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 March 30, 2001

☐ **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 000-30419

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.)**

5005 E. McDowell Road

Phoenix, AZ 85008
(602) 244-6600
(Address and telephone number of principal executive offices)

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 ☐

The number of shares outstanding of each of the issuer's classes of common stock as of the close of business on May 4, 2001:

Class	Number of Shares
Common Stock; $.01 par value	173,431,965

TABLE OF CONTENTS

Table of Contents

INDEX

Table of Contents

PART I: FINANCIAL INFORMATION

Item 1. *Financial Statements*

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in millions, except share data)

	March 30, 2001	December 31, 2000
	(unaudited)	
ASSETS		
Cash and cash equivalents	$ 74.7	$ 188.9
Receivables, net (including $20.2 and $14.9 due from Motorola)	190.2	271.2
Inventories	276.2	258.1
Other current assets	51.4	39.6
Deferred income taxes	101.0	40.7
Total current assets	693.5	798.5
Property, plant and equipment, net	658.2	648.2
Deferred income taxes	292.3	286.8
Investments in joint ventures	28.7	45.3
Goodwill and other intangibles, net	135.0	140.8
Other assets	105.0	103.4
Total assets	$1,912.7	$2,023.0
LIABILITIES, MINORITY INTERESTS AND		

STOCKHOLDERS' EQUITY		
Accounts payable (including $13.8 and $7.3 payable to Motorola)	$ 144.9	$ 175.0
Accrued expenses (including $4.8 and $8.3 payable to Motorola)	115.9	184.3
Income taxes payable	14.7	22.3
Accrued interest	11.2	17.9
Deferred income on sales to distributors (See Note 2)	155.0	—
Current portion of long-term debt	11.0	5.6
Total current liabilities	452.7	405.1
Long-term debt (including $107.1 and $104.5 payable to Motorola)	1,251.2	1,252.7
Other long-term liabilities	29.1	20.8
Total liabilities	1,733.0	1,678.6
Commitments and contingencies	—	—
Minority interests in consolidated subsidiaries	6.0	6.7
Common stock ($0.01 par value, 300,000,000 shares authorized, 173,335,944 and 172,746,435 shares issued and outstanding)	1.7	1.7
Additional paid-in capital	735.1	730.4
Accumulated other comprehensive loss	(10.0)	(0.7)
Accumulated deficit	(553.1)	(393.7)
Total stockholders' equity	173.7	337.7
Total liabilities, minority interests and stockholders' equity	$1,912.7	$2,023.0

See accompanying notes to consolidated financial statements.

Table of Contents

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME
(in millions, except per share data)

	Quarter Ended March 30, 2001	Quarter Ended April 1, 2000
	(unaudited)	(unaudited)
Revenues:		
Net product revenues (including $21.1 and $37.2 from Motorola)	$ 357.0	$451.5
Foundry revenues from Motorola	3.5	35.3
Total revenues	360.5	486.8
Cost of sales	273.9	323.4
Gross profit	86.6	163.4
Operating expenses:		
Research and development	22.9	11.2
Selling and marketing	23.8	19.6
General and administrative	36.8	51.0
Amortization of goodwill and other intangibles	5.8	—
Restructuring and other charges	38.0	4.8
Total operating expenses	127.3	86.6
Operating income (loss)	(40.7)	76.8
Other income (expenses), net:		
Interest expense	(29.2)	(34.7)
Equity in earnings (losses) of joint ventures	0.6	(0.2)
Gain on sale of investment in joint venture	3.1	—
Other income (expenses), net	(25.5)	(34.9)

Income (loss) before income taxes, minority interests and cumulative effect of accounting change	(66.2)	41.9
Income tax benefit (provision)	22.7	(15.7)
Minority interests	0.5	(0.7)
Net income (loss) before cumulative effect of accounting change	(43.0)	25.5
Cumulative effect of accounting change, net of income taxes of $38.8 (See Note 2)	(116.4)	—
Net income (loss)	(159.4)	25.5
Less: Redeemable preferred stock dividends	—	(6.6)
Net income (loss) available for common stock	$(159.4)	$ 18.9
Comprehensive income (loss):		
Net income (loss)	$(159.4)	$ 25.5
Foreign currency translation adjustments	(2.5)	(0.3)
Minimum pension liability adjustment	(0.4)	—
Cash flow hedges:		
Cumulative effect of accounting change (See Note 10)	(3.4)	—
Net losses on derivative instruments	(3.1)	—
Reclassification adjustments	0.1	—
Comprehensive income (loss)	$(168.7)	$ 25.2
Earnings per common share:		
Basic:		
Net income (loss) before cumulative effect of accounting change	$ (0.25)	$ 0.14
Cumulative effect of accounting change	(0.67)	—
Net income (loss)	$ (0.92)	$ 0.14
Diluted:		
Net income (loss) before cumulative effect of accounting change	$ (0.25)	$ 0.13
Cumulative effect of accounting change	(0.67)	—
Net income	$ (0.92)	$ 0.13
Weighted average common shares outstanding:		
Basic	172.8	136.7
Diluted	172.8	142.4

See accompanying note to consolidated financials.

Table of Contents

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Quarter Ended March 30, 2001	Quarter Ended April 1, 2000
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Net income (loss)	$(159.4)	$ 25.5
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Cumulative effect of accounting change	116.4	—
Depreciation and amortization	42.5	34.2
Amortization of debt issuance costs	1.3	1.6
Provision for doubtful accounts	(0.2)	0.3
Net (gain) loss on disposals of property, plant and equipment	3.1	(0.1)
Non-cash interest on junior subordinated note payable to Motorola	2.6	2.3
Minority interests in earnings (losses) of consolidated subsidiaries	(0.5)	0.7
Undistributed (earnings) losses of joint ventures	(0.6)	0.2

Tax benefit of stock options exercised	0.1	—
Gain on sale of investment in joint venture	(3.1)	—
Deferred income taxes	(22.8)	(5.1)
Non-cash compensation charges	2.2	—
Changes in assets and liabilities:		
Receivables	81.6	(14.4)
Inventories	(18.6)	0.7
Other assets	(15.6)	(5.2)
Accounts payable	(29.3)	7.3
Accrued expenses	(38.8)	(7.5)
Income taxes payable	(7.9)	1.3
Accrued interest	(6.7)	(10.1)
Deferred income on sales to distributors	(27.2)	—
Other long-term liabilities	0.4	1.1
Net cash provided by (used in) operating activities	(80.5)	32.8
Cash flows from investing activities:		
Purchases of property, plant and equipment	(51.9)	(21.1)
Investments in joint ventures and other	(0.5)	(2.0)
Acquisition of minority interests in consolidated subsidiaries	(0.1)	—
Loans to joint venture	(5.0)	(5.0)
Proceeds from sale of investment in joint venture	20.4	—
Proceeds from sales of property, plant and equipment	0.3	8.8
Net cash used in investing activities	(36.8)	(19.3)
Cash flows from financing activities:		
Proceeds from issuance of common stock under the employee stock purchase plan	2.3	—
Proceeds from exercise of stock options	0.1	—
Net cash provided by financing activities	2.4	—
Effect of exchange rate changes on cash and cash equivalents	0.7	—
Net increase (decrease) in cash and cash equivalents	(114.2)	13.5
Cash and cash equivalents, beginning of period	188.9	126.8
Cash and cash equivalents, end of period	$ 74.7	$140.3

See accompanying notes to consolidated financial statements.

Table of Contents

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1: Background and Basis of Presentation

The accompanying consolidated financial statements as of and for the quarter ended March 30, 2001 include the accounts of ON Semiconductor Corporation, its wholly-owned subsidiaries, and the majority-owned subsidiaries that it controls (collectively, the “Company”). An investment in a majority-owned joint venture that the Company does not control is accounted for on the equity method. Investments in companies that represent less than 20% of the related voting stock are accounted for on the cost basis. All material intercompany accounts and transactions have been eliminated.

The accompanying unaudited financial information reflects all adjustments, consisting only of normal recurring adjustments, that are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Such financial information should be read in conjunction with the consolidated financial statements and related notes thereto as of December 31, 2000 and for the year then ended included in our Form 10-K as filed with the Securities and Exchange Commission (“SEC”) on March 30, 2001.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

On August 4, 1999, the Company was recapitalized and certain related transactions were effected (the "Recapitalization") pursuant to an agreement among ON Semiconductor Corporation, its subsidiary, Semiconductor Components Industries, LLC ("SCI LLC"), Motorola and affiliates of Texas Pacific Group. As a result of the Recapitalization, affiliates of Texas Pacific Group owned approximately 91% and Motorola owned approximately 9% of the outstanding common stock of the Company. In addition, as part of these transactions, Texas Pacific Group received 1,500 shares and Motorola received 590 shares of the Company's mandatorily redeemable preferred stock with a liquidation value of $209 million plus accrued and unpaid dividends. Motorola also received a $91 million junior subordinated note issued by SCI LLC. Cash payments to Motorola in connection with the Recapitalization were financed through equity investments by affiliates of Texas Pacific Group totaling $337.5 million, borrowings totaling $740.5 million under the Company's $875 million senior bank facilities and the issuance of $400 million of 12% senior subordinated notes due August 2009. Because Texas Pacific Group's affiliates did not acquire substantially all of the Company's common stock, the basis of the Company's assets and liabilities for financial reporting purposes was not impacted by the Recapitalization.

On May 3, 2000, the Company completed the initial public offering ("IPO") of its common stock, selling 34.5 million shares with an issue price of $16 per share. Net proceeds from the IPO (after deducting issuance costs) were approximately $514.8 million. The net proceeds were used to redeem all outstanding preferred stock (including accrued dividends), redeem a portion of the senior subordinated notes and prepay a portion of the loans outstanding under the senior bank facilities.

Note 2: Cumulative Effect of Accounting Change

Effective January 1, 2001, the Company changed its accounting method for recognizing revenue on sales to distributors. Recognition of revenue and related gross profit on sales to distributors is now deferred until the distributor resells the product.

Management of the Company believes that this accounting change is a preferable method because it better aligns reporting results with, focuses the Company on, and allows investors to better understand, end user demand for the products the Company sells through distribution. This revenue recognition policy is commonly used in the semiconductor market.

The cumulative effect prior to 2001 of the accounting change was a charge of $155.2 million ($116.4 million or $0.67 per share, net of income taxes) for the quarter ended March 30, 2001. The accounting change resulted in a reduction of the Company's net loss for the quarter ended March 30, 2001 of $14.2 million, or $.08 per share.

The estimated pro forma effects of the accounting change are as follows:

	Quarter Ended March 30, 2001	Quarter Ended April 1, 2000
	(unaudited)	(unaudited)
As reported:		
Revenues	$ 360.5	$486.8
Net income (loss)	(159.4)	25.5
Basic net income (loss) per share	$ (0.92)	$ 0.14
Diluted net income (loss) per share	$ (0.92)	$ 0.13
Pro forma amounts reflecting the accounting change applied retroactively:		
Revenues	$ 360.5	$447.8
Net income (loss)	(43.0)	7.9
Basic net income (loss) per share	$ (0.25)	$ 0.01
Diluted net income (loss) per share	$ (0.25)	$ 0.01

Note 3: Inventories

Inventories consist of the following (in millions):

	March 30, 2001	December 31, 2000
	(unaudited)	
Raw materials	$ 24.1	$ 26.6
Work in process	139.6	123.4
Finished goods	112.5	108.1

	$276.2	$258.1

Note 4: Restructuring and Other Charges

In March 2001, the Company recorded a $34.2 million charge to cover costs associated with a worldwide restructuring program involving both manufacturing locations and selling, general and administrative functions. The charge included $31.3 million to cover employee separation costs associated with the termination of approximately 1,100 employees and $2.9 million for asset impairments that were charged directly against the related assets. As of March 30, 2001, the remaining liability relating to this restructuring was $13.6 million. As of March 30, 2001, 388 employees have been terminated under the restructuring plan.

Also in March 2001, the Company recorded a $3.8 million charge to cover costs associated with the separation of one of the Company's executive officers. In connection with the separation, the Company paid the former executive officer $1.9 million. In addition, the Company agreed to accelerate the vesting of his remaining outstanding options to purchase common stock and to allow such options to remain exercisable for the remainder of their ten-year term. The Company recorded a non-cash charge of $1.9 million related to the modification of these options.

In March 2000, the Company recorded a $4.8 million charge to cover costs associated with a restructuring program at its manufacturing facility in Guadalajara, Mexico. The charge included $3.2 million to cover employee separation costs associated with the termination of approximately 500 employees and $1.6 million for asset impairments that were charged directly against the related assets. As of March 30, 2001 there was no remaining liability related to the 2000 restructuring program.

A summary of activity in the Company's restructuring reserves for the quarter ended March 30, 2001 is as follows (in millions):

Balance, December 31, 2000.	$ 0.7
Plus: March 2001 employee separation charge	31.3
Less: Payments charged against the reserve	(18.4)
Balance, March 30, 2001.	$ 13.6

Note 5: Sale of Investment in Joint Venture

The Company had a 50% interest in Semiconductor Miniatures Products Malaysia Sdn. Bhd. ("SMP"). As a part of the joint venture agreement, the Company's joint venture partner, Philips Semiconductors International B.V. ("Philips"), had the right to purchase the Company's interest in SMP between January 2001 and July 2002. On February 1, 2001, Philips exercised its purchase right, acquiring the Company's 50% interest in SMP. This transaction resulted in proceeds of approximately $20.4 million and a pre-tax gain of approximately $3.1 million.

