commitment Parties", "we" or "us") that the Company intends to acquire (the "Acquisition"), directly or indirectly, all of the issued and outstanding equity interests of a company previously identified to the Commitment Parties as "Sonic" (the "Target" and, together with its subsidiaries, the "Acquired Business") pursuant to that certain Amended and Restated Agreement and Plan of Merger (together with all exhibits, schedules, appendices and other attachments thereto, as the same may be amended, supplemented or modified from time to time in a manner not in contravention of Section 1 of Exhibit B hereto, the "Acquisition Agreement"), dated as of October 1, 2026, by and among the Company, a newly-formed Delaware corporation and wholly owned subsidiary of the Company, and the Target. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Exhibits hereto. For the purposes of this Commitment Letter, "Citi" shall mean Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc. and/or any of their affiliates as Citi shall determine to be appropriate to provide the services contemplated herein.

The Company intends to fund the cash purchase price under the Acquisition Agreement and to pay fees, costs and expenses related to the Acquisition and other related transactions with a combination of (a) cash on the Company's balance sheet and (b) proceeds of borrowings by the Company under (i) a term loan A credit facility having the terms set forth in Exhibit A to this Commitment Letter (the "Term Loan A Credit Facility") in an aggregate principal amount of up to $1,600,000,000 and (ii) a term loan B credit facility having the terms set forth in Exhibit A to this Commitment Letter (the "Term Loan B Credit Facility" and, collectively with the Term Loan A Credit Facility, the "Term Facilities" and each a "Term Facility") in an aggregate principal amount of up to $850,000,000.

[1] RBC Capital Markets is a brand name for the capital markets activities of Royal Bank of Canada and its affiliates.

The Acquisition and the other transactions described above are collectively referred to herein as the "Transactions".

1. Commitments and Roles

Each Commitment Party is pleased to advise you of its several, but not joint, commitment to provide, and hereby commits to provide, the percentage of the aggregate principal amount of the Term Loan A Credit Facility and the Term Loan B Credit Facility, as applicable, set forth opposite its name on Schedule A under the headings "Term Loan A Credit Facility Commitment Percentage" and "Term Loan B Credit Facility Commitment Percentage" (as applicable), in each case, on the terms set forth in this Commitment Letter and subject only to the satisfaction or waiver by each of the Commitment Parties of the conditions set forth in Exhibit B hereto.

It is agreed that (i) JPMCB will act as sole and exclusive administrative agent and collateral agent (in such capacities, the "Administrative Agent") for the Term Facilities, (ii) each of MSSF, JPMCB, Bank of America, HSBC Securities, Citi, Credit Agricole, PNC Capital Markets, BMOCM, SMBC, RBC, Truist Securities, KBC, SC and Barclays will act as a joint lead arranger (each in such capacities, a "Joint Lead Arranger" and, collectively, the "Joint Lead Arrangers") for the Term Facilities and (iii) each of MSSF, JPMCB, Bank of America, HSBC Securities, Citi, Credit Agricole and PNC Capital Markets will act as a joint bookrunner (each in such capacities, a "Joint Lead Bookrunner" and, collectively, the "Joint Lead Bookrunners" and, together with the Joint Lead Arrangers, the "Arrangers") for the Term Facilities, in each case, on the terms set forth in this Commitment Letter and the Fee Letters (as defined below). MSSF shall have "lead left" placement in all offering or marketing materials used in connection with the Term Facilities and will have the roles and responsibilities customarily associated with such name placement. You agree no other titles will be awarded and no compensation will be paid (other than as expressly contemplated by this Commitment Letter and the Fee Letters) by the Company or any of its subsidiaries in connection with the Term Facilities unless you and we shall so agree. Each of the Arrangers and the Administrative Agent will have the rights and authority customarily given to financial institutions in such roles.

2. Conditions Precedent

Our commitments hereunder and our agreements to perform the services described herein are subject only to the satisfaction, or waiver by each of the Commitment Parties, of the conditions set forth in Exhibit B. It is understood and agreed that there are no conditions (implied or otherwise) to the commitments hereunder (including compliance with the terms of this Commitment Letter, the Fee Letters and the Facility Documentation) other than those that are set forth in Exhibit B (and upon satisfaction, or waiver by each of the Commitment Parties, of the conditions set forth in Exhibit B, the funding under the applicable Term Facility shall occur).

Notwithstanding anything to the contrary contained in this Commitment Letter, the Fee Letters, the Facility Documentation or any other agreement between you and us concerning the Term Facilities, (a) the only representations and warranties the accuracy of which will be a condition to the availability or funding of each Term Facility on the Closing Date will be (i) the representations and warranties made by the Target in the Acquisition Agreement as are material to the interest of the Lenders (in their capacities as such), but only to the extent that you or your applicable subsidiary have the right (taking into account any cure period) to terminate your or its obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of any inaccuracy of such representations and warranties in the Acquisition Agreement (the "Acquisition Agreement Representations") and (ii) the Specified

Representations (as defined below) and (b) the terms of the applicable Facility Documentation shall be in a form such that they do not impair the availability or funding of the applicable Term Facility on the Closing Date if the applicable conditions set forth or referred to in Exhibit B (limited on the Closing Date as indicated therein) are satisfied (or waived by the Commitment Parties) (it being understood that, to the extent any security interest in any Collateral is or cannot be provided and/or perfected on the Closing Date (other than the provision and perfection of security interests in any asset pursuant to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code ("UCC")) after your use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and/or perfection of a security interest in such Collateral shall not constitute a condition precedent to the availability or funding of the Term Facilities on the Closing Date, but instead shall be required to be delivered and/or perfected after the Closing Date pursuant to arrangements and timing to be mutually agreed by the Administrative Agent and the Company (but, in any event, not later than ninety (90) days after the Closing Date or such longer period as may be agreed by the Administrative Agent, in its sole discretion, and the Borrower acting reasonably without any requirement for Lender consent)). For purposes hereof, "Specified Representations" means the representations and warranties of the Company and the Guarantors set forth in the Facility Documentation relating to due organization and existence of the Company and the Guarantors; requisite power and authority of the Company and the Guarantors to enter into the Facility Documentation and to consummate the transactions thereunder; due authorization, execution and delivery by the Company and the Guarantors of the Facility Documentation and enforceability of the Facility Documentation against the Company and the Guarantors; no conflicts of the Facility Documentation and the transactions thereunder with the Company's and the Guarantors' organizational documents or any instruments evidencing or governing committed or funded debt for borrowed money in an aggregate principal amount of $250,000,000 or more; Investment Company Act; Federal Reserve margin regulations; solvency of the Company and its subsidiaries, on a consolidated basis, as of the Closing Date (after giving effect to the Transactions) (such representation and warranty to be consistent with the solvency certificate in the form set forth in Annex I to Exhibit B); proceeds not used in violation of the Patriot Act, OFAC regulations, the FCPA or any other applicable anti-corruption or sanctions laws; and subject to permitted liens and the limitations set forth above, creation, validity and perfection of security interests in the Collateral. This paragraph, and the provisions set forth in this paragraph, are referred to as the "Limited Conditionality Provision".

3. Syndication

If a Successful Syndication (as defined in the Facilities Fee Letter) has not been achieved within 12 business days after the Original Signing Date, the Arrangers reserve the right to syndicate the Term Loan B Credit Facility to banks and other financial institutions (collectively, the "Lenders") promptly after the execution of this Commitment Letter. The Arrangers will manage and determine, in consultation with you, all aspects of the syndication of the Term Loan B Credit Facility; provided that we will not syndicate the Term Loan B Credit Facility to (a) persons that are determined by you to be competitors of you or your subsidiaries and that you have identified, by name, in writing to the Arrangers from time to time after the date hereof and prior to the Closing Date (or to the Administrative Agent from time to time after the Closing Date) and (b) affiliates of any person described in clause (a) above (other than bona fide debt fund affiliates) if such affiliates are identified, by name, by you in writing to the Arrangers from time to time after the date hereof and prior to the Closing Date (or to the Administrative Agent from time to time after the Closing Date) or are otherwise clearly identifiable as an affiliate of such person based solely on the similarity of such affiliate's name to the name of such person (collectively, the "Disqualified Lenders").

To facilitate an orderly and successful syndication of the Term Loan B Credit Facility, you agree that, until the earlier of (a) the Closing Date and (b) the date upon which a Successful Syndication (as defined in the Facilities Fee Letter) is achieved (such earlier date, the "Syndication Date"), you will not, and will cause your subsidiaries not to, and you agree to use commercially reasonable efforts (to the extent practical and appropriate and in all instances subject to the limitations on your rights set forth in the Acquisition Agreement) to cause the Target and its subsidiaries not to, in each case, without the prior written consent of the Arrangers, syndicate or issue or announce the syndication or issuance of any debt facility or any debt security of the Company, the Target or their respective subsidiaries, including any extension or refinancing of any existing debt facility or debt security, in each case, that would reasonably be expected to materially impair the primary syndication of the Term Loan B Credit Facility (other than (i) the Term Facilities, (ii) any amendment to, or refinancing of, or borrowings under (including the issuance of any letters of credit under), that certain Credit Agreement, dated as of June 22, 2023, by and among the Company, as borrower, the several lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and certain other parties (such credit agreement as in effect on the date hereof, the "Existing Company Credit Agreement") that does not increase the amount available thereunder, (iii) any borrowings (including issuances of letters of credit thereunder) under any revolving credit facilities of the Target or the Acquired Business (and any amendments, restatements, amendments and restatements, extensions and renewals of the same), (iv) any trade or customer related financings, intercompany indebtedness, capital and finance leases, equipment financings, purchase money debt, overdraft facilities, receivables financings, warehouse financings, factoring arrangements, sale leaseback arrangements, letter of credit and bank guarantee facilities and working capital facilities, in each case incurred in the ordinary course of business, (v) any issuance or incurrence of indebtedness in order to renew, replace or refinance the Company's 0% convertible senior notes due 2027, 0.50% convertible senior notes due 2029 and/or 3.875% senior notes due 2028, (vi) any issuances of commercial paper or the receipt of funding or grants from any governmental authority or regulatory authority, (vii) any indebtedness of the Acquired Business not prohibited to be incurred under the Acquisition Agreement, (viii) other indebtedness to the extent the net cash proceeds of such debt are utilized to refinance any debt within nine months of the maturity thereof and to pay any fees or other amounts in respect thereof or otherwise in connection therewith (including any prepayment or redemption premiums and accrued interest thereon) and (ix) other indebtedness (other than to finance the Acquisition) not to exceed $100,000,000 in the aggregate).

