

Part II Organizational Action (continued)

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

18 Can any resulting loss be recognized? ► SEE ATTACHMENT

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

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

Sign Here

Signature ► Matthew E. Beckler Date ► July 23, 2019
Print your name ► Matthew E. Beckler Title ► VP Global Tax

Paid Preparer Use Only

Print/Type preparer's name Amy E. Patel	Preparer's signature <u>Amy E. Patel</u>	Date July 23, 2019	Check <input type="checkbox"/> if self-employed	PTIN P00391257
Firm's name ► Deloitte Tax LLP	Firm's EIN ► 86-1065772		Phone no. 602-234-5100	
Firm's address ► 2901 N. Central Avenue, Suite 1200, Phoenix, AZ 85012				

ON Semiconductor Corporation

EIN: 36-3840979

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

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

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

Form 8937, Part II, Line 14

On March 31, 2017, ON Semiconductor Corporation (“ON Semi”) was deemed to enter into a revolving credit facility with a principal amount of approximately \$600 million (the “Prior Revolver”).¹ In general, the Prior Revolver had an interest rate equal to LIBOR plus an applicable margin of 1.75% and a maturity date of September 19, 2021.

On November 30, 2017, the Prior Revolver was amended (the “Third Amendment”) to reduce the applicable margin by 25 bps, from 1.75% to 1.50%. The Third Amendment also increased the commitment on the Prior Revolver from \$600 million to \$1.0 billion. There were no outstanding draws on the Prior Revolver immediately prior to the Third Amendment; however, ON Semi made a \$400 million draw in connection with the Third Amendment. As a result of the Third Amendment, ON Semi determined that the Prior Revolver was not deemed to be retired and reissued under Treas. Reg. § 1.1001-3 for U.S. federal income tax purposes.

On May 31, 2018, the Prior Revolver was again amended to reduce the applicable margin by 25 bps, from 1.50% to 1.25% (the “Fourth Amendment”). ON Semi determined that the outstanding draw under the Prior Revolver was not deemed to be retired and reissued under Treas. Reg. § 1.1001-3 for U.S. federal income tax purposes as a result of the Fourth Amendment.

On June 12, 2019, ON Semi entered into the Fifth Amendment to the Credit Facility (the “Fifth Amendment”), which increased the commitment on the Prior Revolver from \$1.0 billion to \$1.9 billion, and extended the maturity date. The maturity date was extended to the later of (i) December 30, 2022 or (ii) June 12, 2024 so long as borrowings under ON Semi’s term loan “B” facility (the “Term Loan ‘B’ Facility”) have been fully repaid or otherwise redeemed, discharged or defeased on or prior to December 30, 2022 or if the maturity date of the borrowings under the Term Loan “B” Facility has been extended prior to December 30, 2022, to a date no earlier than June 12, 2024.

At the time of the Fifth Amendment, ON Semi had \$400 million outstanding under the Prior Revolver, bearing interest at LIBOR plus 1.25% with a stated maturity date of September 19, 2021. As a result of the Fifth Amendment, for U.S. federal income tax purposes, the amounts drawn under the Prior Revolver were treated as retired in exchange for new amounts drawn under a new revolving credit facility (the “New Revolver”).

¹ For tax purposes, the revolving credit facility was last deemed to be issued on March 31, 2017. For prior organizational events related to the revolving credit facility, please see the Form 8937 filed by ON Semi with regards to the organizational actions occurring on September 30, 2016 and March 31, 2017.

All but one of the lenders of the Prior Revolver rolled their interest in the Prior Revolver into the New Revolver (the "Participating Lenders"), while one lender redeemed its interest for cash. ON Semi did not pay any cash consideration in connection with the Fifth Amendment.

Form 8937, Part II, Line 15

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

To the extent the Fifth Amendment is a tax-free recapitalization of the Prior Revolver, each Participating Lender's aggregate tax basis in the New Revolver will generally equal such Participating Lender's aggregate basis in the Prior Revolver immediately prior to the deemed exchange (tax basis is also adjusted for cash received and gain recognized, which is not relevant to the Fifth Amendment).

Form 8937, Part II, Line 16

To the extent the Fifth Amendment is a tax-free recapitalization of the Prior Revolver, each Participating Lender's aggregate tax basis in the New Revolver will generally equal such Participating Lenders aggregate basis in the Prior Revolver immediately prior to the deemed exchange (tax basis is also adjusted for cash received and gain recognized, which is not relevant to the Fifth Amendment).

Form 8937, Part II, Line 17

Sections 354, 358, 1001 and 1012.

Form 8937, Part II, Line 18

The Fifth Amendment generally should not result in a loss to the Participating Lenders to the extent the Fifth Amendment is a tax-free recapitalizations of the Prior Revolver. To the extent the Fifth Amendment is not a tax-free recapitalization, the Fifth Amendment may result in a loss to a Participating Lender to the extent such lender's tax basis in the respective unmodified debt exceeds the issue price of the modified debt received in exchange therefor.

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