Note 6: Earnings per Common Share

Basic earnings per share are computed by dividing net income (loss) available for common stock (net income (loss) adjusted for dividends accrued on the Company's redeemable preferred stock) divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share incorporates the incremental impact of shares issuable upon the assumed exercise of stock options. The number of incremental shares from the assumed exercise of stock options is calculated by applying the treasury stock method. For the quarter ended March 30, 2001, the effect of stock options is not included as it would be anti-dilutive. Earnings per share calculations before cumulative effect of accounting change are as follows (in millions, except per share data):

	Quarter Ended March 30, 2001	Quarter Ended April 1, 2000
Net income (loss) before cumulative effect of accounting change	$ (43.0)	$ 25.5
Less: Redeemable preferred stock dividends	—	(6.6)
Net income (loss) before cumulative effect of accounting change available for common stock	(43.0)	18.9

Cumulative effect of accounting change	(116.4)	—
Net income (loss) available for common stock	$(159.4)	$ 18.9
Basic weighted average common shares outstanding	172.8	136.7
Add: Dilutive effect of stock options	—	5.7
Diluted weighted average common shares outstanding	172.8	142.4

Table of Contents

	Quarter Ended March 30, 2001	Quarter Ended April 1, 2000
Earnings per share:		
Basic:		
Net income (loss) before cumulative effect of accounting change available for common stock	$(0.25)	$0.14
Cumulative effect of accounting change	(0.67)	—
Net income (loss) available for common stock	$(0.92)	$0.14
Diluted:		
Net income (loss) before cumulative effect of accounting change available for common stock	$(0.25)	$0.13
Cumulative effect of accounting change	(0.67)	—
Net income (loss) available for common stock	$(0.92)	$0.13

Note 7: Long-Term Debt

In connection with the Recapitalization, the Company and SCI LLC, its primary domestic operating subsidiary (collectively, the "Issuers"), issued $400.0 million senior subordinated notes due 2009. As of March 30, 2001, $260.0 million of the senior subordinated notes were outstanding. The Company's other domestic subsidiaries (collectively, the "Guarantor Subsidiaries") have jointly and severally, irrevocably and unconditionally guaranteed the Issuers' obligations under the senior subordinated notes. The Guarantor Subsidiaries include holding companies whose net assets consist primarily of investments in the Company's foreign joint ventures in China and the Czech Republic and nominal equity interests in certain of the Company's foreign subsidiaries as well as Semiconductor Components Industries of Rhode Island, Inc. The foreign joint ventures and the Company's foreign subsidiaries (collectively, the "Non-Guarantor Subsidiaries") themselves are not guarantors of the senior subordinated notes.

The Company does not believe that the separate financial statements and other disclosures concerning the Guarantor Subsidiaries provide any additional information that would be material to investors in making an investment decision. Condensed consolidating financial information for the Issuers, the Guarantor

Table of Contents

Subsidiaries and the Non-Guarantor Subsidiaries as of and for quarters ended March 30, 2001 and April 1, 2000 are as follows (in millions):

As of and for the quarter ended March 30, 2001:

(dollars in millions)	Issuers: ON Semiconductor Corporation	Issuers: SCI LLC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Receivables, net	$ —	$ 71.2	$ —	$119.1	$ —	$ 190.2
Inventories	—	49.0	3.4	281.7	(57.9)	276.2
Other current assets	—	67.7	(1.0)	128.4	32.0	227.1
Total current assets	—	187.9	2.4	529.2	(25.9)	693.5
Property, plant and equipment, net	—	163.5	52.1	446.9	(4.3)	658.2
Deferred income taxes	—	295.0	14.7	(17.4)	—	292.3
Goodwill and other intangibles	—	10.2	124.8	—	—	135.0
Investments and other assets	241.6	283.3	42.6	1.8	(435.6)	133.7
Total assets	$ 241.6	$ 939.9	$236.6	$960.5	$(465.8)	$1,912.7
Accounts payable	$ —	$ 53.3	$ 3.2	$ 88.4	$ —	$ 144.9
Accrued expenses and other current liabilities	(3.3)	88.7	(8.7)	54.1	22.0	152.8
Deferred income on sales to distributors	—	73.6	—	81.4	—	155.0
Total current liabilities	(3.3)	215.6	(5.5)	223.9	22.0	452.7
Long-term debt(1)	260.0	1,228.4	—	22.8	(260.0)	1,251.2
Other long-term liabilities	—	11.1	—	18.0	—	29.1
Intercompany(1)	(188.8)	(781.5)	172.5	537.8	260.0	—
Total liabilities	67.9	673.6	167.0	802.5	22.0	1,733.0
Minority interests	—	—	—	—	6.0	6.0
Stockholders' equity	173.7	266.3	69.6	157.9	(493.8)	173.7
Liabilities, minority interests and stockholders' equity	$ 241.6	$ 939.9	$236.6	$960.4	$(465.8)	$1,912.7
Revenues	$ —	$ 208.6	$ 16.3	$434.6	$(299.0)	$ 360.5
Cost of sales	—	178.6	13.8	381.1	(299.6)	273.9
Gross profit	—	30.0	2.5	53.5	0.6	86.6
Research and development	—	4.3	4.1	14.5	—	22.9
Selling and marketing	—	12.2	1.6	10.0	—	23.8
General and administrative	—	25.5	2.3	9.0	—	36.8
Amortization of goodwill and other intangibles	—	—	5.8	—	—	5.8
Restructuring and other charges	—	21.7	1.3	15.0	—	38.0
Total operating expenses	—	63.7	15.1	48.5	—	127.3
Operating income (loss)	—	(33.7)	(12.6)	5.0	0.6	(40.7)
Interest expense, net	—	(12.5)	(4.7)	(12.0)	—	(29.2)
Equity earnings	(159.4)	(29.1)	(0.4)	—	189.5	0.6
Gain on the sale of investment in joint venture	—	—	3.1	—	—	3.1

Table of Contents

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Issuers: ON Semiconductor Corporation	Issuers: SCI LLC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Income (loss) before income taxes, minority interests and cumulative effect of accounting change, net	(159.4)	(75.3)	(14.6)	(7.0)	190.1	(66.2)

Income tax benefit (provision)	—	11.9	7.9	(0.6)	3.5	22.7
Minority interests	—	—	—	—	0.5	0.5
Cumulative effect of accounting change, net	—	(44.1)	—	(72.3)	—	(116.4)
Net income (loss)	$(159.4)	$(107.5)	$ (6.7)	$ (79.9)	$194.1	$(159.4)
Net cash provided by (used in) operating activities	$ —	$ 77.0	$ 2.2	$(159.9)	$ 0.1	$ (80.5)
Cash flows from investing activities:						
Purchases of property, plant and equipment	—	(15.8)	(2.7)	(33.4)	—	(51.9)
Investments in joint ventures and other	—	—	—	(0.5)	—	(0.5)
Acquisition of minority interests in consolidated subsidiaries	—	—	—	—	(0.1)	(0.1)
Proceeds from sale of investment in joint venture	—	20.4	—	—	—	20.4
Loans to joint venture	—	(5.0)	—	—	—	(5.0)
Proceeds from sales of property, plant and equipment	—	0.1	—	0.2	—	0.3
Net cash used in investing activities	—	(0.3)	(2.7)	(33.7)	(0.1)	(36.8)
Cash flows from financing activities:						
Intercompany loans	—	(140.0)	—	140.0	—	—
Intercompany loan repayments	—	30.4	—	(30.4)	—	—
Proceeds from exercise of stock options and issuance of common stock under the employee stock purchase plan	—	2.4	—	—	—	2.4
Net cash (used in) provided by financing activities	—	(107.2)	—	109.6	—	2.4
Effect of exchange rate changes on cash and cash equivalents	—	—	—	0.7	—	0.7
Net increase (decrease) in cash and cash equivalents	—	(30.5)	(0.5)	(83.3)	(0.0)	(114.2)
Cash and cash equivalents, beginning of period	—	44.9	(1.1)	145.1	—	188.9
Cash and cash equivalents, end of period	$ —	$ 14.4	$ (1.6)	$ 61.9	$ (0.0)	$ 74.7

Table of Contents

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As of and for the quarter ended April 1, 2000:

	Issuers					
	ON Semiconductor Corporation	**SCI LLC**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations**	**Total**
Receivables, net	$ —	$ 108.5	$ —	$153.1	$ 2.2	$ 263.8
Inventories	—	107.6	—	141.8	(43.9)	205.5
Other current assets	—	95.9	—	107.6	—	203.5
Total current assets	—	312.0	—	402.5	(41.7)	672.8
Property, plant and equipment, net	—	152.5	—	390.5	—	543.0

Deferred income taxes	—	289.4	—	(5.1)	2.1	286.4
Investments and other assets	413.0	235.0	55.2	10.8	(585.3)	128.7
Total assets	$ 413.0	$ 988.9	$55.2	$798.7	$(624.9)	$1,630.9
Accounts payable	$ —	$ 78.3	$ 0.7	$ 53.9	$ (5.0)	$ 127.9
Accrued expenses and other current liabilities	—	115.0	—	71.4	(2.1)	184.3
Total current liabilities	—	193.3	0.7	125.3	(7.1)	312.2
Long-term debt(1)	400.0	1,297.0	—	0.6	(400.0)	1,297.6
Other long-term liabilities	—	3.6	—	9.7	—	13.3
Intercompany(1)	15.9	(863.5)	—	459.9	387.7	—
Total liabilities	415.9	630.4	0.7	595.5	(19.4)	1,623.1
Minority interests	—	—	—	—	10.7	10.7
Redeemable preferred stock	226.2	—	—	—	—	226.2
Stockholders' equity	(229.1)	358.5	54.5	203.2	(616.2)	(229.1)
Liabilities, minority interests and stockholders' equity	$ 413.0	$ 988.9	$55.2	$798.7	$(624.9)	$1,630.9
Revenues	$ —	$ 576.3	$ —	$292.5	$(382.0)	$ 486.8
Cost of sales	—	484.7	—	220.7	(382.0)	323.4
Gross profit	—	91.6	—	71.8	—	163.4
General and administrative	—	30.9	—	20.1	—	51.0
Other operating expenses	—	25.5	—	10.1	—	35.6
Total operating expenses	—	56.4	—	30.2	—	86.6
Operating income (loss)	—	35.2	—	41.6	—	76.8
Interest expense, net	—	(24.2)	—	(10.5)	—	(34.7)
Equity earnings	25.5	20.6	0.5	0.2	(47.0)	(0.2)
Income (loss) before income taxes and minority interests	25.5	31.6	0.5	31.3	(47.0)	41.9
Provision for income taxes	—	(12.1)	—	(9.2)	5.6	(15.7)
Minority interests	—	—	—	—	(0.7)	(0.7)
Net income (loss)	$ 25.5	$ 19.5	$ 0.5	$ 22.1	$ (42.1)	$ 25.5

Table of Contents

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Issuers					
	ON Semiconductor Corporation	SCI LLC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	$ —	$ 87.7	$(0.0)	$ (55.0)	$ 0.1	$ 32.8
Cash flows from investing activities:						—
Purchases of property, plant and equipment	—	(5.0)	—	(16.0)	(0.1)	(21.1)
Investments in joint ventures and other	—	—	—	(2.0)	—	(2.0)
Loans to unconsolidated joint venture	—	(5.0)	—	—	—	(5.0)
Proceeds from sales of property, plant and equipment	—	3.1	—	5.7	—	8.8
Net cash used in investing	—	(6.9)	—	(12.3)	(0.1)	(19.3)

activities						
Cash flows from financing activities:						
Intercompany loans	—	(35.3)	—	35.3	—	—
Intercompany loan repayments	—	6.3	—	(6.3)	—	—
Net cash (used in) provided by financing activities	—	(29.0)	—	29.0	—	—
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents	—	51.8	(0.0)	(38.3)	(0.0)	13.5
Cash and cash equivalents, beginning of period	—	14.9	—	111.9	—	126.8
Cash and cash equivalents, end of period	$ —	$ 66.7	$(0.0)	$ 73.6	$(0.0)	$140.3

(1) For purposes of this presentation, the senior subordinated notes have been reflected in the condensed balance sheets of both the Company and SCI LLC with the appropriate offset reflected in the eliminations column. Interest expense has been allocated to SCI LLC only.

Note 8: Commitments and Contingencies

The Company is currently involved in a variety of legal matters that arose in the normal course of business. Based on information currently available, management does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Note 9: Related Party Transactions

Related party activity between the Company and Motorola is as follows (in millions):

	Quarter Ended March 30, 2001	Quarter Ended April 1, 2001
Purchases of manufacturing services from Motorola	$25.5	$40.5
Cost of other services, rent and equipment purchased from Motorola	$12.6	$23.6

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 10: Recently Adopted Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which establishes standards for the accounting and reporting for derivative instruments, including derivative instruments embedded in other contracts, and hedging activities became effective for the Company as of January 1, 2001.

The Company's interest rate swaps in effect at January 1, 2001 have been designated as cash flow hedges, are measured at fair value and recorded as assets or liabilities in the consolidated balance sheet. Upon the adoption of SFAS 133, the Company recorded an after-tax charge of approximately $3.4 million to accumulated other comprehensive income (loss) as of January 1, 2001. This charge consists of an approximate $2.1 million adjustment necessary to record the Company's interest rate swaps in the consolidated balance sheet at their estimated fair values as well as the write-off of an approximate $3.5 million deferred charge (included in other assets in the accompanying consolidated balance sheet at December 31, 2000) relating to the payment made in December 2000 for the early termination of an interest rate protection agreement relating to a portion of the amounts outstanding under the Company's senior bank facilities, both before income taxes of approximately $2.2 million. The Company recorded a $3.1 million after-tax charge to accumulated other comprehensive income during the first quarter to adjust its cash flow hedge to fair-value at March 30, 2001.