Until the Syndication Date, the Company agrees to use commercially reasonable efforts to actively assist and, if requested by the Arrangers to use commercially reasonable efforts (to the extent practical and appropriate and in all instances subject to your limitation on your rights set forth in the Acquisition Agreement) to cause the Target to actively assist, the Arrangers in completing the syndication of the Term Loan B Credit Facility reasonably satisfactory to the Arrangers and the Company. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the Arrangers' syndication efforts benefit from the existing lending and investment banking relationships of the Company, (b) your assistance (and your using commercially reasonable efforts (to the extent practical and appropriate and in all instances subject to your limitation on your rights set forth in the Acquisition Agreement) to cause the Target to assist) in the preparation of a customary information memorandum and other customary marketing materials to be used in connection with the syndication of the Term Loan B Credit Facility regarding the Company, the Target and their respective subsidiaries and the Transactions (collectively, the "Marketing Materials"), (c) hosting, with the Arrangers and appropriate members of your senior management, a reasonable number of meetings of prospective Lenders (limited to one "bank meeting," unless otherwise deemed reasonably necessary by the Arrangers in consultation with you) at times and locations to be mutually agreed (which meetings may be held by videoconference) (and, to the extent practical and appropriate and subject to the limitations on your rights set forth in the Acquisition Agreement, using your commercially reasonable efforts to cause the senior management of Target to be available for such meetings) and (d) your using commercially reasonable efforts to obtain, as promptly as

practicable following the date hereof and prior to the launch of any syndication, updated public corporate ratings (but no specific rating) of the Company and public ratings (but no specific rating) of the Term Loan B Credit Facility, in each case after giving effect to the Transactions, from each of Moody's Investor Services, Inc. ("Moody's") and Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("S&P"). In addition, you agree, prior to the Syndication Date, to use commercially reasonable efforts to promptly prepare and provide, and to use your commercially reasonable efforts (to the extent practical and appropriate and subject to the limitations on your rights set forth in the Acquisition Agreement) to cause the Target to promptly prepare and provide, to the Arrangers all customary information with respect to the Company, the Target, their respective subsidiaries and the transactions contemplated hereby, including customary financial projections, as the Arrangers may reasonably request in connection with the syndication of the Term Loan B Credit Facility. It is understood that, without limiting your representation and warranty set forth in Section 5 hereof, none of the Company, the Target or the Acquired Business will be required to provide any information to the extent that the provision thereof would, in its good faith judgment, violate (i) any attorney-client privilege (or result in the loss thereof), (ii) any law, rule or regulation applicable to the Company, the Target or their respective subsidiaries or (iii) any obligation of confidentiality to a third party binding on the Company, the Target or their respective subsidiaries (so long as such confidentiality obligation was not entered into in contemplation of the Transactions); provided that (x) to the extent permitted, you provide us with notice of the existence of any such information that is being withheld and (y) you shall use commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not result in a loss of such attorney-client privilege or violate the applicable law, rule, regulation or obligation. You agree that, after the Closing Date, each Arranger has the right to describe its services to you in a "tombstone" advertisement or as part of a "case study" incorporated into promotional materials or in financial and other newspaper advertisements (and, in connection therewith, to download copies of your trademark logos from your website and to use such logos in such advertisements or materials), in each case, at its own expense.

You understand that certain prospective Lenders (such Lenders, "Public Lenders") may have personnel that do not wish to receive MNPI (as defined below). At the Arrangers' request, you agree to assist, and to use commercially reasonable efforts (to the extent practical and appropriate and subject to the limitations on your rights set forth in the Acquisition Agreement) to cause the Target to assist, in the preparation of an additional version of the Marketing Materials that does not contain material non-public information concerning the Company, the Target or their subsidiaries or securities of any of the foregoing (collectively, "MNPI") and which is suitable to make available to Public Lenders. You acknowledge and agree that the following documents may be distributed to Public Lenders unless you notify the Arrangers promptly (including by e-mail) within a reasonable period of time prior to the intended distribution that any such document contains MNPI (provided that each such document has been provided to you for review a reasonable period of time prior thereto): (a) drafts and final versions of the definitive documents relating to the Term Loan B Credit Facility; (b) administrative materials prepared by the Arrangers for prospective Lenders under the Term Loan B Credit Facility (including, without limitation, a lender meeting invitation, allocations and funding and closing memoranda); and (c) term sheets and notification of changes in the terms and conditions of the Term Loan B Credit Facility. If you advise us in writing (including by email), within a reasonable period of time prior to distribution, that any of the foregoing should not be distributed to Public Lenders, then Public Lenders will not receive any such materials without your consent. Before distribution of any Marketing Materials in connection with the syndication of the Term Loan B Credit Facility, to the extent requested by the Arrangers, you agree to provide us with a customary letter authorizing the dissemination of such materials, which shall include a customary representation by you as to the accuracy of the Marketing Materials without any qualification as to knowledge (except, prior to the Closing Date, with respect to information concerning the Acquired

Business to the extent such information is covered by an authorization letter from the Target without qualification as to knowledge) and, in the case of information contained in the Marketing Materials being disseminated to prospective Public Lenders ("Public Information Materials"), confirming the absence of MNPI therein (and, to the extent practical and appropriate and subject to the limitations on your rights set forth in the Acquisition Agreement, you will use commercially reasonable efforts to cause the Target and the Acquired Business, solely with respect to the information concerning the Acquired Business, to provide such customary authorization letter to the Arrangers containing such representations, it being understood that in the event no such authorization letter is provided by the Target or the Acquired Business, the authorization letter provided by you shall cover the Acquired Business without any qualification as to knowledge). The Marketing Materials provided to Lenders and prospective Lenders will be accompanied by a disclaimer exculpating us, you, the Target and our, your and their respective affiliates with respect to any misuse or use thereof and of any related materials by the recipients thereof. In addition, at the Arrangers' request, you will identify Public Information Materials by marking the same as "PUBLIC" and you agree and we acknowledge that unless specifically labeled "PUBLIC", no information, documentation or other data disseminated to prospective Lenders in connection with the syndication of the Term Loan B Credit Facility, whether through an Internet site (including, without limitation an IntraLinks, DebtDomain or SyndTrak workspace), electronically, in presentations, at meetings or otherwise may contain MNPI.

Notwithstanding anything to the contrary contained in this Commitment Letter, (a) without limiting the conditions set forth in Exhibit B hereto or your obligations to assist with syndication efforts as set forth herein, it is understood that the Commitment Parties' commitments hereunder are not subject to or conditioned upon syndication (or your assistance with respect to such syndication) of, or receipt of commitments in respect of, any Term Facility nor the obtaining of any ratings as set forth above, and that neither the commencement of nor completion of the syndication of any Term Facility shall constitute a condition to the availability or funding of the Term Facilities on the Closing Date and (b) notwithstanding our right to syndicate the Term Loan B Credit Facility and to receive commitments with respect thereto, (subject to the limitations contained herein), (x) no Commitment Party shall be relieved, released or novated from its commitment hereunder (including its obligation to fund the Term Facilities on the Closing Date) in connection with the syndication of any Term Facility until after the funding of the Term Facilities on the Closing Date has occurred, (y) no assignment or novation in connection with the syndication of any Term Facility shall become effective (as between the Company and any Commitment Party) with respect to all or any portion of any Commitment Party's commitment hereunder until after the funding of the Term Facilities on the Closing Date has occurred and (z) unless otherwise agreed to in writing by the Company, each Commitment Party shall retain control over all of its rights and obligations with respect to its commitment hereunder, including all rights with respect to consents, modifications, waivers and amendments hereof, until after the funding of the Term Facilities on the Closing Date has occurred.

4. Fees

Our fees for services related to the Term Facilities are set forth in (i) that certain Second Amended and Restated Facilities Fee Letter (the "Facilities Fee Letter") between the Company and each Commitment Party dated the date hereof, (ii) that certain Amended and Restated MSSF Agent Fee Letter (the "MSSF Agent Fee Letter") between the Company and MSSF dated the date hereof and (iii) that certain Amended and Restated JPMCB Agent Fee Letter (the "JPMBC Agent Fee Letter", and together with the Facilities Fee Letter and the MSSF Agent Fee Letter, the "Fee Letters") between the Company and JPMCB dated the date hereof. As consideration for the execution and delivery of this Commitment Letter by the

Commitment Parties, you agree to pay the fees set forth in the Fee Letters as and when payable in accordance with the terms thereof.

5. Information

You represent and warrant that (a) all written factual information concerning the Company, the Target or their respective subsidiaries (other than projections and other forward-looking information and information of a general economic or industry-specific nature) that has been or will be made available to any Commitment Party, any Lender or any of their respective affiliates by or on behalf of the Company in connection with the Transactions is and will be, when taken as a whole, complete and correct in all material respects and does not and will not, when furnished, taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (in each case, after giving effect to all supplements thereto provided); provided that such representation and warranty made as of a date prior to the Closing Date with respect to any information provided on behalf of or relating to the Acquired Business is made only to your knowledge, and (b) the projections and other forward-looking information that have been or will be made available to any Commitment Party, any Lender or any of their respective affiliates by or on behalf of the Company in connection with the Transactions have been and will be prepared in good faith based upon assumptions that are believed by the Company to be reasonable when made and when made available to any Commitment Party, any Lender or any of their respective affiliates (it being understood that the projections are as to future events and are not to be viewed as facts, the projections or other forward-looking information are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular projections or other forward-looking information will be realized and that the actual results during the period or periods covered by any such projections or other forward-looking information may differ significantly from the projected results and such differences may be material). You agree that if at any time prior to the later of (x) the Closing Date and (y) the Syndication Date any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the information or projections or other forward-looking information were being furnished, and such representations and warranties were being made, at such time, then you will promptly supplement (and with respect to the Acquired Business, use commercially reasonable efforts (to the extent practical and appropriate and subject to the limitations on your rights set forth in the Acquisition Agreement) to cause the Target to supplement) the information or projections or other forward-looking information so that such representations and warranties will be correct in all material respects. You understand that, in providing our services pursuant to this Commitment Letter, we may use and rely upon and assume the accuracy and completeness of all such information and projections without independent verification thereof, and we do not assume responsibility for the accuracy or completeness thereof. Notwithstanding anything set forth above, the accuracy of the foregoing representations and warranties, whether or not supplemented, and any obligation to supplement the information and the projections, shall not be a condition to the availability or funding of the Term Facilities on the Closing Date.