The Company uses forward foreign currency contracts to reduce its overall exposure to the effects of foreign currency fluctuations on its results of operations and cash flows. The fair value of these derivative instruments are recorded as assets or liabilities with gains and losses offsetting the gains and losses on the underlying assets or liabilities. The adoption of SFAS 133 did not impact the Company's accounting and reporting for these derivative instruments.

Table of Contents

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

You should read the following discussion in conjunction with our consolidated financial statements and related notes thereto as of and for the year ended December 31, 2000 included in our Form 10-K filed with the SEC on March 30, 2001. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from the results contemplated by these forward-looking statements due to certain factors, including those discussed below and elsewhere in this Form 10-Q.

ON Semiconductor is a global supplier of high performance broadband and power management integrated circuits and standard semiconductors used in numerous advanced devices ranging from high speed fiber optic networking equipment to the precise power management functions found in today's advanced portable electronics.

Recent developments. During the first quarter of 2001, we experienced slowing demand for our products as customers delayed or cancelled bookings in order to manage their inventories in line with incoming business. As we enter the second quarter of 2001, we have seen customer order cancellations and push-outs decrease significantly; however market demand continues to be soft and visibility as to our customers' expected requirements remains poor. We expect revenues in the second quarter of 2001 to be flat to slightly down from the first quarter. As cost reduction actions taken in the first quarter begin to materialize, we expect gross margins to improve sequentially in the second quarter, more than offsetting expected pricing decreases, which is anticipated to be in the range of approximately 5%. Operating expenses will remain under stringent cost controls and overall are expected to remain at their current reduced levels.

Recapitalization and Initial Public Offering. Immediately prior to our August 4, 1999 recapitalization (the "Recapitalization"), we were a wholly-owned subsidiary of Motorola. We held and continue to hold, through direct and indirect subsidiaries, substantially all of the assets and operations of the Semiconductor Components Group of Motorola's Semiconductor Products Sector ("SCG"). As part of our Recapitalization, affiliates of the Texas Pacific Group purchased our common shares from Motorola for $337.5 million, and we redeemed common stock held by Motorola for a total of approximately $952 million. As a result, Texas Pacific Group's affiliates owned approximately 91% and Motorola owned approximately 9% of our voting common stock. To finance a portion of the Recapitalization, Semiconductor Components Industries, LLC ("SCI LLC"), our primary domestic operating subsidiary, borrowed $740.5 million under senior secured bank facilities, we and SCI LLC issued $400 million of senior subordinated notes and SCI LLC issued a $91 million junior subordinated note to Motorola. We also issued mandatorily redeemable preferred stock with a total liquidation preference of $209 million to Motorola and Texas Pacific Group's affiliates. Because Texas Pacific Group's affiliates did not acquire substantially all of SCG's common stock, the basis of SCG's assets and liabilities for financial reporting purposes was not impacted by our Recapitalization. At the time of the Recapitalization, Motorola agreed to provide us with transition and manufacturing services in order to facilitate our transition to a stand-alone company independent of Motorola.

On May 3, 2000, we completed the initial public offering of our common stock (the "IPO"), selling 34.5 million shares with an issue price of $16 per share. Net proceeds from the IPO (after deducting issuance costs) were approximately $514.8 million. The net proceeds were used to redeem all outstanding preferred stock (including accrued dividends), redeem a portion of the senior subordinated notes and prepay a portion of the loans outstanding under the senior bank facilities.

Acquisition. On April 3, 2000, we acquired all of the outstanding capital stock of Cherry Semiconductor Corporation for approximately $253.2 million in cash (including acquisition related costs), which was financed with cash on hand and borrowings of $220.0 million under our senior bank facilities. Cherry, which was renamed Semiconductor Components Industries of Rhode Island, Inc., designs and manufactures analog and mixed signal integrated circuits for the power management and automotive markets.

Table of Contents

Results of Operations

Cumulative effect of accounting change. Effective January 1, 2001, we changed our accounting method for recognizing revenue on sales to distributors. Recognition of revenue and related gross profit on sales to distributors is now deferred until the distributor resells the product.

We believe that this accounting change is a preferable method because it better aligns reporting results with, focuses us on, and allows investors to better understand, end user demand for the products we sell through distribution. This revenue recognition policy is commonly used in the semiconductor market.

The cumulative effect prior to 2001 of the accounting change was a charge of $155.2 million ($116.4 million or $0.67 per share, net of income taxes) for the quarter ended March 30, 2001. The accounting change resulted in a reduction of our net loss for the quarter ended March 30, 2001 of $14.2 million, or $.08 per share.

Earnings per common share. Our diluted earnings per share on an actual and adjusted basis for the quarter ended March 30, 2001, is as follows:

	Quarter Ended March 30, 2001		Quarter Ended April 1, 2000	
	in millions	per share	in millions	per share
Net loss	$(159.4)	$ (0.92)	$ 25.5	$ 0.13
Plus (net of tax):				
Amortization of goodwill and other intangibles	3.5	0.02	2.9	0.02
Restructuring and other charges	26.8	0.16	—	—
Cumulative effect of accounting change	116.4	0.67	—	—
Adjusted net loss	$ (12.7)	$ (0.07)	$ 28.4	$ 0.15
Weighted average common shares outstanding — diluted	172.8	172.8	142.4	142.4

Quarter Ended March 30, 2001 Compared To Quarter Ended April 1, 2000

Operating results for the quarters ended March 30, 2001 and April 1, 2000 follow. The April 1, 2000 pro forma column reflects the results as if the change in distributor revenue recognition had been applied retroactively. The pro forma results are used for comparative purposes in the following discussion of our results of operations.

Table of Contents

	Quarter Ended		
	March 30, 2001	April 1, 2000 Pro forma	April 1, 2000 As reported
		(in millions)	
Revenues:			
Net product revenues	$ 357.0	$412.5	$451.5
Foundry revenues	3.5	35.3	35.3
Total revenues	360.5	447.8	486.8
Cost of sales	273.9	307.9	323.4
Gross profit	86.6	139.9	163.4
Operating expenses:			
Research and development	22.9	11.2	11.2
Selling and marketing	23.8	19.6	19.6
General and administrative	36.8	51.0	51.0
Amortization of goodwill and other intangibles	5.8	—	—
Restructuring and other charges	38.0	4.8	4.8
Total operating expenses	127.3	86.6	86.6
Operating income (loss)	(40.7)	53.3	76.8
Other income (expenses), net:			
Interest expense	(29.2)	(34.7)	(34.7)
Equity in earnings (losses) of joint ventures	0.6	(0.2)	(0.2)
Gain on sale of investment in joint venture	3.1	—	—

Other income (expenses)	(25.5)	(34.9)	(34.9)
Income before income taxes, minority interests and cumulative effect of accounting change	(66.2)	18.4	41.9
Income tax benefit (provision)	22.7	(9.8)	(15.7)
Minority interests	0.5	(0.7)	(0.7)
Net income (loss) before cumulative effect of accounting change	(43.0)	7.9	25.5
Cumulative effect of accounting change (net of tax)	(116.4)	—	—
Net income (loss)	(159.4)	7.9	25.5
Less: Redeemable preferred stock dividends	—	(6.6)	(6.6)
Net income (loss) available for common stock	$(159.4)	$ 1.3	$ 18.9

Total revenues. Total revenues decreased $87.3 million, or 19.5%, to $360.5 million in the first quarter of 2001 from $447.8 million in the first quarter of 2000, due to reduced demand for our products resulting from the recent economic downturn and actions taken by our customers to manage their inventories in line with incoming business.

Net product revenues. Net product revenues decreased $55.5 million, or 13.5%, to $357.0 million in the first quarter of 2001 from $412.5 million in the first quarter of 2000. The decrease occurred in all of our major product families except for standard analog. Net revenues for standard analog products, which accounted for 28% of net product revenues in the first quarter of 2001, increased 9% compared to the first quarter of 2000, due to the Cherry acquisition in the second quarter of 2000. Excluding revenues related to Cherry, net revenues for standard analog products decreased 21% compared to the first quarter of 2000. Net revenues from broadband products, which accounted for 15% of net product revenues in the first quarter of 2001 decreased 18% from the first quarter of 2000. Net revenues for standard logic products, which accounted for 8% of net product revenues in the first quarter of 2001, decreased 26% compared to the first quarter of 2000. Net

Table of Contents

revenues for discrete products, which accounted for 49% of net product revenues in the first quarter of 2000, decreased 20% compared to the first quarter of 2000. Other product families, including zeners, thyristors, and TMOS, also experienced revenue declines due to decreases in demand.

Approximately 44%, 33% and 23% of our net product revenues in the first quarter of 2001 were derived from the Americas, Asia/ Pacific and Europe (including the Middle East), respectively, compared to 45%, 32% and 23%, respectively, in the first quarter of 2000.

Foundry revenues. Foundry revenues decreased $31.8 million, or 90.1%, to $3.5 million in the first quarter of 2001 from $35.3 million in the first quarter of 2000. These foundry revenues are a result of agreements made with Motorola during our separation. We expect that these revenues will continue to decline in the future. Motorola continues to be one of our largest original equipment manufacturer (OEM) customers, and those product revenues are distinctly different from the aforementioned foundry revenues.

Cost of sales. Cost of sales decreased $34.0 million, or 11.0%, to $273.9 million in the first quarter of 2001 from $307.9 million in the first quarter of 2000, primarily as a result of decreased sales volume.

Gross profit. Gross profit (computed as total revenues less cost of sales) decreased $53.3 million, or 38.1%, to $86.6 million in the first quarter of 2001 from $139.9 million in the first quarter of 2000. As a percentage of total revenues, gross margin declined to 24.0% (23.8% for product gross margin) in the first quarter of 2001 from 31.2% (32.8% for product gross margin) in the first quarter of 2000. The decline in gross profit was primarily due to lower factory utilization resulting from lower customer demand.

Operating expenses

Research and development. Research and development costs increased $11.7 million, or 104.5%, to $22.9 million in the first quarter of 2001 from $11.2 million in the first quarter of 2000, primarily as a result of our efforts to continue to develop our power management and broadband portfolios. As a percentage of net product revenues, research and development costs increased to 6.4% in the first quarter of 2001 from 2.7% in the first quarter of 2000. We introduced 89 new products in the first quarter of 2001. The main emphasis of our new product development is in the high growth market applications of power management and broadband solutions with eighty percent of our overall research and development investment targeted in these areas. Our long-term target for research and development costs is 5-6% of revenues.

Selling and marketing. Selling and marketing expenses increased by $4.2 million, or 21.4%, to $23.8 million in the first quarter of 2001 from $19.6 million in the first quarter of 2000. However, as a result of cost reduction actions taken in the first quarter of 2001, selling and marketing expenses decreased by $3.0 million from the fourth quarter of 2000. The increase in selling and

marketing expenses over the first quarter of 2000 was attributable to the Cherry acquisition and increased branding and marketing costs. As a percentage of net product revenues, these costs increased to 6.7% in the first quarter of 2001 from 4.8% in the first quarter of 2000.

General and administrative. General and administrative expenses decreased by $14.2 million, or 27.8% to $36.8 million in the first quarter of 2001 from $51.0 million in the first quarter of 2000, as a result of cost reduction actions and lower discretionary spending. As a percentage of net product revenues, these costs decreased to 10.3% in the first quarter of 2001 from 12.4% in the first quarter 2000.

Amortization of goodwill and other intangibles. Amortization of goodwill and other intangibles was $5.8 million in first quarter of 2001 due to the intangible assets that were acquired with Cherry in the second quarter of 2000, including amounts related to developed technology, assembled workforce and goodwill. There were no intangibles requiring amortization in the first quarter of 2000.

Restructuring and other charges. In March 2001, we recorded a $34.2 million charge to cover costs associated with a worldwide restructuring program. The charge included $31.3 million to cover employee separation costs associated with the termination of approximately 1,100 employees and $2.9 million for asset impairments that were charged directly against the related assets. As of March 30, 2001, the remaining liability relating to this restructuring was $13.6 million.

Table of Contents

Also in March 2001, we recorded a $3.8 million charge to cover costs associated with the separation of one of our executive officers. In connection with the separation, we paid the former executive officer $1.9 million. In addition, we agreed to accelerate the vesting of his remaining outstanding options to purchase common stock and to allow such options to remain exercisable for the remainder of their ten-year term. We recorded a non-cash charge of $1.9 million related to the modification of these options.

In March 2000, we recorded a $4.8 million charge to cover costs associated with a restructuring program at our manufacturing facility in Guadalajara, Mexico. The charge included $3.2 million to cover employee separation costs associated with the termination of approximately 500 employees and $1.6 million for asset impairments that were charged directly against the related assets. As of March 30, 2001 there was no remaining liability related to the 2000 restructuring program.

A summary of activity in our restructuring reserves for the quarter ended March 30, 2001 is as follows (in millions):

Balance, December 31, 2000	$ 0.7
Plus: March 2001 employee separation charge	31.3
Less: Payments charged against the reserve	(18.4)
Balance, March 30, 2001	$ 13.6

Operating income (loss). Operating income (loss) decreased $94.0 million, to a $40.7 million loss in the first quarter of 2001 compared to income of $53.3 million in the first quarter of 2000. This decrease was due to decreased net product revenues, costs associated with our worldwide restructuring program and the amortization of goodwill and other intangibles. We expect that the cost reduction program that we established this year will result in savings of approximately $60.0 million by year-end with additional benefits to occur in 2002. Excluding restructuring and other charges the operating loss for the quarter ended March 30, 2001 would have been $2.7 million compared to operating income of $58.1 million for the quarter ended April 1, 2000.

Interest expense. Interest expense decreased $5.5 million, or 15.9% to $29.2 million in the first quarter of 2001 from $34.7 million in the first quarter of 2000. The decrease was due the redemption of a portion of the senior subordinated notes and prepayment of a portion of the loans outstanding under the senior bank facilities with the proceeds from our IPO in 2000.

Equity in earnings (losses) of joint ventures. Equity in earnings (losses) from joint ventures increased $0.8 million to $0.6 million in the first quarter of 2001 from a loss of $0.2 million in the first quarter of 2000, due primarily to increased capacity and manufacturing efficiencies at our Chinese joint venture.

Gain on sale of investment in joint venture. We had a 50% interest in Semiconductor Miniatures Products Malaysia Sdn. Bhd. (“SMP”). As a part of the joint venture agreement, our joint venture partner, Philips Semiconductors International B.V. (“Philips”), had the right to purchase our interest in SMP between January 2001 and July 2002. On February 1, 2001, Philips exercised its purchase right, acquiring our 50% interest in SMP. This transaction resulted in proceeds of approximately $20.4 million and a pre-tax gain of approximately $3.1 million.

Minority interests. Minority interests represent the portion of net income (loss) of two Czech joint ventures attributable to the minority owners of each joint venture. We consolidate these joint ventures in our financial statements. Minority interests were $0.5 million in the first quarter of 2001 compared to $(0.7) million in the first quarter of 2000.

Income tax benefit (provision). We recorded an income tax benefit of $22.7 million in the first quarter of 2001 compared to an income tax provision of $9.8 million in the first quarter of 2000 as a result of our operating results for the quarter.

Table of Contents

Liquidity and Capital Resources

For the first quarter of 2001, net cash used in operating activities was $80.5 million compared to $32.8 million provided by operating activities for the first quarter of 2000. Cash used in operating activities for the first quarter was due primarily to the net loss of $159.4 million, adjusted for non-cash charges, including depreciation and amortization of $42.5 million, $22.8 million for deferred income taxes and $116.4 million relating to the cumulative effect of accounting change relating to the revenue recognition on sales to distributors. Cash used in operating activities was also affected by changes in assets and liabilities including a decrease in accounts receivable of $81.6 and an increase in other long-term liabilities of $0.4 million. These amounts were offset by an $18.6 million increase in inventories and a $15.6 million increase in other assets as well as decreases of $29.3 million in accounts payable, $38.8 million in accrued expenses, $7.9 million in income taxes payable, $6.7 million in accrued interest and $27.2 million decrease in deferred income on sales to distributors. The decreases in accounts receivable and accounts payable were due to lower levels of sales and purchases, respectively, during the quarter.

Net cash used in investing activities was $36.8 million for the first quarter of 2001 compared to $19.3 million for the first quarter of 2000. The net cash outflows consisted of $51.9 million for purchases of property, plant and equipment and $5.0 million for loans to a joint venture. These outflows were partially offset by proceeds of $20.4 million related to the sale of the Company's interest in the SMP joint venture.

Net cash provided by financing activities was $2.4 million for the first quarter of 2001. Cash inflows consisted of proceeds of $2.3 million from the issuance of common stock under our employee stock purchase plan and $0.1 million from stock option exercises.

As of March 30, 2001, long-term debt (including current maturities) totaled $1,262.2 million and stockholders' equity was $173.7 million. Long-term debt included $869.3 million under our senior bank facilities, $260.0 million senior subordinated notes, $107.1 million in respect of our junior subordinated note, a $22.8 million note payable to a Japanese bank and a capital lease of $3.0 million. We are required to begin making principal payments on our senior bank facilities in the third quarter of 2001.

As of March 30, 2001, $132.8 million of our $150 million revolving facility was available, reflecting outstanding letters of credit of $17.2 million. Under certain circumstances, the terms of our credit agreements allow us to incur additional indebtedness, although there can be no assurances that we would be able to borrow on terms acceptable to us.

Our credit agreements currently do, and other debt instruments we enter into in the future may, impose various restrictions and covenants that could limit our ability to respond to market conditions, to provide for unanticipated capital needs or to take advantage of business opportunities. At March 30, 2001, we were in compliance with all debt covenants. We review our financial projections on a regular basis and, in light of current projections for the balance of 2001, are considering what revisions to our senior bank facilities may be necessary to maintain such compliance. Our ability to make payments on and to refinance our indebtedness, to remain in compliance with the various restrictions and covenants found in our credit agreements and to fund working capital, capital expenditures, research and development efforts and strategic acquisitions will depend on our ability to generate cash in the future, which is subject to, among other things, our future operating performance and to general economic, financial, competitive, legislative, regulatory and other conditions, some of which may be beyond our control.

Our primary future cash needs, both in the short term and in the long term, will continue to be for capital expenditures, debt service and working capital. Although our cash position worsened during the quarter, we believe that cash flow from operations and borrowings under our existing senior bank facilities will be sufficient to service our indebtedness and fund our other liquidity needs for the remainder of 2001, and that these sources could be supplemented, if necessary, with the proceeds from additional financings and targeted sales of assets. As part of our business strategy, we review acquisition and divestiture opportunities and proposals on a regular basis.

Historically, our revenues have been affected by the seasonal trends of the semiconductor and related industries. As a result of these trends, we typically experienced sales increases in the first two quarters of the

Table of Contents

year and relatively flat sales levels in the third and fourth quarters. However, over the past three years, various events have disrupted this pattern. In 1998, third quarter revenues declined, primarily as a result of the Asian economic crisis. In 1999, third and fourth quarter revenues increased due to the continuing recovery in the semiconductor market. In the fourth quarter of 2000 and the first quarter of 2001 revenues declined due to slowing demand in the semiconductor market.

Recent Accounting Pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended establishes standards for the accounting and reporting for derivative instruments, including derivative instruments embedded in other contracts, and hedging activities became effective for us as of January 1, 2001.

Our interest rate swaps in effect at January 1, 2001 have been designated as cash flow hedges, are measured at fair value and recorded as assets or liabilities in the consolidated balance sheet. Upon the adoption of SFAS 133 we recorded an after-tax charge of approximately $3.4 million to accumulated other comprehensive income (loss) as of January 1, 2001. This charge consists of an approximate $2.1 million adjustment necessary to record our interest rate swaps in the consolidated balance sheet at their estimated fair values as well as the write-off of an approximate $3.5 million deferred charge (included in other assets in the accompanying consolidated balance sheet at December 31, 2000) relating to the payment made in December 2000 for the early termination of an interest rate protection agreement relating to a portion of the amounts outstanding under our senior bank facilities, both before income taxes of approximately $2.2 million. We recorded a $3.1 million after-tax charge to accumulated other comprehensive income during the first quarter to adjust our cash flow hedge to fair-value at March 30, 2001.

We use forward foreign currency contracts to reduce our overall exposure to the effects of foreign currency fluctuations on our results of operations and cash flows. The fair values of these derivative instruments are recorded as assets or liabilities with gains and losses offsetting the gains and losses on the underlying assets or liabilities. The adoption of SFAS 133 did not impact our accounting and reporting for these derivative instruments.

Business Risks and Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" as that term is defined in Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," or "anticipates," or by discussions of strategy, plans or intentions. All forward-looking statements in the Form 10-Q are made based on management's current expectations and estimates, which involve risks, uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements. Among these factors are changes in overall economic conditions, the cyclical nature of the semiconductor industry, changes in demand for our products, changes in inventories at our customers and distributors, technological and product development risks, availability of manufacturing capacity, availability of raw materials, competitors' actions, loss of key customers, order cancellations or reduced bookings, changes in manufacturing yields, control of costs and expenses, inability to reduce manufacturing and selling, general and administrative costs, litigation, risks associated with acquisitions and dispositions, changes in management, risks associated with our substantial leverage and restrictive covenants in our debt instruments, and risks involving environmental or other governmental regulation. Additional factors that could affect the company's future operating results are described from time to time in ON Semiconductor's Securities and Exchange Commission reports. See in particular Exhibit 99.1, entitled "Risk Factors", in the Form 10-K dated March 30, 2001, and subsequently filed reports. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information.

Table of Contents

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

We are exposed to financial market risks, including changes in interest rates and foreign currency exchange rates. To mitigate these risks, we utilize derivative financial instruments. We do not use derivative financial instruments for speculative or trading purposes.

As of March 30, 2001, our long-term debt (including current maturities) totaled $1,262.2 million. We have no interest rate exposure due to rate changes for our fixed rate interest bearing debt, which totaled $389.9 million or our capital lease obligation which totaled $3.0 million. We do have interest rate exposure with respect to the $869.3 million outstanding balance on our senior bank facilities due to its variable LIBOR pricing; however, from time to time, we have entered into interest rate swaps to reduce this interest rate exposure. As of March 30, 2001, we had four interest rate swaps covering exposures on $255 million of our variable interest rate debt. A 50 basis point increase in interest rates would result in increased annual interest expense of $3.1 million for the next twelve months.

A majority of our revenue, expense and capital purchasing activities are transacted in U.S. dollars. However, as a multinational business, we also conduct these activities through transactions denominated in a variety of other currencies. We use forward foreign currency contracts to hedge firm commitments and reduce our overall exposure to the effects of currency fluctuations on our results of operations and cash flows. Gains and losses on these foreign currency exposures would generally be offset by corresponding losses and gains on the related hedging instruments. This strategy reduces, but does not eliminate, the short-term impact of foreign currency exchange rate movements. For example, changes in exchange rates may affect the foreign currency sales price of our products and can lead to increases or decreases in sales volume to the extent that the sales price of comparable products of our competitors are less or more than the sales price of our products.

PART II: OTHER INFORMATION

Item 1. ***Legal Proceedings***

The Company is currently involved in a variety of legal matters that arose in the normal course of business. Based on information currently available, management does not believe that the ultimate resolution of these matters will have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Item 2. ***Changes in Securities and Use of Proceeds***

Not Applicable.

Item 3. ***Defaults Upon Senior Securities***

Not Applicable.

Item 4. ***Submission of Matters to a Vote of Security Holders***

Not Applicable.

Item 5. ***Other Information***

Not Applicable.

Item 6. ***Exhibits and Reports on Form 8-K***

(a) Exhibits —

Table of Contents

Exhibit No.	Exhibit Description
Exhibit 10.1	Amendment to Promissory Note, dated March 10, 2001, from James Thorburn and Jacqueline Thorburn to Semiconductor Components Industries, LLC(1)
Exhibit 10.2	Separation Letter Agreement dated February 28, 2001 (with attached General Release and Waiver dated March 10, 2001), between James Thorburn and Semiconductor Components Industries, LLC(1)
Exhibit 10.3	Promissory Note, dated March 9, 2001, from Michael Rohleder and Roxanne Rohleder to Semiconductor Components Industries, LLC(1)
Exhibit 10.4	Deed of Trust, dated March 7, 2001, from Michael Rohleder and Roxanne Rohleder to Semiconductor Components Industries, LLC(1)
Exhibit 10.5	Non-Qualified Stock Option Agreement for Directors, dated as of February 28, 2001, between ON Semiconductor Corporation and Albert Hugo-Martinez(1)
Exhibit 10.6	Non-Qualified Stock Option Agreement for Directors, dated as of February 28, 2001, between ON Semiconductor Corporation and Jerome Gregoire(1)
Exhibit 10.7	Non-Qualified Stock Option Agreement for Directors, dated as of February 16, 2001, between ON Semiconductor Corporation and John Legere(1)
Exhibit 10.8	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and Steve Hanson(1)
Exhibit 10.9	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and Dario Sacomani(1)
Exhibit 10.10	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and Michael Rohleder(1)
Exhibit 10.11	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and William George(1)
Exhibit 18	Letter from PricewaterhouseCoopers LLP re Change in Accounting Principles

(1) Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K —

During the first quarter of 2001, the Company filed three reports on Form 8-K (1) dated January 31, 2001 and filed February 2, 2001, (2) dated February 28, 2001 and filed March 1, 2001, and (3) dated March 8, 2001 and filed March 15, 2001. The January 31, 2001 report was filed pursuant to Items 5 and 7, reported the Company's fourth quarter and year 2000 earnings and included as an exhibit a press release dated January 31, 2001 titled "ON Semiconductor Announces Record Revenues and Earnings for 2000." The February 28, 2001 report was filed pursuant to Items 5 and 7, reported a management change and the Company and included as an exhibit a press release dated February 28, 2001 titled "ON Semiconductor Announces Management Change." The March 8, 2001 report, which was filed pursuant to Items 5 and 7, reported the Company's update of its first quarter 2001 estimates and included as an exhibit a press release dated March 8, 2001 titled "ON Semiconductor Corporation Updates First Quarter Estimates."