6. Indemnification and Expenses

You hereby agree (a) to indemnify promptly upon demand and hold harmless each of the Commitment Parties, their respective affiliates and each director, officer, employee, partner, member, trustee, advisor, representative or agent of any of the foregoing (each of the foregoing, an "Indemnified Person") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses (including fees, charges and disbursements of counsel, but limited to the reasonable and documented or invoiced out-of-pocket fees, charges and disbursements of one firm of

counsel representing all of the Indemnified Persons, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all the Indemnified Persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict notifies you of the existence of such conflict and thereafter retains its own counsel, of another firm of counsel for the affected Indemnified Persons similarly situated (and, if necessary, one additional firm of local counsel in each appropriate jurisdiction))), joint or several, of any kind or nature whatsoever that may be brought or threatened by the Company, the Target, any of their respective equity holders, security holders or creditors or any affiliates of any of the foregoing or any other person and which may be incurred by or asserted against or involve any Indemnified Person (whether or not any Indemnified Person is a party to such action, suit, proceeding or claim and whether or not the Transactions are consummated and without regard to the exclusive or contributory negligence of any Indemnified Person) as a result of or arising out of or in any way related to or resulting from this Commitment Letter, the First Amended and Restated Commitment Letter, the Original Commitment Letter, the Facilities Fee Letter, the First Amended and Restated Facilities Fee Letter (as defined in the Facilities Fee Letter), the Original Fee Letter (as defined in the Facilities Fee Letter), the MSSF Agent Fee Letter, the Original MSSF Agent Fee Letter (as defined in the MSSF Agent Fee Letter), the JPMCB Agent Fee Letter, the Original JPMCB Agent Fee Letter (as defined in the JPMCB Agent Fee Letter), the Term Facilities, the Transactions or any related transaction contemplated hereby or thereby or any use or intended use of the proceeds of the Term Facilities; provided that you will not have to indemnify and hold harmless an Indemnified Person against any claim, loss, damage, liability or expense to the extent the same (i) shall have been determined by a court of competent jurisdiction, in a final and non-appealable judgment, to have resulted from (A) the gross negligence, bad faith or willful misconduct of such Indemnified Person or its Related Parties (as defined below) or (B) such Indemnified Person's or its Related Parties' material breach of this Commitment Letter or (ii) resulted from disputes solely among Indemnified Persons not arising from or in connection with any act or omission by the Company, the Target or any of their respective affiliates (other than any action, suit, proceeding (including an investigation or inquiry) or claim against any Indemnified Person in its capacity or in fulfilling its role as the Administrative Agent, the Arrangers or other titled role under the Term Facilities) and (b) to reimburse each Commitment Party for all reasonable and documented out-of-pocket expenses (including, without limitation, reasonable, documented or invoiced out-of-pocket fees, charges and disbursements of counsel, but limited to the reasonable and documented or invoiced out-of-pocket fees, charges and disbursements of one firm of counsel representing all of the Commitment Parties and their affiliates, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all the Commitment Parties and their affiliates, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Commitment Party affected by such conflict notifies you of the existence of such conflict and thereafter retains its own counsel, of another firm of counsel for the affected Commitment Parties similarly situated (and, if necessary, one additional firm of local counsel in each appropriate jurisdiction))) incurred in connection with the Term Facilities and the preparation, negotiation, execution and delivery of any related documentation (including, without limitation, this Commitment Letter, the First Amended and Restated Commitment Letter, the Original Commitment Letter, the Facilities Fee Letter, the First Amended and Restated Facilities Fee Letter (as defined in the Facilities Fee Letter), the Original Fee Letter (as defined in the Facilities Fee Letter), the MSSF Agent Fee Letter, the Original MSSF Agent Fee Letter (as defined in the MSSF Agent Fee Letter), the JPMCB Agent Fee Letter, the Original JPMCB Agent Fee Letter (as defined in the JPMCB Agent Fee Letter) and the Facility Documentation) or the administration, amendment, modification or waiver thereof and in connection with the enforcement of any of its rights and remedies hereunder.

You shall not be liable for any settlement of any action, suit, proceeding or investigation effected without your prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with your prior written consent or if there is a final judgment in any such action, suit, proceeding or investigation, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with this Section 6. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld, conditioned or delayed), effect any settlement of any pending or threatened action, suit, proceeding or investigation against an Indemnified Person in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (a) includes an unconditional release of such Indemnified Person from all liability or claims that are the subject of such action, suit, proceeding or investigation and (b) does not include any statement as to any admission of fault by or on behalf of such Indemnified Person. For purposes hereof, "Related Party" of any person (a "specified person") means any (or all, as the context may require) of such specified person's controlled affiliates and controlling persons and its and their respective directors, officers, employees, advisors, agents and other representatives thereof and, in the case of advisors, agents and other representatives, only to the extent acting on behalf or at the instruction of such specified person or its controlled affiliates or controlling persons; provided, that each reference to a controlling person, controlled affiliate, director, officer or employee in this sentence pertains to a controlling person, controlled affiliate, director, officer or employee involved in the negotiation or syndication of this Commitment Letter and the Term Facilities.

Notwithstanding any other provision of this Commitment Letter (but subject to, and without limiting, your indemnification and reimbursement obligations set forth herein or in the Facility Documentation), (a) in no event shall any Commitment Party or any of its affiliates or any director, officer, employee, partner, member, trustee, advisor, representative or agent of any of the foregoing (each of the foregoing, an "Arranger-Related Person") be responsible or liable to you or any other person for damages arising from the use or misuse by others of any information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent any such damages result directly and primarily from the gross negligence, bad faith or willful misconduct of such Arranger-Related Person or its Related Parties (as determined by a court of competent jurisdiction by final and nonappealable judgment) and (b) neither any Arranger-Related Person nor you will be responsible or liable for any indirect, special, punitive or consequential damages that may be alleged as a result of this Commitment Letter, the First Amended and Restated Commitment Letter, the Original Commitment Letter, the Facilities Fee Letter, the First Amended and Restated Facilities Fee Letter (as defined in the Facilities Fee Letter), the Original Fee Letter (as defined in the Facilities Fee Letter), the MSSF Agent Fee Letter, the Original MSSF Agent Fee Letter (as defined in the MSSF Agent Fee Letter), the JPMCB Agent Fee Letter, the Original JPMCB Agent Fee Letter (as defined in the JPMCB Agent Fee Letter), the Term Facilities, the Transactions or any related transaction contemplated hereby or thereby or any use or intended use of the proceeds of the Term Facilities; provided, that nothing in this sentence shall limit your indemnity and reimbursement obligations set forth herein with respect to any indirect, special, punitive or consequential damages included in any third-party claim in connection with which an Arranger-Related Person is entitled to indemnification and reimbursement hereunder.

7. Assignments

No party to this Commitment Letter may assign this Commitment Letter or any commitments or agreements hereunder to any other person without the prior written consent of each of the other parties hereto (and any purported assignment without such consent will be null and void), provided that (a) each Commitment Party may assign its commitments and agreements hereunder, in whole or in part, to any of

its affiliates (except that, in the case of an assignment of a commitment, such Commitment Party shall not be released from its funding obligations hereunder in connection with such assignment unless consented to by the Company or until such affiliate has funded its obligations in respect of the commitment so assigned on the Closing Date) and (b) any Commitment Party's commitment and agreements hereunder may be performed by or through its affiliates.

8. USA PATRIOT Act Notification

Each Commitment Party notifies the Company that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56) (as amended, supplemented or modified from time to time, the "Patriot Act") and the requirements of 31 C.F.R. § 1010.230 (the "Beneficial Ownership Regulation"), it and each Lender may be required to obtain, verify and record information that identifies the Company, including the name and address of the Company and other information that will allow such Commitment Party or such Lender to identify the Company in accordance with the Patriot Act, the Beneficial Ownership Regulation and other applicable "know your customer" and anti-money laundering rules and regulations. This notice is given in accordance with the requirements of the Patriot Act and is effective for each Commitment Party and each Lender.

9. Confidentiality

Please note that this Commitment Letter, the Fee Letters and their respective terms or substance may not be disclosed by you, directly or indirectly, to any other person or circulated or referred to publicly without our prior written consent (such consent not to be unreasonably withheld, conditioned or delayed); provided that (a) you may disclose this Commitment Letter, the Fee Letters and the terms hereof and thereof to your subsidiaries and your and their respective officers, directors, employees, legal counsel, agents, advisors, independent auditors and credit insurers or re-insurers on a confidential and "need to know" basis, (b) you may disclose this Commitment Letter or the terms hereof (but not the Fee Letters or the terms thereof, unless redacted in a manner reasonably satisfactory to the Arrangers) to the Target and its officers, directors, employees, legal counsel, agents, advisors and independent auditors on a confidential and "need to know" basis, (c) following your return of an executed counterpart of this Commitment Letter and the Fee Letters to the Arrangers as provided below, you may disclose this Commitment Letter and the terms hereof (but not the Fee Letters or the terms thereof) in any syndication or other marketing materials in connection with the Term Facilities or any other debt financing in connection with the Acquisition or in any public filing relating to the Transactions (including in any proxy statement relating to the Acquisition), (d) following your return of an executed counterpart of the Commitment Letter and the Fee Letters to the Arrangers, you may file a copy of any portion of this Commitment Letter (but not the Fee Letters) in any public record in which it is required by, or on the basis of advice of counsel advisable under, law or regulation to be filed, (e) you may disclose, on a confidential basis, the existence and contents of this Commitment Letter, including the Exhibits hereto (but not the Fee Letters) to any rating agency, (f) you may disclose this Commitment Letter, the Fee Letters, and the terms hereof and thereof pursuant to the order of any court or administrative agency in any pending legal, judicial or administrative proceeding or otherwise as required by applicable law or compulsory legal process or to the extent requested or required by governmental and/or regulatory authorities, in each case based on the advice of your legal counsel (in which case you agree, to the extent practicable and not prohibited by applicable law, to inform us promptly thereof), (g) you may disclose the aggregate fee amounts contained in the Fee Letters (but without disclosing any specific fees or any other economic term set forth in the Fee Letters) in financial statements or as part of projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Term

Facilities or any other debt financing in connection with the Acquisition or in any public filing relating to the Transactions (including in any proxy statement relating to the Acquisition) and (h) you may disclose this Commitment Letter, the Fee Letters, the terms hereof and thereof and such communications in connection with the exercise of any remedy or enforcement of any right under this Commitment Letter and the Fee Letters or any suit, action or proceeding relating to this Commitment Letter, the Fee Letters or the transactions contemplated hereby or thereby or enforcement hereof or thereof.