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 14, 2001

ON SEMICONDUCTOR CORPORATION
(Registrant)

/s/ DARIO SACOMANI

By: Dario Sacomani
Senior Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal
Financial Officer of the Registrant)

Table of Contents

EXHIBIT INDEX

Exhibit 10.1	Amendment to Promissory Note, dated March 10, 2001, from James Thorburn and Jacqueline Thorburn to Semiconductor Components Industries, LLC(1)
Exhibit 10.2	Separation Letter Agreement dated February 28, 2001 (with attached General Release and Waiver dated March 10, 2001), between James Thorburn and Semiconductor Components Industries, LLC(1)
Exhibit 10.3	Promissory Note, dated March 9, 2001, from Michael Rohleder and Roxanne Rohleder to Semiconductor Components Industries, LLC(1)
Exhibit 10.4	Deed of Trust, dated March 7, 2001, from Michael Rohleder and Roxanne Rohleder to Semiconductor Components Industries, LLC(1)
Exhibit 10.5	Non-Qualified Stock Option Agreement for Directors, dated as of February 28, 2001, between ON Semiconductor Corporation and Albert Hugo-Martinez(1)
Exhibit 10.6	Non-Qualified Stock Option Agreement for Directors, dated as of February 28, 2001, between ON Semiconductor Corporation and Jerome Gregoire(1)
Exhibit 10.7	Non-Qualified Stock Option Agreement for Directors, dated as of February 16, 2001, between ON Semiconductor Corporation and John Legere(1)
Exhibit 10.8	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and Steve Hanson(1)
Exhibit 10.9	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and Dario Sacomani(1)
Exhibit 10.10	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and Michael Rohleder(1)
Exhibit 10.11	Non-Qualified Stock Option Agreement, dated as of February 21, 2001, between ON Semiconductor Corporation and William George(1)
Exhibit 18	Letter from PricewaterhouseCoopers LLP re Change in Accounting Principles

(1) Management contract or compensatory plan or arrangement.

Exhibit 10.1

AMENDMENT TO PROMISSORY NOTE

$1,469,000.00 Phoenix, AZ
6.62% Interest March 10, 2001

WHEREAS James Thorburn and his spouse, Jacqueline Thorburn (collectively referred to as "Thorburn") entered into a Promissory Note in the face amount of $1,469,000.00 dated July 21, 2000, the proceeds of which were used by Thorburn to purchase a home at 8635 N. 65th Street, Paradise Valley, Arizona with Principal and Interest payable to Semiconductor Components Industries, LLC ("SCI, LLC") (the "Original Note");

WHEREAS James Thorburn and SCI, LLC entered into a Letter Agreement dated February 28, 2001 (the "Letter Agreement") requiring the change of terms of the Original Note; and

WHEREAS the Letter Agreement required the payment of a Lump Sum, as defined in the Letter Agreement, to be paid to James Thorburn on a specified date determined by the terms of the Letter Agreement (the date of such payment is referred to as the "Lump Sum Payment Date");

NOW THEREFORE, in consideration of the terms and conditions set forth below, the parties agree as follows:

1. All capitalized terms not defined in this Amendment to Promissory Note shall have the meaning defined in the Original Note.

2. Other than the changes set forth below, all terms and conditions of the Original Note shall remain in full force and effect.

3. All Paragraph references made below refer to the paragraph numbers set forth in the Original Note.

4. Amendments:

A. Paragraph 1 of the Original Note is replaced in its entirety by the following:

1. Payment/Prepayment.

(a) This Note may be prepaid at any time, in whole or in part, without penalty or premium. Each partial prepayment shall be applied first to the Interest and then to the Principal Amount. This Note is a full recourse note secured by the Property (as defined in Section 2 below).

(b) Unless paid sooner, the Principal Amount plus Interest, shall be due and payable to SCI, LLC as follows:

(1) All interest accrued up to and including the Lump Sum Date shall be a set-off and reduction to the Lump Sum payment amount set forth in the Letter Agreement;

(2) Beginning on the date which is one month after the Effective Date, as defined in the Letter Agreement, Thorburn shall make monthly payments of Interest only to SCI, LLC for a period of seventeen months; and

(3) On or before the date eighteen months from the Effective Date (or the next business day if the last day of such eighteen-month period is not a business day), payment of the entire outstanding Principal and accrued unpaid Interest shall be paid to SCI, LLC.

B. Subparagraph 5(g) shall be modified so that the address for notice to Thorburn shall be 8635 N. 65th Street, Paradise Valley, Arizona 85253.

C. Appendix I to the Original Note is deleted in its entirety.

/s/ James Thorburn

James Thorburn

/s/ Jacqueline Thorburn

Jacqueline Thorburn

Exhibit 10.2

[ON SEMICONDUCTOR LOGO]

ON SEMICONDUCTOR CORPORATION
SEMICONDUCTOR COMPONENTS
INDUSTRIES, LLC
5005 EAST MCDOWELL ROAD
PHOENIX, AZ 85008
HTTP://ONSEMI.COM

February 28, 2001

James Thorburn
8635 N. 65th Street
Paradise Valley, AZ

Dear Jim:

Pursuant to our recent conversations, we mutually agree that your employment with Semiconductor Components Industries, LLC (the "Company") and all of its affiliates shall terminate effective March 10, 2001 (the "Effective Date"). In connection with your termination of employment, upon the Effective Date, you shall be deemed to have resigned all other offices and positions that you hold in respect of the Company and its affiliates. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in your Employment Agreement with the Company, dated November 8, 1999, as amended on July 20, 2000.

1. Pursuant to Section 5(a) of the Employment Agreement, no later than ten days after the general release and waiver (in the form acceptable to the Company) becomes effective, the Company shall pay you a lump-sum payment (the "Lump-Sum Payment") of $1,898,679, less all applicable withholdings and the amounts described below, which represents three times the sum of your highest annualized Base Salary and the Annual Bonus paid to you in respect of fiscal year 2000. The Company will provide you with the form of general release and waiver.

2. Notwithstanding any provision of the SCG Holding Corporation 1999 Founders Stock Option Plan (the "Option Plan") or the Stock Option Grant Agreement respecting the termination of your employment, but subject to your compliance with the terms of this letter agreement and the Employment Agreement, the Option granted to you under the Option Plan pursuant to Section 2(d) of the Employment Agreement shall become fully vested and exercisable as of the Effective Date and shall remain outstanding and exercisable until the expiration of its term.

[ON SEMICONDUCTOR LOGO]

3. If you elect to continue the medical benefits currently provided to you through the Company's group health plan pursuant to your rights under COBRA, the Company shall pay your COBRA premiums in respect of such benefits for up to eighteen months after the Effective Date. The Company will continue to provide short term and long term disability insurance and life insurance benefits based on your Base Salary immediately prior to the Effective Date for the eighteen month period immediately following the Effective Date.

4. In respect of the loan (the "Loan"), provided to you in accordance with the Promissory Note, dated July 21, 2000, (the "Note") in connection with the purchase of your residence located at 8635 N. 65th Street, Paradise Valley, Arizona, you agree to pay the Interest (as defined in the Note) accrued up to and including the date that the Lump-Sum Payment is paid, and you hereby authorize the Company to withhold such amount from the Lump-Sum Payment. In addition, you and the Company agree to amend the Note to provide that, notwithstanding your termination of employment, the Loan shall remain outstanding for the eighteen-month period immediately following the Effective Date and you shall pay the Company the accrued Interest on a monthly basis during such eighteen-month period. On the last day of such eighteen-month period (or the next business day if the last day of such eighteen-month period is not a business day), the entire Principal Amount plus Interest (to the extent not yet paid) shall become immediately due and payable. You hereby agree to execute and deliver any documents or other materials that the Company determines are necessary to evidence the above-described agreement and/or to continue without interruption or impairment the Company's security interest in the Property (as defined in the Note).

5. The Company will draft an appropriate press release relating to your resignation of employment and present it to you for comment prior to its release. In addition, the Company will provide a reference at your request that is consistent with the press release.

6. You may retain your mobile telephone, wireless pager and home or portable computer, in each case, at your own cost, provided that you remove all confidential and proprietary information in a manner reasonably satisfactory to the Company. In addition, you shall return any and all other Company property and confidential or proprietary information (in whatever form) to the Company on or before the Effective Date.

7. Except as provided herein, all other terms and conditions of the Employment Agreement, including without limitation your obligations under Sections 8 and 9 thereof, the Option Plan and Stock Option Grant Agreement, Promissory Notes and all other relevant documents shall remain in full force and effect.

[ON SEMICONDUCTOR LOGO]

8. The foregoing provisions are subject to and conditioned upon the approval of the Board of Directors of ON Semiconductor Corporation.

If you agree with the foregoing provisions, please sign in the appropriate space below and return the original to me.

Sincerely,

/s/ Steve Hanson

Steve Hanson
President and CEO
ON Semiconductor Corporation
Semiconductor Components Industries, LLC

Agreed and accepted:

/s/ James Thorburn
- ---
James Thorburn
Date: 2-28-01

GENERAL RELEASE AND WAIVER

GENERAL RELEASE and WAIVER (this "Agreement") made as of March 10, 2001, by and between James Thorburn (the "Employee") and Semiconductor Components Industries, LLC, a limited liability company formed under the laws of the State of Delaware (the "Employer").

WHEREAS, the Employer engaged Employee to be an employee of the Employer pursuant to the employment agreement between the Employee and the Employer, dated November 8, 1999, as amended July 20, 2000 (the "Employment Agreement");

WHEREAS, the Employee's employment with the Employer has terminated effective March 10, 2001 in accordance with the letter agreement (the "Letter Agreement") between and among the Employee, the Employer and ON Semiconductor Corporation, dated February 28, 2001 (all defined terms not otherwise defined herein shall have the meanings ascribed to such terms in the Letter Agreement);

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the Employer and Employee agree as follows:

1. Confirmation of Termination. The Parties hereby now acknowledge and confirm that Employee's employment with the Employer has terminated as of March 10, 2001 (the "Termination Date"), and the Employee hereby resigns effective as of the Termination Date from all other positions, offices or other affiliations that he holds in connection with the Employer and its affiliates.

2. General Release and Waiver

(a) In consideration of the Lump-Sum Payment, acceleration of exercisability of the Options, payment of COBRA premiums, extension of the terms of the $1.4 million Loan and other benefits provided in the Letter Agreement (collectively referred to herein as the "Termination Payment"), Employee hereby releases, remises and acquits the Employer and all of its affiliates, and their respective officers, directors, shareholders, members, family members, agents, employees, consultants, independent contractors, attorneys, advisers, successors and assigns (collectively, the "Releasees"), jointly and severally, from any and all claims, known or unknown, which Employee or Employee's heirs, successors or assigns have or may have against any of such parties arising on or prior to the date of this Agreement and any and all liability which any of such parties may have to Employee, whether denominated claims, demands, causes of action, obligations, damages or liabilities arising from any and all bases, however denominated, including but not limited to the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, Title VII of the United States Civil Rights Act of 1964, 42 U.S.C. Section 1981, the Arizona Civil Rights Act, the California Fair Employment and Housing Act, California's Civil Rights Act, Section 51 of the California Civil Code, the California Labor Code, the California Family Rights Act, or any other Federal, state, or local law and any workers' compensation or disability claims under any such laws. This General Release and Waiver relates to any and all claims, including without

limitations claims arising from and during Employee's employment relationship with the Employer, any stock options, equity-based or other incentive plans, or as a result of the termination of such employment relationship. Employee further agrees that Employee will not file or permit to be filed on Employee's behalf any such claim. Notwithstanding the preceding sentence or any other provision of this Agreement, this release is not intended to interfere with Employee's right to file a charge with the Equal Employment Opportunity Commission in connection with any claim he believes he may have against the Employer. However, by executing this Agreement, Employee hereby waives the right to recover in any proceeding Employee may bring before the Equal Employment Opportunity Commission or any state human rights commission or in any proceeding brought by the Equal Employment Opportunity Commission or any state human rights commission on Employee's behalf. This release is for any relief, no matter how denominated, including, but not limited to, injunctive relief, wages, back pay, front pay, compensatory damages, or punitive damages. This General Release and Waiver shall not apply to any obligation of the Employer pursuant to this Agreement or the Letter Agreement.

(b) Employee expressly understands and agrees that the General Release and Waiver set forth in Section 2(a) above fully and finally releases and forever resolves the claims released and discharged therein, including those which may be unknown, unanticipated and/or unsuspected. Employee further acknowledges that he is aware that he may hereafter discover facts in addition to or different from those which he now knows or believes to exist with respect to the subject matter of this Agreement, but that it is his intention to hereby fully, finally and forever settle and release all of the claims, known or unknown, anticipated or unanticipated, suspected or unsuspected, which now exist, may exist or heretofore have existed between or among himself and the Releasees. Employee hereby acknowledges that he has read and understands Section 1542 of the California Civil Code, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Employee understands that Section 1542 gives him the right not to release existing claims for which he is presently unaware, unless he knowingly and voluntarily waives such right. Having been so apprised, he nevertheless voluntarily elects to and expressly waives all benefits under Section 1542 of the California Civil Code, as well as under any other statute or common law principles of similar effect of California or any other jurisdiction, to the extent that such benefits may contravene the provisions of section 2(a) of this Agreement.

(c) Employee acknowledges that the Termination Payment Employee is receiving in connection with the foregoing release is in addition to anything of value to which Employee already is entitled from the Employer.

3. Restrictive Covenants

Employee and Employer hereby acknowledge and agree that they each continue to be subject to and bound by the provisions of Sections 8 through 10 of the Employment Agreement.