Each Commitment Party agrees that it will treat as confidential all information provided to it hereunder by or on behalf of the Company; provided, however, that nothing herein will prevent such Commitment Party from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case such person agrees to inform you promptly thereof to the extent practicable and not prohibited by law), (b) upon the request or demand of any regulatory authority having jurisdiction over such person or any of its affiliates, (c) to the extent that such information is publicly available or becomes publicly available other than by reason of improper disclosure by such person, its affiliates or representatives, (d) to such person's affiliates and to its and their respective officers, directors, employees, partners, members, advisors, representatives, independent auditors and other experts or agents on a confidential and "need to know" basis, (e) to prospective lenders or other investors, participants or assignees and any direct or indirect contractual counterparties to any swap or derivative transaction relating to the Company, its subsidiaries or its or their obligations under the Term Facilities (or, in each case, any of their respective advisors), in each case, excluding any Disqualified Lender and subject to the recipient's acknowledgement and acceptance that such information is being provided on a confidential basis (on substantially the terms as set forth in this paragraph or as is otherwise reasonably acceptable to you and the Arrangers, including pursuant to the confidentiality terms set forth on the Marketing Materials) in accordance with the Arrangers' or other applicable person's standard syndication process or market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative action on the part of the recipient to access such confidential information, (f) received by such person on a non-confidential basis from a third party source (other than you or your officers, directors, employees, advisors, agents or other representatives) not known by such person to be prohibited from disclosing such information to such person by a legal, contractual or fiduciary obligation, (g) for purposes of establishing a "due diligence" defense, (h) in connection with the exercise of any remedies hereunder or under the Fee Letters or any suit, action or proceeding relating to this Commitment Letter, the Fee Letters or the transactions contemplated hereby or thereby or enforcement hereof or thereof, (i) to any rating agency on a confidential basis, (j) solely with respect to data about the transaction of the type customarily provided to such entities, to market data collectors and similar services providers to such Commitment Party in connection with the syndication, administration and management of the Term Facilities and (k) with your prior written consent; provided that other than with respect to the Fee Letters and their terms and substance, the foregoing obligations of the Commitment Parties shall remain in effect until the earlier of (i) two years from the Original Signing Date and (ii) the date of execution of the Facility Documentation, at which time any confidentiality undertaking in the Facility Documentation shall supersede the provisions in this paragraph.

Notwithstanding anything to the contrary contained herein, (i) the confidentiality provisions of the Original Commitment Letter shall remain in full force and effect with respect to the Original Commitment Letter and the Original Fee Letter (as defined in the Facilities Fee Letter) in accordance with the terms of the Original Commitment Letter and (ii) the confidentiality provisions of the First Amended and Restated Commitment Letter shall remain in full force and effect with respect to the First Amended and Restated Commitment Letter, the First Amended and Restated Facilities Fee Letter (as defined in the Facilities Fee Letter), the Original MSSF Agent Fee Letter (as defined in the MSSF Agent Fee Letter) and the Original

JPMCB Agent Fee Letter (as defined in the JPMCB Agent Fee Letter) in accordance with the terms of the First Amended and Restated Commitment Letter.

Notwithstanding anything to the contrary in this Section 9, it is understood and agreed that nothing in this Section 9 shall impede or prohibit any person from voluntarily disclosing or providing any information within the scope of this Section 9 to any governmental, regulatory or self-regulatory organization (any such entity, a "Regulatory Authority") to the extent that any such impediment to or prohibition on disclosure set forth in this Section 9 shall be prohibited by the laws or regulations applicable to such Regulatory Authority.

The Company and Citi do not anticipate any disclosure of personal information of California residents to Citi, or any collection or processing of personal information of California residents, in connection with the Transactions and Citi's services contemplated under this Commitment Letter; provided, however, to the extent any California personal information subject to the California Privacy rights Act ("CPRA") and their implementing regulations is disclosed by the Company to Citi and is covered by the California Privacy Rights Act and its implementing regulations, Citi agrees to process such personal information only for the limited and specified business purposes of facilitating the execution of the Transactions or as otherwise provided by, and in compliance with, the CPRA.

10. Affiliate Activities; Absence of Fiduciary Relationship

You acknowledge that each Commitment Party and its affiliates are full service securities firms engaged, either directly or through their affiliates, in various activities, including securities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, each Commitment Party and its affiliates may actively trade the debt and equity securities (or related derivative securities) of the Company, the Target and other companies that may be the subject of the arrangements contemplated by this Commitment Letter for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities. Each Commitment Party and its affiliates may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities or other debt obligations of the Company, the Target or other companies that may be the subject of the transactions contemplated by this Commitment Letter. Each Commitment Party and its affiliates will have economic interests that are different from or conflict with those of the Company or its subsidiaries regarding the Transactions, and you acknowledge and agree that no Commitment Party has any obligation to disclose such interests to you. You further acknowledge and agree that nothing in this Commitment Letter, the Fee Letters or the nature of our services or in any prior relationship will be deemed to create an advisory, fiduciary or agency relationship between us or any of our respective affiliates, on the one hand, and you, your equity holders or your affiliates, on the other hand, and you waive, to the fullest extent permitted by law, any claims you may have against any Commitment Party or its affiliates for breach of fiduciary duty or alleged breach of fiduciary duty and agree that no Commitment Party or its affiliates will have any liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on your behalf, including your equity holders, employees or creditors. You acknowledge that the Transactions (including the exercise of rights and remedies hereunder and under the Fee Letters) are arms' length commercial transactions and that we are acting as principal and in our own best interests. You are relying on your own experts and advisors to determine whether the Transactions are in your best interests and are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the Transactions. In addition, you acknowledge that we may employ the services of our affiliates in providing

certain services hereunder and may exchange with such affiliates information concerning you, the Target and other companies that may be the subject of the Transactions and such affiliates will be entitled to the benefits afforded to us hereunder. In connection with the services and Transactions contemplated hereby, you agree that we are permitted to access, use and share with any of our bank or non-bank affiliates, agents, advisors (legal or otherwise) or representatives any information concerning the Company, the Target or any of their respective affiliates that is or may come into our possession or the possession of any of our affiliates (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential). The Commitment Parties or their affiliates may at any time be a lender under one or more existing credit facilities of the Company and/or the Target (and/or their respective subsidiaries) (in such capacity, an "Existing Lender"). The Company further acknowledges and agrees for itself and its subsidiaries that any such Existing Lender (a) will be acting for its own account as principal in connection with such existing credit facilities, (b) will be under no obligation or duty as a result of a Commitment Party's role in connection with the transactions contemplated by this Commitment Letter or otherwise to take any action or refrain from taking any action (including with respect to voting for or against any requested amendments), or exercising any rights or remedies, that each Existing Lender may be entitled to take or exercise in respect of such existing credit facilities and (c) may manage its exposure to such existing credit facilities without regard to any Commitment Party's role hereunder. The Company hereby agrees that each Commitment Party may render its services under this Commitment Letter notwithstanding any actual or potential conflict of interest presented by the foregoing, and agrees that it will not claim any conflict of interest relating to the relationship among such Commitment Party and the Company and its affiliates in connection with the commitments and services contemplated hereby, on the one hand, and the exercise by such Commitment Party or any of its affiliates of any of their rights and duties under any credit agreement or other agreement on the other hand.

Any review by MSSF or any of its affiliates of the Company or Target, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of MSSF and shall not be on behalf of the Company, the Target or any other party.

In addition, please note that Morgan Stanley & Co. LLC ("MS&Co.") has been retained by the Company as a buy-side financial advisor (in such capacity, the "Financial Advisor") to the Company in connection with the Acquisition. The parties hereto acknowledge such retention, and further agree not to assert or allege any claim based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of the Financial Advisor, and on the other hand, MSSF's and its affiliates' relationships with the other parties hereto as described and referred to herein. Each other person that becomes a party hereto acknowledges (i) the retention of MS&Co. as the Financial Advisor and (ii) that such relationship does not create any fiduciary duties or fiduciary responsibilities to such person on the part of MS&Co. or its affiliates.

Consistent with our policies to hold in confidence the affairs of our customers, we will not use or disclose confidential information obtained from you by virtue of the Transactions in connection with our performance of services for any of our other customers. Furthermore, you acknowledge that neither we nor any of our affiliates have an obligation to use in connection with the Transactions, or to furnish to you, confidential information obtained or that may be obtained by us from any other person.

Please note that the Commitment Parties and their respective affiliates do not provide tax, accounting or legal advice.

11. Waiver of Jury Trial; Governing Law; Submission to Jurisdiction.

ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION, SUIT, PROCEEDING OR CLAIM (WHETHER IN CONTRACT, TORT, OR OTHERWISE AND WHETHER AT LAW OR IN EQUITY) ARISING IN CONNECTION WITH OR AS A RESULT OF ANY MATTER REFERRED TO IN THIS COMMITMENT LETTER, THE FIRST AMENDED AND RESTATED COMMITMENT LETTER, THE ORIGINAL COMMITMENT LETTER, THE FACILITIES FEE LETTER, THE FIRST AMENDED AND RESTATED FACILITIES FEE LETTER (AS DEFINED IN THE FACILITIES FEE LETTER), THE ORIGINAL FEE LETTER (AS DEFINED IN THE FACILITIES FEE LETTER), THE MSSF AGENT FEE LETTER, THE ORIGINAL MSSF AGENT FEE LETTER (AS DEFINED IN THE MSSF AGENT FEE LETTER), THE JPMCB AGENT FEE LETTER, THE ORIGINAL JPMCB AGENT FEE LETTER (AS DEFINED IN THE JPMCB AGENT FEE LETTER) IS HEREBY IRREVOCABLY WAIVED BY THE PARTIES HERETO. THIS COMMITMENT LETTER, THE FIRST AMENDED AND RESTATED COMMITMENT LETTER, THE ORIGINAL COMMITMENT LETTER, THE FACILITIES FEE LETTER, THE FIRST AMENDED AND RESTATED FACILITIES FEE LETTER (AS DEFINED IN THE FACILITIES FEE LETTER), THE ORIGINAL FEE LETTER (AS DEFINED IN THE FACILITIES FEE LETTER), THE MSSF AGENT FEE LETTER, THE ORIGINAL MSSF AGENT FEE LETTER (AS DEFINED IN THE MSSF AGENT FEE LETTER), THE JPMCB AGENT FEE LETTER, THE ORIGINAL JPMCB AGENT FEE LETTER (AS DEFINED IN THE JPMCB AGENT FEE LETTER) AND ANY ACTION, SUIT, PROCEEDING OR CLAIM (WHETHER IN CONTRACT, TORT OR OTHERWISE AND WHETHER AT LAW OR IN EQUITY) BASED UPON, ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER OR THE OTHER DOCUMENTS REFERENCED IN THIS SENTENCE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT (A) THE INTERPRETATION OF THE DEFINITIONS OF "EFFECT", "COMPANY MATERIAL ADVERSE EFFECT" AND "PARENT MATERIAL ADVERSE EFFECT" (AND WHETHER OR NOT A "COMPANY MATERIAL ADVERSE EFFECT" OR "PARENT MATERIAL ADVERSE EFFECT" HAS OCCURRED), (B) THE DETERMINATION OF THE ACCURACY OF ANY ACQUISITION AGREEMENT REPRESENTATIONS (AS DEFINED IN EXHIBIT B HERETO) AND WHETHER YOU OR YOUR APPLICABLE SUBSIDIARY HAVE THE RIGHT TO TERMINATE YOUR OR ITS OBLIGATIONS UNDER THE ACQUISITION AGREEMENT OR TO DECLINE TO CONSUMMATE THE ACQUISITION AS A RESULT OF ANY INACCURACY OF ANY ACQUISITION AGREEMENT REPRESENTATION AND (C) THE DETERMINATION OF WHETHER THE ACQUISITION HAS BEEN CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THE ACQUISITION AGREEMENT SHALL, IN EACH CASE, BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE TO BE PERFORMED SOLELY THEREIN (INCLUDING THE PROCEDURAL LAWS AND THE LAWS RELATING TO THE STATUTE OF LIMITATIONS), WITHOUT GIVING EFFECT TO ANY LAW OR PRINCIPLE THE APPLICATION OF WHICH WOULD RESULT IN THE LAW OF ANOTHER JURISDICTION GOVERNING THE TERMS THEREOF. Each of the parties hereto hereby irrevocably (a) submits, for itself and its property, to the jurisdiction of (i) the Supreme Court of the State of New York, New York County, and (ii) the United States District Court for the Southern District of New York, located in the Borough of Manhattan, and any appellate court from any such court, in any action, suit, proceeding or claim arising out of or relating to this Commitment Letter, the First Amended and Restated Commitment Letter, the Original Commitment Letter, the Facilities Fee Letter, the First Amended and Restated Facilities Fee Letter (as defined in the Facilities Fee Letter), the Original Fee Letter (as defined in the Facilities Fee Letter), the MSSF Agent Fee Letter, the Original MSSF Agent Fee Letter (as defined in the MSSF Agent Fee Letter), the JPMCB Agent Fee Letter, the Original JPMCB Agent Fee Letter (as defined in the JPMCB Agent Fee Letter) or the Transactions or the performance of services contemplated