4. Confidentiality of Agreement

Employee shall keep the existence and terms of this Agreement and the Letter Agreement confidential and shall not directly or indirectly disseminate any information (in any form) regarding this Agreement and the Letter Agreement to any person or entity except as may be agreed to in writing by the Employer. Notwithstanding the foregoing, Employee may disclose the information described herein, to the extent Employee is compelled to do so by lawful service of process, subpoena, court order, or as Employee is otherwise compelled to do by law, including full and complete disclosure in response thereto, in which event Employee agrees to provide the Employer with a copy of the document(s) seeking disclosures of such information promptly upon receipt of such document(s) and prior to disclosure by Employee of any such information, so that the Employer may, upon notice to Employee, take such action as it deems to be necessary or appropriate in relation to such subpoena or request.

5. Certain Forfeitures in Event of Breach

Employee acknowledges and agrees that, notwithstanding any other provision of this Agreement, in the event Employee materially breaches any of his obligations under this Agreement, Employee will forfeit his right to receive the Termination Payment, including without limitation the extension of the $1.4 million Loan, provided under the Letter Agreement to the extent not theretofore paid to him as of the date of such breach and, if already made as of the time of breach, Employee agrees that he will reimburse the Employer, immediately, for the amount of such payment.

6. No Admission

This Agreement does not constitute an admission of liability or wrongdoing of any kind by the Employer or its affiliates.

7. Heirs and Assigns

The terms of this Agreement shall be binding on the parties hereto and their respective successors and assigns.

8. General Provisions

(a) Integration

This Agreement and the Letter Agreement, including the documents which survive the termination of Employee's employment pursuant to the Letter Agreement, constitutes the entire understanding of the Employer and Employee with respect to the subject matter hereof and supersedes all prior understandings, written or oral. For the avoidance of doubt, the parties

hereto acknowledge and agree that the Employee shall continue to be bound by the Non-Solicitation, Non-Disparagement and other restrictive covenants provided in the Employment Agreement. The terms of this Agreement may be changed, modified or discharged only by an instrument in writing signed by the parties hereto. A failure of the Employer or Employee to insist on strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision hereof. In the event that any provision of this Agreement is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

(b) Choice of Law

This Agreement shall be construed, enforced and interpreted in accordance with and governed by the laws of the State of Arizona, without regard to its choice of law provisions.

(c) Construction of Agreement

The parties hereto acknowledge and agree that each party has reviewed the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either party. The headings in this Agreement are inserted for convenience of reference only and shall not be part of or control or affect the meaning of any provision hereof. Terms used in the singular shall include the plural and terms used in one gender shall include the other, in each case, as the context requires.

(d) Counterparts

This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which counterpart, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement. A facsimile of a signature shall be deemed to be and have the affect of an original signature.

9. Knowing and Voluntary Waiver

Employee acknowledges that, by Employee's free and voluntary act of signing below, Employee agrees to all of the terms of this Agreement and intends to be legally bound thereby.

Employee understands that he may consider whether to agree to the terms contained herein for a period of twenty-one days after the date hereof. Employee acknowledges that he received this Agreement on or before the date first written above. Accordingly, Employee may execute this Agreement by March 31, 2001, to acknowledge his understanding of and agreement with the foregoing. However, the Termination Payment provided herein shall not commence until this Agreement is executed, returned to the Employer and becomes effective as provided below. Employee acknowledges that he has been advised to consult with an attorney prior to executing this Agreement.

This Agreement will become effective, enforceable and irrevocable seven days after the date on which it is executed by Employee (the "Effective Date"). During the seven-day period prior to the Effective Date, Employee may revoke his agreement to accept the terms hereof by indicating in writing to the Employer his intention to revoke in the manner specified below. If Employee exercises his right to revoke hereunder, he shall forfeit his right to receive any of the benefits provided for herein, and to the extent such payments have already been made, Employee agrees that he will immediately reimburse the Employer for the amounts of such payment. In order to revoke this Agreement, Employee must deliver the written revocation notice referred to above on or before the expiration of the seven-day period described above directly to Sonny Cave at On Semiconductor, 5005 E. McDowell Road, Phoenix, AZ 85008.

Semiconductor Components Industries, LLC

/s/George H. Cave

Name: George H. Cave
Title: Vice President, General Counsel
and Secretary

/s/ James Thorburn
- ---
James Thorburn

Acknowledgment

STATE OF Arizona)
---
ss:
COUNTY OF Maricopa)

On the 9th day of March, 2001, before me personally came James Thorburn who, being by me duly sworn, did depose and say that he resides at 8635 N. 65th Street, Paradise Valley, Arizona; and did acknowledge and represent that he has had an opportunity to consult with attorneys and other advisers of his choosing regarding the General Release and Waiver Agreement attached hereto, that he has reviewed all of the terms of the General Release and Waiver Agreement and that he fully understands all of its provisions, including, without limitation, the general release and waiver set forth therein.

/s/ Linda M. Lee
- ---

Notary Public

Date: March 9, 2001

Exhibit 10.3

PROMISSORY NOTE

$1,000,000.00 Phoenix, AZ
5.07% Interest March 9,2001

Michael Rohleder and his spouse, Roxanne Rohleder (collectively referred to as "Rohleder") for value received, hereby promise to pay to the order of Semiconductor Components Industries ("SCI, LLC"), at its offices located at 5005 East McDowell Rd., Phoenix, AZ 85008, or such other place as the holder hereof may designate by notice to Rohleder, the principal amount of ONE MILLION DOLLARS ($1,000,000.00) ("Principal Amount"), plus interest of 5.07 percent per annum, compounded annually ("Interest") (Interest payable hereunder shall be computed on the basis of actual days elapsed and a year of 360 days), in lawful money of the United States, in the manner set forth in Section 1 hereof.

1. Payment/Prepayment.

(a) This Note may be prepaid at any time, in whole or in part, without penalty or premium. Each partial prepayment shall be applied first to the Interest and then to the Principal Amount. This Note is a full recourse note secured by the Property (as defined in Section 2 below).

(b) This Note will be funded by March 9, 2001 (the "Loan Date"). Unless paid sooner, the Principal Amount plus Interest shall be due and payable to SCI, LLC on the earlier of (x) the fifth anniversary of the Loan Date or (y) no later than 90 days after the termination of Rohleder's employment with SCI, LLC, its subsidiaries or ON Semiconductor Corporation ("ON Semiconductor") for any reason. In the event Rohleder is actively employed with SCI, LLC, its subsidiaries or ON Semiconductor on the fifth anniversary of the Loan Date, the Board of Directors of ON Semiconductor (the "Board") may consider: (1) forgiving up to 50% of the Principal Amount and/or Interest if ON Semiconductor achieves Market Share growth of 0.1% in each separate calendar year between the Loan Date and the fifth anniversary of the Loan Date in both the Analog and Broadband groups of ON Semiconductor unless such groups no longer independently exist during the period of this Loan, then any comparable group or groups, as determined in the sole and absolute discretion of ON Semiconductor, shall be used for this Section 1(b)(1); (2) forgiving up to 25% of the Principal Amount and/or Interest if Rohleder scores 3.0 or higher on a scale of 1.0 to 4.0 in each annual performance rating by SCI, LLC, its subsidiaries or ON Semiconductor, as appropriate, for each year between the Loan Date and the fifth anniversary of the Loan Date; and (3) forgiving up to 25% of the Principal Amount and/or Interest if ON Semiconductor achieves product design wins that increase revenue from new products by 25% of total revenue of ON Semiconductor or greater by the fifth anniversary of the Loan Date; provided, however, that such design wins are reasonably attributable to Rohleder in the sole and absolute discretion of ON Semiconductor. For the avoidance of doubt, it is in the Board's sole and absolute discretion to forgive any part of the Principal Amount or Interest if any or all of the foregoing targets are achieved.

(c) Prior to the fifth anniversary of the Loan Date, in the event Rohleder's employment is terminated due to Rohleder's death or Disability (as such term is defined in Rohleder's Employment Agreement with Semiconductor Components Industries, LLC), the Board, in its sole and absolute discretion, may consider at the time of the termination event by death or Disability forgiving all or any portion of the Principal Amount and/or accrued Interest.

2. Acknowledgement.

Rohleder acknowledges and confirms that (i) SCI, LLC has loaned Rohleder the Principal Amount of the Note for the sole purpose of Rohleder paying off an existing loan and causing the release and termination of any deeds of trust on his primary residence located at 8217 N. Coconino Road, Paradise Valley, Arizona 85253 (the "Property"); (ii) he will use the proceeds of the Note solely for such purpose; and (iii) SCI, LLC shall have the right to withhold any amounts otherwise payable to Rohleder (including, without limitation, bonuses and severance pay, but excluding his Base Salary as such term is defined in Rohleder's Employment Agreement with Semiconductor Components Industries, LLC) and apply such amounts to satisfy Rohleder's obligations hereunder.

3. Event of Acceleration.

(a) The holder of this Note, by written notice to Rohleder, may declare the entire outstanding Principal Amount plus Interest immediately due and payable in the event that Rohleder breaches any of the terms of the Note, the deed of trust (a form of which is attached hereto) ("Acceleration Event"), in which event the maturity of the then unpaid balance of the Note shall be accelerated and shall become immediately due and payable.

(b) In the event that Rohleder breaches any of the terms of the Note or the deed of trust, and so long as such default remains uncured, at the option of the holder hereof upon acceleration of maturity, the unpaid principal sum hereof shall bear interest at an interest rate equal to the stated interest rate for this Note plus two percent (2%) per annum. At such time as a judgment is obtained for any amounts loaned under this Note or any document or instrument securing this Note, interest shall continue to accrue on the amount of judgment at a rate of interest equal to the stated interest rate for this Note plus two percent (2%) per annum.

4. Security Interest.

As collateral security for the full and timely payment of all amounts due under the Note, Rohleder hereby agrees to grant SCI, LLC a security interest in the Property by executing a first priority deed of trust and Rohleder also agrees to execute any and all additional documents necessary to provide such security interest.

5. Miscellaneous.

(a) Time is of the essence of payment. The undersigned agree to pay a late charge not to exceed an amount equal to the stated interest rate of this Note plus two percent (2%) of any payment which is not paid within five (5) days of the date due to cover the extra expense of handling past due payments.

(b) Rohleder shall pay all costs and expenses incurred by the holder in connection with the collection of the Note, including reasonable attorneys' fees.

(c) Except as provided above, the makers, endorsers, and guarantors of this Note jointly and severally waive diligence, demand, presentment for payment, protest, notice of non-payment and of protest, notice of default, notice of acceleration, and all other notices or demands of any kind. They jointly and severally consent, without notice to them and without release of their liability, to extensions and accommodations given by the holder of this Note, to release modifications and exchanges of any security, and to releases, in whole or in part, of any other maker, endorser, or guarantor. They each agree to make payment without the prior resort by the holder to any security or against any other maker, endorser, or guarantor.

(d) The undersigned hereby agree to pay the contracted rate of interest, which includes interest at the rate set forth herein and all costs and fees associated with obtaining this credit accommodation to the extent any such costs and fees are deemed interest under applicable law.

(e) This Note shall be governed by and construed in accordance with the laws of the State of Arizona applicable to agreements made and to be performed therein without regard to the principles of conflicts of law, and cannot be changed orally.

(f) No delay or failure on the part of the holder of this Note to exercise any power or right given under this Note, including, but not limited to, the right to accelerate the amounts due, shall operate as a waiver of the power or right and no right or remedy of the holder shall be deemed abridged or modified by any course of conduct. All rights and remedies existing hereunder are cumulative and not exclusive of each other or any rights or remedies otherwise available.

(g) This Note shall not be construed to confer upon Rohleder any right to continue in the employ of SCI, LLC, its subsidiaries or ON Semiconductor and shall not limit the right of such entity in its sole discretion, to terminate the employment of Rohleder at any time.

(h) All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, three days after being mailed by registered mail, return receipt requested, or the following day if sent by overnight courier service, to ON Semiconductor, attention: General Counsel, Law Department (M/D A700), at the address set forth at the beginning of this Note and to Rohleder at 5005 East McDowell Rd., Phoenix, AZ 85008, or such other address as either party may specify by notice given pursuant hereto.

(i) To the extent permitted by applicable law, Rohleder hereby waives all benefits that might accrue by virtue of any present or future moratorium laws exempting any of the Property, or any other property, real or personal, or any part of the proceeds arising from any sale of any such property, from attachment, levy, or sale under execution, or providing for any stay of execution to be issued on any judgment recovered on this Note (excepting only any stay of execution).

(j) If any term or provision of this Note or the application thereof to any circumstance shall, to any extent, be invalid, illegal or unenforceable, such term or such provisions shall be

ineffective to the extent of such invalidity, illegality or unenforceability without invalidating or rendering unenforceable any remaining terms and provisions hereof or thereof or the application of such term or provision to circumstances other than those as to which it is held invalid, illegal or unenforceable.

(k) This Note shall not be transferable by Rohleder; however, SCI, LLC may transfer the Note to any other person or entity without Rohleder's consent.

/s/ Michael Rohleder

Michael Rohleder

/s/ Roxanne Rohleder

Roxanne Rohleder

Exhibit 10.4

When recorded return to:
ON Semiconductor
Semiconductor Components Industries, LLC
Law Department, M/D A700
5005 E. McDowell Road
Phoenix, AZ 85008
Attn: Judith A. Boyle, Assistant General Counsel

DEED OF TRUST

TRUSTOR: Michael and Roxanne Rohleder, husband and wife
8217 N. Coconino Road
Paradise Valley, AZ 85253

BENEFICIARY: Semiconductor Components Industries, LLC, a Delaware limited liability company
5005 E. McDowell Road
Phoenix, AZ 85008

TRUSTEE: Fidelity National Title Insurance Company, a California corporation
P.O. Box 32695
Phoenix, AZ 85064

PROPERTY in Maricopa County, State of Arizona, described as:

See Exhibit A attached hereto and incorporated herein by this reference.