hereunder or thereunder, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action, suit, proceeding or claim shall be heard and determined exclusively in such New York State court or such Federal court, (b) waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any action, suit, proceeding or claim arising out of or relating to this Commitment Letter, the First Amended and Restated Commitment Letter, the Original Commitment Letter, the Facilities Fee Letter, the First Amended and Restated Facilities Fee Letter (as defined in the Facilities Fee Letter), the Original Fee Letter (as defined in the Facilities Fee Letter), the MSSF Agent Fee Letter, the Original MSSF Agent Fee Letter (as defined in the MSSF Agent Fee Letter), the JPMCB Agent Fee Letter, the Original JPMCB Agent Fee Letter (as defined in the JPMCB Agent Fee Letter), the Transactions or the performance of services contemplated hereunder or thereunder in any such New York State or Federal court and (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such action, suit, proceeding or claim in any such court. Each of the parties hereto agrees to commence any such action, suit, proceeding or claim either in the United States District Court for the Southern District of New York, located in the Borough of Manhattan or in the Supreme Court of the State of New York, New York County.

12. Termination; Survival; Miscellaneous; Acceptance

Our commitments hereunder and our agreements to provide the services described herein will terminate upon the first to occur of (a) the date of consummation of the Acquisition, effective immediately following such consummation, with or without the use of the Term Facilities, (b) the valid termination of the Acquisition Agreement prior to the consummation of the Acquisition in accordance with the terms thereof (and you hereby agree to notify us promptly of such termination), (c) the execution and delivery of the Facility Documentation by the Company and the other parties thereto (which commitments and agreements hereunder, subject to the following paragraph, shall thereby be superseded by the corresponding commitments and certain agreements under the Facility Documentation), and (d) the date that is five business days after the "End Date" (as defined in the Acquisition Agreement as in effect on the Original Signing Date), as the End Date may be extended from time to time pursuant to Section 6.1(b) of the Acquisition Agreement as in effect on the Original Signing Date (such earliest date described in this clause, the "Commitment Termination Date"); provided that the termination of commitments and agreements pursuant to this sentence does not preclude our or your rights and remedies in respect of any breach of this Commitment Letter or the Fee Letters during the term thereof.

The provisions set forth in Sections 3, 4, 5, 6, 9, 10 and 11 hereof and this paragraph and the provisions of the Fee Letters will remain in full force and effect regardless of whether the Facility Documentation is executed and delivered; provided that your obligations under Sections 6 and 9 hereof shall, to the extent covered by the Facility Documentation, be superseded by the corresponding provisions set forth in the Facility Documentation upon the execution and delivery of the Facility Documentation by the Company and the other parties thereto. If Facility Documentation is not executed and delivered, the provisions set forth in Sections 4, 6, 9, 10 and 11 hereof and this paragraph and the provisions of the Fee Letters will remain in full force and effect notwithstanding the expiration or termination of this Commitment Letter or any Commitment Party's commitment and agreements hereunder.

This Commitment Letter is intended to be solely for the benefit of the parties hereto (and the Indemnified Persons), and is not intended to confer any benefits upon, or create any rights in favor of or be enforceable by or at the request of, any person (including stockholders, employees or creditors of the Company) other than the parties hereto (and the Indemnified Persons). Each of the parties hereto agrees that this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Facility Documentation by the

parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the commitment provided hereunder is subject solely to conditions precedent set forth in Exhibit B.

This Commitment Letter may not be amended or any term or provision hereof waived or modified except by an instrument in writing signed by each of the parties hereto or, to the extent relating only to the rights and obligations of MSSF, by MSSF and the Company. This Commitment Letter may be executed in any number of counterparts, each of which when executed will be an original and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by email or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof. Any signature to this Commitment Letter (or any Joinder Agreement or any other amendment hereto) may be delivered by electronic mail (including pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law. This Commitment Letter and the Fee Letters are the only agreements that have been entered into by the parties hereto with respect to the Term Facilities and set forth the entire understanding of the parties hereto with respect to thereto. Section headings used herein are for convenience of reference only, are not part of this Commitment Letter and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

THIS COMMITMENT LETTER REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Please confirm that the foregoing is in accordance with your understanding by signing and returning the enclosed copy of this Commitment Letter and the Fee Letters on or before 11:59 p.m., New York City time, on October 19, 2026 (the date on which you execute the Commitment Letter and Fee Letters being referred to as, the "Countersign Date"), whereupon this Commitment Letter and the Fee Letters will become binding agreements between us and you.

[*The remainder of this page is intentionally left blank.*]

We look forward to working with you on this assignment.

Very truly yours,

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ Andrew Doherty
Name: Andrew Doherty
Title: Authorized Signatory

JPMORGAN CHASE BANK, N.A.

By: /s/ Monica Knight
Name: Monica Knight
Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ Sanjay Rijhwani
Name: Sanjay Rijihwani
Title: Managing Director

HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ David Barth
Name: David Barth
Title: Managing Director

HSBC SECURITIES (USA) INC.

By: /s/ David Barth
Name: David Barth
Title: Managing Director

HSBC BANK PLC

By: /s/ James Steele
Name: James Steele
Title: Relationship Manager

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Martin Corrigan
Name: Martin Corrigan
Title: Director

Crédit Agricole Corporate & Investment Bank

By: /s/ Kevin Gay
Name: Kevin Gay
Title: Managing Director

Crédit Agricole Corporate & Investment Bank

By: /s/ Paul Arens
Name: Paul Arens
Title: Director

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Jackson Langham
Name: Jackson Langham
Title: Vice President

PNC CAPITAL MARKETS LLC

By: /s/ Jackson Langham
Name: Jackson Langham
Title: Director

BMO Capital Markets Corp.

By: /s/ Matthew Lynn
Name: Matthew Lynn
Title: Managing Director

BMO Bank, N.A.

By: /s/ Darryl Jacobson
Name: Darryl Jacobson
Title: Managing Director

Bank of Montreal

By: /s/ Matthew Lynn
Name: Matthew Lynn
Title: Managing Director

Sumitomo Mitsui Banking Corporation

By: /s/ Nabeel Shah
Name: Nabeel Shah
Title: Executive Director

Royal Bank of Canada

By: /s/ Michael Heuff
Name: Michael Heuff
Title: Global Co-Head of Leveraged Finance and Capital Markets

Truist Securities, Inc.

By: /s/ Andrew Spiegel
Name: Andrew Spiegel
Title: Director

Truist Bank

By: /s/ Alfonso Brigham
Name: Alfonso Brigham
Title: Director

KBC BANK N.V., NEW YORK BRANCH

By: /s/ Nicholas Fiore
Name: Nicholas Fiore
Title: Managing Director

By: /s/ Wei-Chun Wang
Name: Wei-Chun Wang
Title: Managing Director

Standard Chartered Bank

By: /s/ Brendan Heneghan
Name: Brendan Heneghan
Title: Executive Director

BARCLAYS BANK PLC

By: /s/ John Skrobe
Name: John Skrobe
Title: Managing Director

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST WRITTEN ABOVE:

ON SEMICONDUCTOR CORPORATION

By: /s/ Thad Trent
Name: Thad Trent
Title: Executive Vice President and Chief Financial Officer

SCHEDULE A
CONFIDENTIAL

Commitment Schedule

Commitment Party	**Term Loan A Credit Facility Commitment Percentage**	**Term Loan B Credit Facility Commitment Percentage**
MORGAN STANLEY SENIOR FUNDING, INC.	9.375000000%	25.000000000000000%
JPMORGAN CHASE BANK, N.A.	10.937500000%	9.051724137931030%
BANK OF AMERICA, N.A.	10.937500000%	9.051724137931030%
HSBC BANK USA, NATIONAL ASSOCIATION	0.937500000%	0.000000000000000%
HSBC BANK PLC	10.000000000%	9.051724137931030%
Citi	10.937500000%	9.051724137931030%
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK	10.937500000%	9.051724137931030%
PNC BANK, NATIONAL ASSOCIATION	10.937500000%	9.051724137931030%
BMO BANK, N.A.	4.687500000%	0.000000000000000%
BANK OF MONTREAL	0.000000000%	3.879310344827590%
SUMITOMO MITSUI BANKING CORPORATION	4.687500000%	3.879310344827590%
ROYAL BANK OF CANADA	4.687500000%	3.879310344827590%
TRUIST BANK	4.687500000%	3.879310344827590%
KBC BANK N.V., NEW YORK BRANCH	2.187500000%	1.810344827586210%
STANDARD CHARTERED BANK	2.187500000%	1.810344827586210%
BARCLAYS BANK PLC	1.875000000%	1.551724137931030%
Total:	**100.000000000%**	**100.000000000000000%**

Project Sonic
$2.45 Billion Senior Secured Term Loan Facilities
Summary of Terms and Conditions

Capitalized terms not otherwise defined in this Exhibit A shall have the same meaning as specified with respect thereto in the Commitment Letter to which this Exhibit A is attached.

Borrower:	ON Semiconductor Corporation, a Delaware corporation (the "Company").
Guarantors:	The obligations of the Company in respect of the Term Facilities (as defined below) will be jointly and severally guaranteed by each of the Company's existing and subsequently acquired or formed subsidiaries that guarantees the obligations outstanding under the Existing Company Credit Agreement (collectively, the "Guarantors" and, together with the Company, the "Loan Parties"). Notwithstanding the foregoing, subsidiaries may be excluded from the guarantee requirements in circumstances where the Company and the Administrative Agent reasonably agree that the cost or burden of providing such a guarantee is excessive in relation to the value afforded thereby.
Joint Lead Arrangers and Joint Lead Bookrunners:	Each of (i) MSSF, JPMCB, Bank of America, HSBC Securities, Citi, Credit Agricole, PNC Capital Markets, BMOCM, SMBC, RBC, Truist Securities, KBC, SC and Barclays will act as a joint lead arranger (each in such capacities, a "Joint Lead Arranger" and, collectively, the "Joint Lead Arrangers") for the Term Facilities and (ii) MSSF, JPMCB, Bank of America, HSBC Securities, Citi, Credit Agricole and PNC Capital Markets will act as a joint bookrunner (each in such capacities, a "Joint Lead Bookrunner" and, collectively, the "Joint Lead Bookrunners" and, together with the Joint Lead Arrangers, the "Arrangers") for the Term Facilities and, in each case, will perform the duties customarily associated with such roles. MSSF will act as "left" lead Arranger and bookrunner (in such capacity, the "Lead Arranger").
Administrative Agent:	JPMCB will act as sole and exclusive administrative agent and collateral agent (in such capacities, "Administrative Agent").
Lenders:	MSSF and/or other banks, financial institutions and institutional lenders selected in accordance with the Commitment Letter, but excluding any Disqualified Lender (collectively, the "Lenders").

Term Facilities:	Senior secured term loan facilities in an aggregate principal amount of up to $2,450,000,000, consisting of the following: A five-year senior secured term loan A credit facility in an aggregate principal amount of up to $1,600,000,000 (the "Term Loan A Credit Facility"), and A seven-year senior secured term loan B credit facility in an aggregate principal amount of up to $850,000,000 (the "Term Loan B Credit Facility" and, together with the Term Loan A Credit Facility, the "Term Facilities" and each a "Term Facility"). Loans under the Term Facilities will be available in U.S. dollars.
Incremental Facilities:	Subject to the Documentation Principles (as defined below), to be consistent with the Existing Company Credit Agreement.
Refinancing Facilities:	Subject to the Documentation Principles, to be included subject to customary terms and conditions to be mutually agreed upon by the Company and the Arrangers.
Purpose/Use of Proceeds:	The proceeds of the Term Facilities will be used solely (a) to fund the cash portion of the consideration for the Acquisition and (b) to pay fees, costs and expenses in connection with the Transactions.
Availability:	A single drawing may be made under each of the Term Facilities on the Closing Date. Amounts borrowed under the Term Facilities that are repaid or prepaid may not be reborrowed. On the Closing Date, any undrawn commitments under each Term Facility shall automatically terminate.
Closing Date:	The date, on or before the Commitment Termination Date, on which the borrowings under the Term Facilities are made and the Acquisition is consummated (the "Closing Date").
Collateral:	Subject to the Limited Conditionality Provision and customary exceptions to be set forth in the Facility Documentation, all obligations of the Company under the Term Facilities and of the Guarantors under the guarantees, will be secured by first priority perfected security interests (subject to permitted liens) in substantially all existing and after-acquired property of the Company and each Guarantor in a manner consistent with the Existing Company Credit Agreement (the "Collateral").
Maturity:	The maturity date (the "Maturity Date") of the Term Facilities will be (x) with respect to the Term Loan A Credit Facility, the date that is five years after the Closing Date and (y) with respect to the Term Loan B Credit Facility, the date that is seven years after the Closing Date.

Amortization: The Term Facilities will have amortization as follows:

The Term Loan A Credit Facility will amortize in quarterly installments, commencing with the first fiscal quarter ending after the Closing Date, in aggregate amounts equal to (i) from the Closing Date to the first anniversary of the Closing Date, 1.25% of the original principal amount of the Term Loan A Credit Facility on the Closing Date each quarter, (ii) from the first anniversary of the Closing Date to the third anniversary of the Closing Date, 2.50% of the original principal amount of the Term Loan A Credit Facility on the Closing Date each quarter, and (iii) from the third anniversary of the Closing Date and thereafter, 3.75% of the original principal amount of the Term Loan A Credit Facility on the Closing Date each quarter, with the balance payable on the fifth anniversary of the Closing Date.

The Term Loan B Credit Facility will amortize in equal quarterly installments, commencing with the first full fiscal quarter ending after the Closing Date, in aggregate quarterly amounts equal to 0.25% of the original principal amount of the Term Loan B Credit Facility on the Closing Date with the balance payable on the seventh anniversary of the Closing Date.

Interest Rate: All amounts outstanding under the Term Facilities will bear interest at a rate *per annum* equal to, at the Company's option:

(a) the Base Rate plus the Applicable Margin; or

(b) Term SOFR plus the Applicable Margin.

"Applicable Margin" means (i) with respect to loans under the Term Loan A Credit Facility, as determined based on the Company's "Total Net Leverage Ratio" (to be defined substantially identical to corresponding term in the Existing Company Credit Agreement) as set forth in the grid below and (ii) with respect to loans under the Term Loan B Credit Facility that are (x) Term SOFR loans, 2.25% and (y) Base Rate loans, 1.25%

Total Net Leverage Ratio	Term Loan A Credit Facility	
	Applicable Margin for Term SOFR Loans	Applicable Margin for Base Rate Loans
Greater than 2.25 to 1.00	1.75%	0.75%
Less than or equal to 2.25 to 1.00 but greater than 1.75 to 1.00	1.50%	0.50%
Less than or equal to 1.75 to 1.00	1.25%	0.25%

As used herein, "Base Rate" and "Term SOFR" shall be defined in a manner consistent with JPMCB's customary practice, with a "floor" of 0.00% for Term SOFR; provided that neither "Base Rate" nor "Term SOFR" shall include any credit spread adjustment.

Default Interest: Upon the occurrence and during the continuance of a payment default, interest on amounts not paid when due will accrue at a rate of (a) in the case of principal of any loans, 2% above the rate otherwise applicable thereto or (b) in the case of any other amount, 2% above the rate applicable to Base Rate loans, with such interest being payable on demand.

Interest Payments: Quarterly for loans bearing interest based upon the Base Rate; on the last day of each applicable interest period (which will be one, three or six months (or such shorter or longer period as shall have been consented to by each Lender)) for loans bearing interest based upon Term SOFR, provided that interest payments shall be due at the end of every three months in the case of interest periods of longer than three months; on the Maturity Date; and upon each mandatory or voluntary prepayment on the principal amount prepaid, in each case payable in arrears and computed on the basis of a 360-day year (a 365/366-day year with respect to Base Rate loans determined on the basis of the prime rate).

Funding Protection and Taxes:	Customary for transactions of this type and subject to the Documentation Principles.
Voluntary Prepayments and Commitment Reductions:	Subject to the immediately following paragraph, each Term Facility may be prepaid in whole or in part without premium or penalty upon same business day's (or, in the case of a prepayment of loans bearing interest based upon Term SOFR, three business days') prior written notice. The commitments under the Term Facilities may be terminated in whole or in part by the Company at any time without penalty. Any optional prepayment of any Term Facility will be applied to the remaining scheduled amortization payments thereof as directed by the Borrower. In the case of (a) any optional prepayment of loans under the Term Loan B Credit Facility with the proceeds of, or any exchange of loans under the Term Loan B Credit Facility into, any new or replacement U.S. dollar-denominated floating rate broadly syndicated pari passu secured term loan "B" credit facility having a lower all-in-yield than the all-in-yield of the Term Loan B Credit Facility or (b) any "repricing" amendment (and any mandatory assignment by a Lender in connection therewith) of the Term Loan B Credit Facility which reduces the all-in-yield applicable to the Term Loan B Credit Facility, in each case prior to the date that is 6 months after the Closing Date and where the primary purpose (as determined by the Borrower in good faith) of such prepayment, exchange or amendment is to reduce (and which does in fact so reduce) the all-in-yield of the Term Loan B Credit Facility, the Borrower shall pay a 1.00% prepayment fee with respect to any loans under the Term Loan B Credit Facility so prepaid, exchanged or amended (or mandatorily assigned); provided that no such fee shall be payable in connection with any transaction that would, if consummated, constitute (i) a change of control, (ii) a material disposition or a material acquisition or other similar material investment or (iii) any other transaction not otherwise permitted by the Facility Documentation.