This Deed of Trust made between the Trustor, Trustee and Beneficiary above named,

WITNESSETH: That Trustor IRREVOCABLY GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS and ASSIGNS to TRUSTEE, IN TRUST WITH POWER OF SALE, the above described real property and all buildings and improvements thereon or that may hereafter be erected thereon, all fixtures, and all equipment, machinery, and apparatus of every kind and nature now located on said property or hereafter attached to or used in connection with the property described above, all of which Trustor represents are and shall be and are intended to be a part of the realty, together with all permits, licenses, grazing and range rights relating to or pertaining to said property, if any, together with all and singular the tenements, hereditaments, and appurtenances, and all of the rents, issues and profits thereof, and the reversion and reversions, remainder and remainders, and together with all water rights thereunto belonging, to have and hold unto Trustee, its successors and assigns forever (hereinafter called "Trust Property").

FOR THE PURPOSE OF SECURING:

(1) To secure performance of the covenants and agreements herein set forth and payment of Trustor's Note dated the second day of March, 2001, in the sum of One Million

Dollars ($1,000,000) and interest as specified therein, and any and all extensions, revisions or renewals thereof in whole or in part.

(2) Performance of each covenant, promise and agreement of Trustor contained herein or incorporated herein by reference; and

(3) Payment of all sums required to be made by Trustor pursuant to the terms hereof. It is understood, however, by Trustor and Beneficiary that Beneficiary shall not be required to make any such additional advances and/or Loans and that, if any such advances and/or Loans are made, they will be made only at such times and in such amounts as Beneficiary may, in its sole discretion, determine.

TO PROTECT THE PROPERTY AND SECURITY GRANTED BY THIS TRUST DEED, IT IS AGREED:

1. Trustor warrants that it is seized of good and merchantable fee simple title to the Trust Property, subject only to reservations in the patent, water right application, obligations arising in favor of water use or irrigation associations or companies (none of the assessments of which are delinquent), current taxes not delinquent, easements and restrictions of record. Trustor acknowledges that all legal descriptions of real estate listed herein were provided by Trustor, warrants the correctness of such descriptions, and agrees that, in the event there does exist an error or defect in such legal descriptions, Trustor authorizes Trustee to do all acts and things and execute all documents deemed necessary by Beneficiary, proper and convenient for the perfection, protection, preservation or enforcement of Beneficiary's rights hereunder.

2. Trustor agrees to pay all indebtedness secured hereby including principal, interest, costs and attorney's fees in accordance with the terms of each evidence of indebtedness.

3. Trustor agrees to pay, before the same becomes delinquent, all taxes, assessments, water and other charges levied or assessed upon or against the Trust Property, and in addition all charges for gas, electricity and other items furnished to or charged against the Trust Property.

Trustor agrees to pay, prior to delinquency, any and all ground rents and amounts payable under any Lease, trust deed, mortgage or other instrument which may be an encumbrance on the Trust Property.

4. Trustor agrees to keep the improvements now or hereafter located on the Trust Property insured against loss by fire and other hazards and casualties in such amounts and for such periods as may be required from time to time by Beneficiary. Trustor also agrees to maintain and keep in force during the term hereof flood hazard insurance as may be or may have been required by Beneficiary or by law or regulation. Trustor agrees to pay the premiums on such insurance, when due and prior to delinquency, and furnish proof of such payment to Beneficiary. All insurance shall be carried in responsible insurance companies approved by Beneficiary. The policies shall be held by Beneficiary and shall have, at all times, loss payable clauses attached thereto in favor of and approved by Beneficiary.

In the event of any loss or damage to the improvements, Trustor will give immediate notice by mail to Beneficiary and make proper proof of loss (and if not made by Trustor, Beneficiary may make the same). Beneficiary may require that the payment for such loss be paid directly to Beneficiary only and not jointly to Trustor and Beneficiary. Beneficiary may, at its option, apply the payment to the reduction of the indebtedness secured hereby or may apply the same to the restoration or repair of the property damaged. Trustor hereby assigns to Beneficiary all such policies and the payments to be made thereunder.

In the event of foreclosure of this Trust Deed, or exercise of the power of sale given to Trustee, or acquisition of the title to the property by Beneficiary or its assigns, all right, title, and interest of Trustor in and to the policies and proceeds thereof and sums payable thereunder shall forthwith pass automatically to the purchaser of said property.

5. Trustor agrees to keep the buildings and other improvements on the property at all times in good condition and repair. All apparatus and machinery shall be kept in good working order and properly serviced and repaired. Trustor will not allow nor commit any waste, and will not demolish nor structurally alter any buildings on the property, and will do no act to injure or depreciate the value of such property. The property and buildings thereon shall be kept in a reasonably clean, safe and sanitary condition and shall not be allowed to become dilapidated or rundown.

Trustor agrees that it will not remove or allow to be removed any fixture or fixtures from the Trust Property without the prior written consent of Beneficiary. Trustor further agrees that in adding any new fixtures or in substituting fixtures on the Trust Property, prior proof will be furnished Beneficiary that no security exists therein.

6. In the event Trustor fails to make any payment required to be made by it hereunder, or fails to keep the property so insured, or fails to keep the property so repaired, or fails to perform any of its other obligations hereunder, Beneficiary may make any such payment, obtain any such insurance, make any such repairs (Trustor hereby grants Beneficiary the right to go upon the premises for such purpose), or remedy any other default of Trustor. All expenditures made by Beneficiary shall be prima facie evidence of the necessity therefor and reasonableness thereof. Such expenditures, together with all incidental costs of Beneficiary, including reasonable attorney's fees if incurred, shall be immediately due and payable by Trustor to Beneficiary, shall bear interest until paid at the rate of two percent (2%) per month, and shall be secured by this Trust Deed.

7. Trustee and Beneficiary and their officers, employees, and agents may enter upon and inspect the property at any reasonable time or times.

8. The proceeds of any judgment, award or settlement in any condemnation or eminent domain proceeding or on account of injury to the property by reason of public use, or by reason of private trespass, or other injury to the property, shall be paid to Beneficiary, who may at its option, either reapply the proceeds to reduce the indebtedness secured hereby (whether matured or to mature in the future) or be released to Trustor. Trustor hereby assigns and transfers to Beneficiary all such amounts and proceeds and agrees that Beneficiary may receipt for the same on behalf of Trustor.

9. Trustor by execution of this Deed of Trust assigns and transfers to Beneficiary all of Trustor's right, title and interest in and to all leases, rents, profits or income from the Trust Property and each and every part thereof, including all present and future leases or rental agreements, which assignment and transfer may be enforced by Beneficiary only upon any default by Trustor, existing under this agreement, by any one or more of the following methods: (a) appointment of a receiver; (b) Beneficiary taking possession of the Trust Property; (c) Beneficiary collecting any moneys payable under leases or rental agreements directly from the parties obligated for payment; (d) injunction; or (e) any other method permitted by law.

Unless and until Beneficiary shall elect to collect said rents and rentals, the same shall be collected by Trustor, but Beneficiary may at any time, after Trustor's default, collect all such rents and rentals and Trustor agrees not to hinder or delay Beneficiary in collecting the same.

Any rents or rentals received by Beneficiary shall be applied first to the cost of collection, second to any expenses Beneficiary may expend in making the property ready for or satisfactory to any lessee or tenant, and the remainder shall be applied on the indebtedness secured hereby (whether matured or unmatured) as Beneficiary may elect.

Trustor shall not consent to the cancellation or surrender of any lease on the property, or any portion thereof, having an unexpired term of two (2) years or more, or decrease the rental payable under any lease, or receive or collect more than two (2) month's rent in advance, and Trustor agrees not to default in performing its obligations under all leases on the property.

10. Time is of the essence of this Trust Deed. No failure on the part of Beneficiary to exercise any of its rights hereunder shall be construed as a waiver of or prejudice its rights in the event of any other subsequent default or breach. No delay on the part of Beneficiary in exercising any of its rights hereunder shall preclude it from the exercise thereof at any time during the continuance of any such default. The acceptance of late payments shall not waive the "time is of the essence" provision. All rights and remedies of Beneficiary are cumulative and concurrent, and may be exercised singly, severally or concurrently as Beneficiary may elect.

11. In the event the indebtednesses secured hereby or this Trust Deed is placed in the hands of attorneys for collection or foreclosure, then Trustor agrees to pay reasonable attorney's fees to Beneficiary, in addition to the amount due thereon, together with all costs and expenses incurred by Beneficiary in the collection and foreclosure thereof, and together with the cost of a title search, the payment of which sums are secured by this Trust Deed.

12. In the event of any default by Trustor in the payment of the indebtedness secured hereby; or in the event of any default of Trustor in performing any of its obligations hereunder or any obligations under any loan agreement or other document executed by Trustor and held by Beneficiary; or in the event Trustor, or any guarantor or surety shall be adjudicated insolvent or bankrupt or any proceedings are filed by or against them or any of them in the nature of bankruptcy or reorganization or arrangement with creditors; or in the event any proceeding is filed to foreclose or any Notice of Trustee's Sale is recorded on any other lien on the Trust

Property (whether junior or senior to this Trust Deed); or in the event any Writ or Attachment shall be filed or levied against the Trust Property; or in the event Trustor abandons the Trust Property or leaves the same unattended or unprotected; or in the event Beneficiary shall deem the security provided by this Trust Deed inadequate or in danger of being impaired or diminished from any cause whatsoever (any of such events being an event of default hereunder); then and in any such event Beneficiary may declare the entire debt and all indebtedness of Trustor to Beneficiary to be immediately due and payable without notice to Trustor. Beneficiary may thereupon, at its option, and without prior notice and without affecting the lien of this Trust Deed, do any one or more of the following: enter upon the premises and inspect, repair, improve and maintain the same, rent or lease the premises or portions thereof as Beneficiary shall see fit, and perform such other acts thereon as Beneficiary may deem necessary or advisable; sue for all or part of the indebtedness owing from Trustor to Beneficiary without affecting or without losing the security of this Trust Deed; foreclose this Trust Deed as a mortgage in the manner provided by law; cause the exercise of the power of sale granted herein; bring an action for damages, or exercise such other remedies or combination of remedies Beneficiary may have under law and equity.

13. Upon payment in full of all sums secured hereby and performance of all obligations of Trustor hereunder, the lien of this Trust Deed upon the Trust Property shall be released by reconveyance by Deed of Release, which said reconveyance and release shall be without warranty and shall operate to reconvey the estate vested in Trustee hereby.

Beneficiary may, at any time, without notice, release any person liable for payment of any indebtedness secured hereby, release portions of the Trust Property from this Trust Deed, or extend or modify the time for payment of the indebtedness secured hereby by agreement with Trustor or by agreement with subsequent owners of said property, and any such release, extension or modification shall not affect the personal liability of any person for the payment of said indebtedness or the lien of this Trust Deed upon the remaining portion of said property.

At any time, without liability therefor and without notice, and without affecting the personal liability of Trustor of any other person for payment of the indebtedness secured hereby, Trustee may, with the consent of Beneficiary: (a) release and reconvey by Deed of Release any part of the Trust Property from the lien hereof; (b) consent to the making and recording of any maps or plats of the Trust Property; (c) join in granting any easement on the Trust Property; or (d) join in any extension agreement or any agreement subordinating or modifying the lien or charge hereof. If Trustee shall perform any such acts or execute complete or partial reconveyances it shall be paid a fee in accordance with its established fees and charges therefor.

If reconveyance by Deed of Release is to be made by Trustee, Beneficiary shall deliver the original of this Trust Deed and the note secured hereby to Trustee with a request for reconveyance by Deed of Release.

The Grantee in any Deed of Release executed pursuant to this Trust Deed may be described as "the person or persons legally entitled thereto" and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.

14. In the event of default hereunder, Beneficiary, if it desires Trustee to exercise the power of sale granted hereby, shall execute and deliver to Trustee a written declaration of default and demand for sale and shall surrender to Trustee this Trust Deed, the note secured hereby and all documents evidencing any expenditures hereunder, together with such other documents as Trustee may require. Beneficiary shall also execute and deliver to Trustee all notices to Trustor that must be signed by Beneficiary. Upon receipt thereof, Trustee shall sell the Trust Property as provided by law. Trustee may postpone the sale as provided by law. After sale of the Trust Property, Trustee shall deliver its deed to the purchaser conveying the property so sold but without any covenant or warranty, express or implied. The recital in any such deed of any matters or facts, stated either specifically or in general terms, or as conclusions of law or facts, shall be conclusive proof of the truthfulness thereof.

15. Beneficiary may, at any time, request cancellation of Trustee's Notice of Sale, whereupon Trustee shall execute and record, or cause to be recorded, a Cancellation of Notice of Sale in the same county in which the Notice of Sale was recorded. The exercise by Beneficiary of this right shall not constitute a waiver of any default then existing or subsequently occurring.

In the event this Trust Deed and the indebtedness and obligations secured hereby are reinstated in the manner provided by law, Beneficiary shall forthwith notify Trustee thereof as provided by law. Upon such notification, Trustee shall record, or cause to be recorded, a Cancellation of Notice of Sale in the same county in which the Notice of Sale was recorded within the period then required by law.

16. In the event of default hereunder, at any time before the Trust Property has been sold pursuant to the power of sale granted hereby, this Trust Deed may be foreclosed in the manner provided by law for the foreclosure of mortgages on real property.