Mandatory Prepayments and Commitment Reductions:

Loans under the Term Facilities shall be prepaid by the following amounts (without premium or penalty):

(a) commencing with the first full fiscal year of the Company ending after the Closing Date, 50% of Excess Cash Flow (to be defined in the Facility Documentation in a mutually agreeable manner), with step-downs to 25% upon achievement of a First Lien Net Leverage Ratio as of the end of the applicable fiscal year equal to or less than 0.25x inside the First Lien Net Leverage Ratio on the Closing Date and to 0% upon achievement of a First Lien Net Leverage Ratio as of the end of the applicable fiscal year equal to or less than 0.50x inside the First Lien Net Leverage Ratio on the Closing Date (the "ECF Prepayment Amount"); provided that the Company shall only be required to offer to prepay loans under the Term Facilities to the extent the resulting Excess Cash Flow prepayment amount exceeds 15% of Consolidated EBITDA (to be calculated substantially identically with the corresponding term in the Existing Company Credit Agreement) calculated on a pro forma basis for the then most recently ended test period (with only amounts in excess of such threshold required to be offered to prepay); provided, further, that, at the option of the Company that (w) any voluntary or non-prohibited mandatory prepayments, buybacks, redemptions or repurchases of (i) loans under the Term Facilities, (ii) the revolving credit facility documented under the Existing Company Credit Agreement or other revolving indebtedness that is secured on a pari passu basis with the Term Facilities, in each case, to the extent commitments thereunder are permanently reduced by the amount of such prepayments, (iii) any other unsecured Indebtedness, junior secured indebtedness or indebtedness that is secured on a pari passu basis with the Term Facilities or (iv) any permanent commitment reductions of any of the foregoing (including, in each case, through loan buybacks, prepayments in connection with yank-a-bank provisions, prepayments at a discount to par and open market purchases, with credit in all cases of (i), (ii), (iii) and (iv) given for the actual principal amount of any such debt so prepaid, bought back, repurchased, redeemed or retired (other than prepayments at a discount to par, for which credit shall be limited to the amount actually paid) together with any premiums or penalties thereon), (x) the aggregate amount of capital expenditures, capitalized software expenditure or acquisitions of intellectual property, (y) the aggregate amount paid or distributed by the Company and its restricted subsidiaries (on a consolidated basis) in connection with acquisitions, other investments and any certain restricted payments and (z) certain other cash expenditures (including any taxes or tax reserves, payments of long-term liabilities and any other non-expensed cash payment), in each case of clauses (w), (x), (y) and (z), (i) made during such fiscal year or, at the option of the Company,

after such fiscal year end and prior to the time such excess cash flow payment is due or budgeted or committed (including, without limitation pursuant to any letter of intent (or equivalent) or other agreement) to be made in the next 12 months after the otherwise applicable date on which such excess cash flow prepayment was required to be made (provided that the aggregate amount of any budgeted or committed cash expenditures that are not actually made during such 12 month period or funded with the proceeds of incurrences of long-term indebtedness (other than revolving indebtedness, intercompany indebtedness, indebtedness which has been repaid or any other indebtedness which is intended to be repaid from operating cash flows) shall increase the ECF Prepayment Amount for the subsequent year on a dollar-for-dollar basis) and (ii) other than to the extent such prepayments, expenditures or other cash payments are funded with the proceeds of incurrences of long-term indebtedness (other than revolving indebtedness, intercompany indebtedness, indebtedness which has been repaid or any other indebtedness which is intended to be repaid from operating cash flows), shall, in the case of each of clauses (w), (x), (y) and (z), be credited against the ECF Prepayment Amount for such fiscal year on a dollar-for-dollar basis (without duplication of any amounts deducted in calculating the ECF Prepayment Amount for any prior fiscal year); provided that any of the foregoing credits described in clauses (w), (x), (y) and (z) and portion of the threshold above which an excess cash flow prepayment would be required, which are not required to be utilized in order for the ECF Prepayment Amount to be greater than $0 may be carried forward to reduce ECF Prepayment Amounts in the immediately subsequent fiscal year only (as elected by the Company);

(b) 100% of the net after-tax cash proceeds received from the incurrence of indebtedness by the Company or any of its restricted subsidiaries (other than indebtedness permitted under the Facility Documentation (other than permitted refinancing facilities)); and

(c) 100% of the net after-tax cash proceeds in excess of the greater of (x) 15% of Consolidated EBITDA calculated on a pro forma basis for the then most recently ended test period and (y) a corresponding dollar amount of all non-ordinary asset sales by the Company and its restricted subsidiaries and casualty insurance and condemnation proceeds received by the Company and its restricted subsidiaries, subject to the right of the Company and its restricted subsidiaries to reinvest an amount equal to such proceeds if such amount is reinvested (or committed to be reinvested) in assets useful to the Company and its restricted subsidiaries' business, including permitted acquisitions and investments or utilized to prepay indebtedness of restricted subsidiaries, within 12 months and, if so committed to be reinvested, reinvested within 6 months after such initial 12-month period, and other exceptions to be set forth in the Facility Documentation.

All mandatory prepayments will be applied pro rata to loans under the Term Facilities and to scheduled amortization payments thereof in direct order of maturity, subject to customary provisions for lenders under the Term Facilities, as applicable, to decline mandatory prepayment proceeds.

The commitments under the Term Facilities shall terminate on the Commitment Termination Date (without giving effect to clause (c) of the definition thereof).

Mandatory prepayments will not be required to the extent the Company reasonably determines that any required repatriation of funds from the Company's foreign subsidiaries in order to effect such prepayments would reasonably be expected to: (i) have an adverse tax consequence that is not de minimis for the Company and/or its restricted subsidiaries (taking into account foreign tax credits and other tax attributes), (ii) contravene applicable law, (iii) give rise to a risk of liability for the directors of such subsidiaries or (iv) be prohibited by the organizational document restrictions of non-controlled entities.

Notwithstanding anything to the contrary contained herein, if the full amount of the Term Loan B Credit Facility is re-allocated to the Term Loan A Credit Facility, the Excess Cash Flow sweep described above shall be removed.

Documentation Principles:	The Term Facilities will be documented as an incremental amendment to the Existing Company Credit Agreement (the "Incremental Amendment", together with the reaffirmation agreements and other customary credit documentation with respect to the Term Facilities, the "Facility Documentation") which will be based on, and substantially similar to the Existing Company Credit Agreement as of the date hereof, with modifications thereto (i) to reflect the terms set forth in this Exhibit A, including the nature of the Term Facilities as term loan A and term loan B credit facilities, and in Exhibit B, (ii) to reflect the operational or administrative requirements of the Administrative Agent, (iii) to permit the consummation of the Transactions and assumption of existing debt of the Target and its subsidiaries on the Closing Date that is permitted to remain outstanding pursuant to the Acquisition Agreement (after giving effect to the Transactions), and (iv) as otherwise mutually agreed by the Company and the Arrangers. The Facility Documentation shall contain (i) only those conditions to borrowing as are expressly set forth in Exhibit B to the Commitment Letter and (ii) only those mandatory commitment reductions or prepayments, representations and warranties, covenants and events of default expressly set forth in this Exhibit A, in each case, applicable to the Company and its restricted subsidiaries (including the Acquired Business) and with standards, qualifications, thresholds, exceptions, "baskets" and grace and cure periods consistent with the foregoing. The principles set forth in this paragraph are referred to as the "Documentation Principles".

Representations and Warranties:	Subject to the Documentation Principles, the Limited Conditionality Provision and consistent with the Existing Company Credit Agreement, consisting solely of the following representations which shall be with respect to the Company and its restricted subsidiaries (including the Acquired Business): (i) organization, powers, subsidiaries; (ii) authorization, enforceability; (iii) governmental approvals, no conflicts; (iv) financial statements, financial condition, no material adverse change; (v) properties; (vi) litigation and environmental matters; (vii) compliance with laws; (viii) Investment Company Act status; (ix) taxes; (x) ERISA; (xi) disclosure; (xii) Federal Reserve Regulations; (xiii) security interests; (xiv) USA PATRIOT Act; (xv) anti-corruption laws and sanctions; (xvi) insurance; (xvii) no default; (xviii) EEA financial institutions; (xix) plan assets, prohibited transactions; (xx) intellectual property, data security; (xxi) Outbound Investment Rules (limited to a representation that neither the Company nor any of its restricted subsidiaries currently engages, or has any present intention to engage in the future, directly or indirectly, in any activity that would cause the Administrative Agent or any Lender to be in violation of the Outbound Investment Rules or cause the Administrative Agent or any Lender to be legally prohibited by the Outbound Investment Rules from performing under the Facility Documentation); and (xxii) solvency of the Company and its subsidiaries, on a consolidated basis, on the Closing Date after giving effect to the Transactions (such representation and warranty to be consistent with the solvency certificate in the form set forth in Annex I to Exhibit B).
Conditions Precedent to Borrowing:	The several obligation of each Lender to make loans under the Term Facilities on the Closing Date will be subject solely to the satisfaction of the conditions set forth in Exhibit B.
Affirmative Covenants:	Subject to the Documentation Principles and consistent with the Existing Company Credit Agreement, the Facility Documentation will include only the following affirmative covenants with respect to the Company and, if applicable, its restricted subsidiaries or material subsidiaries: (i) financial statements and other information; (ii) notices of material events; (iii) existence, conduct of business; (iv) payment of taxes; (v) maintenance of properties, insurance; (vi) books and records, inspection rights; (vii) compliance with laws; (viii) use of proceeds; (ix) further assurances, additional security and guarantees; and (x) designation of subsidiaries.

Negative Covenants:	Subject to the Documentation Principles and consistent with the Existing Company Credit Agreement, the Facility Documentation will include only the following negative covenants with respect to the Company and, if applicable, its restricted subsidiaries or material subsidiaries: (i) indebtedness; (ii) liens; (iii) restricted payments; (iv) transactions with affiliates; (v) dispositions; (vi) changes in fiscal year, accounting standards, lines of business; (vii) fundamental changes; (viii) amendments of junior financings; (ix) amendments to organizational documents; (x) burdensome agreements; (xi) negative pledge clauses; (xii) clauses restricting subsidiary distributions; and (xiii) suspension of certain covenants on achievement of investment grade status.
Financial Covenant:	With respect to the Term Loan A Credit Facility, a maximum Total Net Leverage Ratio of 4.00 to 1.00 to be tested at the end of each quarter (subject to the Documentation Principles, with financial definitions and "Step-Ups" during "Increase Periods" to be consistent with the Existing Company Credit Agreement). With respect to the Term Loan B Credit Facility, none.
Events of Default:	Subject to the Documentation Principles and consistent with the Existing Company Credit Agreement, the Facility Documentation will include only the following events of default (and, as appropriate, grace periods, in each case with materiality qualifiers, limitations and exceptions consistent with the Documentation Principles) with respect to the Company and, if applicable, its restricted subsidiaries or material subsidiaries: failure to make payments when due (subject to, other than in the case of principal, grace periods consistent with the Existing Company Credit Agreement); noncompliance with covenants (subject to, in the case of certain affirmative covenants consistent with the Existing Company Credit Agreement, a 30 day grace period); representations and warranties materially incorrect when made or deemed made; cross-defaults to material indebtedness and material swap contracts; bankruptcy or insolvency proceedings; inability to pay debts; attachment; material monetary judgment defaults; certain ERISA events; invalidity of loan documents; and change of control.

Assignments and Participations:	Subject to the Documentation Principles, the Lenders may assign all or, in an amount of not less than $5,000,000, any part of their respective commitments and loans under either Term Facility, to their affiliates or one or more banks, financial institutions or other persons that are eligible assignees (to exclude any Disqualified Lender), subject to the prior written consent (each such consent not to be unreasonably withheld, conditioned or delayed) of (a) the Administrative Agent and (b) the Company, except that no consent of the Company shall be required after the Closing Date solely during the continuance of a payment or bankruptcy event of default; provided that such bank, financial institution or other person shall be deemed acceptable to the Company if the Company does not otherwise notify the Administrative Agent of its objection to such bank, financial institution or other person within 10 business days after receiving written notice thereof; provided, further, that assignments made to another Lender, an approved fund of a Lender or an affiliate of a Lender will not be subject to the above minimum assignment amount and consent requirements. The Lenders will also have the right to sell participations, subject only to customary limitations on voting rights and the Documentation Principles, in their respective shares of the loans made under the Term Facilities.

Amendments and Required Lenders:	Subject to the Documentation Principles, no amendment, modification or waiver of any provision of the Incremental Amendment (including a waiver of any condition to the funding of the Term Facilities), will be effective without the written approval of Lenders holding more than 50.0% of the aggregate amount of outstanding loans or unused commitments under the Term Facilities (the "Required Lenders"); provided that (a) the consent of each Lender directly adversely affected thereby will be required with respect to (i) reductions in the amount of principal of any loan, (ii) reductions in interest rates or fees or extensions of the scheduled dates for payment thereof, (iii) increases in the amounts or extensions of the scheduled expiration date of the Lenders' commitments, (iv) amendments to any "waterfall" or application of proceeds provisions, the pro rata sharing provisions or any provisions of the Facility Documentation requiring the ratable sharing of payments of Lenders and (v) amendments to the Facility Documentation to contractually subordinate (1) the liens on all or substantially all of the Collateral to any other lien on such Collateral securing any other indebtedness for borrowed money and/or (2) any of the obligations in right of payment to any other indebtedness for borrowed money and (b) the consent of 100% of the Lenders will be required with respect to (i) reductions of any of the voting percentages and (ii) release all or substantially all of the guarantees or all or substantially all of the Collateral; provided that no amendment or waiver shall amend, modify or otherwise affect the rights or duties of the Administrative Agent without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, any amendments or waivers that adversely affect lenders in one Term Facility differently than lenders in the other Term Facility will require the approval of the lenders holding the majority of loans or commitments under the Term Facility which is adversely and differently affected thereby.
Indemnity and Expenses:	Usual and customary for a facility of this type, subject to the Documentation Principles.

Governing Law and Jurisdiction:	The Incremental Amendment will provide that the parties thereto will submit to the exclusive jurisdiction and venue of the federal and state courts sitting in the County and State of New York and will waive any right to trial by jury. New York law will govern the Incremental Amendment; provided, however, that (a) the determination of the accuracy of any Acquisition Agreement Representation and whether the Company or its applicable subsidiary has the right to terminate the Company's or such subsidiary's obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of any inaccuracy of any Acquisition Agreement Representation and (b) the determination of whether the Acquisition has been consummated in accordance with the terms of the Acquisition Agreement shall, in each case, be interpreted, construed and governed in all respects by and in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable conflicts of law principles.
EU/UK Bail-in Provisions:	Subject to the Documentation Principles, the Facility Documentation will contain customary EU and UK bail-in provisions.
Counsel to the Arrangers and the Administrative Agent:	Davis Polk & Wardwell LLP.

EXHIBIT B
CONFIDENTIAL

Project Sonic
$2.45 Billion Senior Secured Term Loan Facilities
Summary of Conditions Precedent

Capitalized terms not otherwise defined in this Exhibit B shall have the same meaning as specified with respect thereto in the Commitment Letter to which this Exhibit B is attached or the other Exhibits to the Commitment Letter. Subject to the Limited Conditionality Provision and the Documentation Principles, the availability of, and borrowings under, the Term Facilities shall be subject solely to the following conditions:

1. Acquisition. The Acquisition shall have been consummated on the Closing Date, or will be consummated substantially concurrently with the funding under the Term Facilities, in all material respects in accordance with the terms of the Acquisition Agreement. The Acquisition Agreement shall not have been amended, supplemented or modified in any respect, or any provision or condition therein waived, or any consent granted thereunder (directly or indirectly), by the Company or any of its subsidiaries, in a manner materially adverse to the interests of the Lenders or the Arrangers (in either case, in their respective capacities as such) without the Arrangers' prior written consent (such consent not to be unreasonably withheld, delayed or conditioned), it being understood and agreed that (a) any Arranger's consent shall be deemed to have been given if such Arranger does not object in writing to a written request for such consent within five business days after such written request is delivered to such Arranger, (b) any reduction in the purchase price of the Acquisition shall not be materially adverse to the interests of the Lenders or the Arrangers so long as such decrease is (x) less than 10% of the original consideration for the Acquisition (on an aggregate basis for all such reductions) or (y) allocated to ratably reduce the commitments in respect of the Term Facilities, (c) any increase in the purchase price of the Acquisition shall not be materially adverse to the Lenders or the Arrangers so long as such increase is funded by equity or cash on hand of the Company and its subsidiaries, (d) any adjustment to the consideration for the Acquisition effected pursuant to Section 1.5(c) of the Acquisition Agreement, (e) any adjustment to the form of consideration for the Acquisition will be deemed not to be materially adverse to the interests of the Lenders or the Arrangers and (f) any fluctuation in per share value of any equity consideration component of the consideration under the Acquisition Agreement will be deemed not to be an amendment, supplement, modification or waiver under the Acquisition Agreement.

2. Financial Statements. The Arrangers shall have received (a) audited consolidated balance sheets and the related audited consolidated statements of operations and comprehensive income, cash flows and stockholders' equity of the Company for each of the most recent three fiscal years ending at least 60 days prior to the Closing Date, (b) unaudited consolidated balance sheets and the related unaudited consolidated statements of operations and comprehensive income, cash flows and stockholders' equity of the Company for each fiscal quarter (other than the fourth fiscal quarter) ended since the date of the Company's most recent audited balance sheet delivered pursuant to clause (a) above and at least 40 days prior to the Closing Date, (c)(i) audited consolidated balance sheets of the Target and its subsidiaries, and the related audited statements of operations and comprehensive income, cash flows and stockholders' equity for the most recent fiscal year of Target ended at least 60 days prior to the Closing Date and (ii) an unaudited condensed consolidated balance sheet and related unaudited condensed consolidated statements of operations, cash flows and stockholders' equity for each fiscal quarter (other than the fourth fiscal quarter) ended since the date of Target's most recent audited balance sheet delivered pursuant to clause (c)(i) above and at least 40 days prior to the Closing Date, and (d) pro forma consolidated income statement and balance sheet of the Company and its consolidated subsidiaries giving effect to the Transactions.

3. Facility Documentation; Closing Deliverables. On or prior to the Closing Date and subject to the Limited Conditionality Provision, (a) the Borrower and each Guarantor shall have executed and delivered the applicable Facility Documentation, (b) subject to the Limited Conditionality Provision, the Company and, subject to the limitations set forth in the Section titled "Guarantors" in Exhibit A to the Commitment Letter, the Guarantors shall have executed and delivered a reaffirmation agreement, in form and substance customary for transactions of this type and consistent with the Existing Company Credit Agreement and the Documentation Principles, and (c) the Administrative Agent shall have received: (i) a customary closing certificate (as to the satisfaction of the closing conditions set forth in Sections 1 and 7 of this Exhibit B), (ii) a customary secretary's certificate of the Company and each Guarantor, (iii) good standing certificates (or local equivalent, if any) from the jurisdiction of organization of the Company and each Guarantor on the Closing Date dated as of a recent date (in each case to the extent applicable), (iv) a customary notice of borrowing (which shall not contain any representations or warranties or any statement as to the absence of defaults), (v) customary legal opinions; and (vi) a solvency certificate from the chief financial officer of the Company substantially in the form of Annex I hereto.

4. Collateral Documents: Subject to the Limited Conditionality Provision, all documents and instruments required to create and perfect the Administrative Agent's security interests in the Collateral shall have been executed and delivered by the Company and the Guarantors and, if applicable, be in proper form for filing.

5. KYC: The Administrative Agent shall have received at least three business days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation, to the extent requested in writing to the Company by the Administrative Agent or any Lender at least 10 business days prior to the Closing Date.

6. Fees: The Company shall have paid, prior to or substantially concurrently with the funding of the Term Facilities, all fees, expenses and other amounts payable by it under the Commitment Letter, the Fee Letters or the Incremental Amendment on or prior to the Closing Date (in the case of expenses and other amounts, to the extent invoiced at least two business days prior to the Closing Date).

7. Accuracy of Certain Representations and Warranties. (a) The Acquisition Agreement Representations shall be true and correct in all material respects, in each case, as of the Closing Date (although any Acquisition Agreement Representation which expressly relates to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be) solely to the extent required by the Limited Conditionality Provision and (b) the Specified Representations shall be true and correct in all material respects (unless already qualified by materiality or "material adverse effect", in which case they shall be true and correct in all respects), in each case as of the Closing Date (although any Specified Representation which expressly relates to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be).

Annex I to Exhibit B

[FORM OF] SOLVENCY CERTIFICATE
OF
ON SEMICONDUCTOR CORPORATION

Pursuant to Section [●] of the Credit Agreement, dated as of the date hereof (the "Credit Agreement"), among ON Semiconductor Corporation, a Delaware corporation (the "Company"), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, the undersigned hereby certifies, solely in such undersigned's capacity as chief financial officer of the Company, and not individually, as follows:

As of the date hereof, after giving effect to the consummation of the Transactions, including the making of the Loans under the Credit Agreement, and after giving effect to the application of the proceeds thereof:

(a) the fair value of the assets of the Company and its subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise;

(b) the present fair saleable value of the property of the Company and its subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

(c) the Company and its subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured; and

(d) the Company and its subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital.

For purposes of this Certificate, the amount of any contingent liability at any time shall be computed as the amount that, in light of all facts and circumstances existing at such time, would reasonably be expected to become an actual and matured liability. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

[*Signature Page Follows***]**

Annex I to Exhibit B

IN WITNESS WHEREOF, the undersigned has executed this Certificate in such undersigned's capacity as chief financial officer of the Company, on behalf of the Company, and not individually, as of the date first stated above.

ON SEMICONDUCTOR CORPORATION

By:_____
Name:
Title:

Annex I to Exhibit B

Exhibit 31.1

CERTIFICATIONS

I, Hassane El-Khoury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ON Semiconductor Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2026

/s/ HASSANE EL-KHOURY

Hassane El-Khoury

Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Thad Trent, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ON Semiconductor Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2026

/s/ THAD TRENT

Thad Trent

Chief Financial Officer

Exhibit 32

Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

For purposes of Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of ON Semiconductor Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 2026 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 2, 2026

/s/ HASSANE EL-KHOURY

Hassane El-Khoury

President and Chief Executive Officer

Dated: November 2, 2026

/s/ THAD TRENT

Thad Trent

Executive Vice President and

Chief Financial Officer