17. In the event of default hereunder, Beneficiary shall be entitled to the appointment of a Receiver to take charge of the property, collect the rents, issues and profits therefrom, care for and repair the same, improve the same when necessary or desirable, lease and rent the property or portion thereof (including leases existing beyond the term of receivership), plant, cultivate and harvest crops thereon, and otherwise use and utilize the property and to have such other duties as may be fixed by the Court.

Trustor specifically agrees that the Receiver may be appointed without any notice to Trustor whatsoever, and the Court may appoint a Receiver without reference to matters normally taken into account by Courts in the discretionary appointment of Receivers, it being the intention of Trustor to hereby authorize the appointment of a Receiver when Trustor is in default and Beneficiary has requested the appointment of a Receiver. Trustor hereby agrees and consents to the appointment of the particular person or firm (including an officer or employee of Beneficiary) designated by Beneficiary as Receiver and hereby waives its rights to suggest or nominate any person or firm as Receiver in opposition to that designated by Beneficiary.

18. Beneficiary may substitute another Trustee herein named to exercise the rights, powers and duties granted by law and contained herein. Upon such appointment, and

without the necessity of a conveyance to the successor Trustee, the latter shall be vested with all the title, powers and duties conferred upon the Trustee herein named.

19. Beneficiary or any purchaser at Trustee's sale or at any foreclosure sale may, if it so elects, be subrogated to and succeed to all the rights of Trustor under any or all leases on the property or portions thereof. Beneficiary may, if it so elects, subordinate its rights hereunder to any lease on the property, or a portion thereof, and keep the lease in effect through and after any foreclosure action or Trustee's sale.

20. Beneficiary shall be subrogated to the lien, notwithstanding its release of record, of any prior mortgage, trust deed or other encumbrance paid or discharged from the proceeds of the note secured hereby, or from any advance made by Beneficiary.

21. In the event of the passage after the date of this Trust Deed of any law levying any tax upon this Trust Deed or the debt secured hereby, which Beneficiary is obliged to pay, then Trustor agrees to pay said tax or reimburse Beneficiary for the payment of the same, provided that Trustor shall not be obligated to pay any amount which would be considered as interest at a rate higher than allowed by law, and provided further that in the event of the enactment of any such law Beneficiary shall have the right, at its option, to declare the indebtedness secured hereby to be immediately due and payable.

22. Trustor agrees that in the event of a sale, assignment, encumbrance, or any other transfer of the Trust Property described herein or any portion thereof or interest therein, whether such transfer is voluntary or involuntary, or in the event Trustor contracts for the sale of said property, or any portion thereof or interest therein, then and in that event, Beneficiary may, at its option, accelerate the time for payment of all indebtedness secured hereby and demand full repayment thereof, or give its written consent to such transfer on such terms and conditions as Beneficiary may in its sole discretion require.

23. Trustee may, but shall be under no obligation or duty to, appear in or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee. If Trustee shall take such action at the request of Beneficiary, it shall be paid therefor in accordance with its established fees and charges and shall be reimbursed for its costs and expenses actually incurred, including attorney's fees.

24. The Trust created hereby is irrevocable by Trustor. Trustee accepts this Trust Deed, duly executed and acknowledged, is made a public record as provided by law, but acceptance is not required as a condition to the validity hereof, and this Trust Deed is effective upon delivery. Trustee shall not be obligated to notify any party hereto of pending sale under any other trust deed, or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party, except as required by law.

25. The word "Trustor" and the language of this instrument shall, where there is more than one Trustor, be construed as plural and be binding equally on Trustors. The obligations of Trustors hereunder and under the note secured hereby shall be joint and several. This Trust Deed applies to, is binding upon, and inures to the benefit of all parties hereto, their heirs, executors, administrators, successors and assigns. The term "Beneficiary" shall include

not only the original Beneficiary hereunder, but also any future owner and holder of the note secured hereby.

26. If any provision hereof should be held unenforceable or invalid, in whole or in part, then such unenforceable or void provision or part shall be deemed separable from the remaining provisions hereof and shall in no way affect the validity of this Trust Deed.

27. Notwithstanding any provisions herein, or in the note, notes or other evidences of indebtedness, secured hereby, or in any related agreement between Trustor and Beneficiary, the total liability of Trustor for payments in the nature of interest shall not exceed the limits now imposed by the laws of the State of Arizona.

28. Trustor requests that a copy of any Notice of Sale hereunder be mailed to him at his mailing address set forth below. Any notices required to be given to Trustor by mailing shall be effective and complete when mailed and shall be mailed to the address set forth below. Lack of receipt thereof shall in no way invalidate the notice or any sale by Trustee hereunder. If Trustor desires to change the address to which notices shall be mailed, such change shall be accomplished by a request as provided by law.

29. Trustee shall be paid for all acts performed by it hereunder or in connection herewith in accordance with its established fees and charges. All such fees and charges shall be paid by Trustor, and if Beneficiary shall advance any such fees or charges, Trustor shall reimburse Beneficiary for same on demand. Payment thereof is secured by this Trust Deed.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust this 7th day of March, 2001.

/s/ Michael Rohleder
- ----------
Michael Rohleder

8217 E. Coconino Road
Paradise Valley, AZ 85253

/s/ Roxanne Rohleder
- ----------
Roxanne Rohleder

8217 E. Coconino Road
Paradise Valley, AZ 85253

STATE OF Arizona)

) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 7th day of March 2001, by Michael Rohleder.

IN WITNESS HEREOF, I have hereunto set my hand and official seal.

/s/ Tracy Hewelt

Notary Public

My commission expires:

3-2-02
- ---

[NOTARY SEAL]

STATE OF Arizona)

) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 7th day of March 2001, by Roxanne Rohleder.

IN WITNESS HEREOF, I have hereunto set my hand and official seal.

/s/ Sheri Biesemeyer

Notary Public

My commission expires:

6-17-03
- ---

[NOTARY SEAL]

EXHIBIT A

Legal Description

Lot 6, MOCKINGBIRD VISTAS, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 452 of Maps, page 14.

Exhibit 10.5

SCG HOLDING CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR DIRECTORS

This Option Agreement is made and entered into by and between ON SEMICONDUCTOR CORPORATION ("Company") and ALBERT HUGO-MARTINEZ ("Optionee"), as of the 28th day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the SCG Holding Corporation 2000 Stock Incentive Plan ("Plan") as an incentive to retain members of the Board of Directors, key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract such individuals whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 20,000 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

- One-Half of the Option grant shall become exercisable on February 28, 2002; and

- On-Half of the Option grant shall become exercisable on February 28, 2003.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $6.00 per share.

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 28, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF SERVICES.

8.1 GENERAL. If the Optionee ceases to perform services as a member of the Board of Directors of the Company for any reason other than death or Disability, then the Optionee may at any time within ninety (90) days after the effective date of termination of services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date. Any portion of the Option that is not vested on the date the Optionee ceases to perform services as a Company Director, shall be forfeited on such date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including ninety (90) days after termination of services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be

exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while a Director of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii)

containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue providing services as a Company Director and shall not limit the right of the Company, in its sole discretion, to terminate the services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION	OPTIONEE/ALBERT HUGO-MARTINEZ
By: /s/ George H. Cave	/s/ Albert Hugo-Martinez
Its: Vice President & Secretary	

Exhibit 10.6

SCG HOLDING CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR DIRECTORS

This Option Agreement is made and entered into by and between ON SEMICONDUCTOR CORPORATION ("Company") and JEROME N. GREGOIRE ("Optionee"), as of the 28th day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the SCG Holding Corporation 2000 Stock Incentive Plan ("Plan") as an incentive to retain members of the Board of Directors, key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract such individuals whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 20,000 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

- One-Half of the Option grant shall become exercisable on February 28, 2002; and

- On-Half of the Option grant shall become exercisable on February 28, 2003.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $6.00 per share.

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 28, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF SERVICES.

8.1 GENERAL. If the Optionee ceases to perform services as a member of the Board of Directors of the Company for any reason other than death or Disability, then the Optionee may at any time within ninety (90) days after the effective date of termination of services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date. Any portion of the Option that is not vested on the date the Optionee ceases to perform services as a Company Director, shall be forfeited on such date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including ninety (90) days after termination of services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be

exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while a Director of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii)

containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue providing services as a Company Director and shall not limit the right of the Company, in its sole discretion, to terminate the services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION	OPTIONEE/JEROME N. GREGOIRE
By: /s/ George H. Cave	/s/ Jerome N. Gregoire
Its: Vice President & Secretary	

Exhibit 10.7

ON SEMICONDUCTOR CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT
FOR DIRECTORS

This Option Agreement is made and entered into by and between ON SEMICONDUCTOR CORPORATION ("Company") and JOHN LEGERE ("Optionee"), as of the 16th day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the ON Semiconductor Corporation (formerly known as SCG Holding Corporation) 2000 Stock Incentive Plan ("Plan") as an incentive to retain members of the Board of Directors, key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract such individuals whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 21,428 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

- 33 1/3% of the Option grant shall become exercisable on February 16, 2002;

- an additional 33 1/3% of the Option grant shall become exercisable on February 16, 2003; and

- the final 33 1/3% of the Option grant shall become exercisable on February 16, 2004.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $7.00 per share.

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 16, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF SERVICES.

8.1 GENERAL. If the Optionee ceases to perform services as a member of the Board of Directors of the Company for any reason other than death or Disability, then the Optionee may at any time within ninety (90) days after the effective date of termination of services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date. Any portion of the Option that is not vested on the date the Optionee ceases to perform services as a Company Director, shall be forfeited on such date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including ninety (90) days after termination of services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons

entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while a Director of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the

Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii) containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue providing services as a Company Director and shall not limit the right of the Company, in its sole discretion, to terminate the services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION	OPTIONEE/JOHN LEGERE
By: /s/ George H. Cave	/s/ John Legere
Its: Vice President and Secretary	

Exhibit 10.8

ON SEMICONDUCTOR CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT

This Option Agreement is made and entered into by and between ON Semiconductor Corporation ("Company") and STEVE HANSON ("Optionee"), as of the 21st day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the ON Semiconductor Corporation (formerly known as SCG Holding Corporation) 2000 Stock Incentive Plan, as amended (the "Plan"), as an incentive to retain key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract new employees, officers and consultants whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 400,000 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

25% of the Option grant shall become exercisable on February 21, 2002;

25% of the Option grant shall become exercisable on February 21, 2003;

25% of the Option grant shall become exercisable on February 21, 2004;

25% of the Option grant shall become exercisable on February 21, 2005.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $6.125 per share (i.e., the closing price of the Company's commons tock on February 21, 2001).

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 21, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF EMPLOYMENT OR SERVICES.

8.1 GENERAL. If the Optionee terminates employment or otherwise ceases to perform services for the Company for any reason other than death or Disability, then the Optionee may at any time within 90 days after the effective date of termination of employment or services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including 90 days after termination of employment or services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a

testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while an Optionee of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the

shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii) containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF EMPLOYMENT OR SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue in the employ of, or providing services to, the Company and shall not limit the right of the Company, in its sole discretion, to terminate the employment or services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION

By: /s/ George H. Cave

Its: Vice President & Secretary

STEVE HANSON (OPTIONEE)

By: /s/ Steve Hanson

Exhibit 10.9

ON SEMICONDUCTOR CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT

This Option Agreement is made and entered into by and between ON Semiconductor Corporation ("Company") and DARIO SACOMANI ("Optionee"), as of the 21st day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the ON Semiconductor Corporation (formerly known as SCG Holding Corporation) 2000 Stock Incentive Plan, as amended (the "Plan"), as an incentive to retain key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract new employees, officers and consultants whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 100,000 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

25% of the Option grant shall become exercisable on February 21, 2002;

25% of the Option grant shall become exercisable on February 21, 2003;

25% of the Option grant shall become exercisable on February 21, 2004;

25% of the Option grant shall become exercisable on February 21, 2005.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $6.125 per share (i.e., the closing price of the Company's commons stock on February 21, 2001).

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 21, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF EMPLOYMENT OR SERVICES.

8.1 GENERAL. If the Optionee terminates employment or otherwise ceases to perform services for the Company for any reason other than death or Disability, then the Optionee may at any time within 90 days after the effective date of termination of employment or services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including 90 days after termination of employment or services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a

testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while an Optionee of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the

shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii) containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF EMPLOYMENT OR SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue in the employ of, or providing services to, the Company and shall not limit the right of the Company, in its sole discretion, to terminate the employment or services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION

By: /s/ George H. Cave

Its: Vice President & Secretary

DARIO SACOMANI (OPTIONEE)

By: /s/ Dario Sacomani

EXHIBIT 10.10

ON SEMICONDUCTOR CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT

This Option Agreement is made and entered into by and between ON Semiconductor Corporation ("Company") and MICHAEL ROHLEDER ("Optionee"), as of the 21st day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the ON Semiconductor Corporation (formerly known as SCG Holding Corporation) 2000 Stock Incentive Plan, as amended (the "Plan"), as an incentive to retain key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract new employees, officers and consultants whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 533,000 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

25% of the Option grant shall become exercisable on February 21, 2002;

25% of the Option grant shall become exercisable on February 21, 2003;

25% of the Option grant shall become exercisable on February 21, 2004;

25% of the Option grant shall become exercisable on February 21, 2005.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $6.125 per share (i.e., the closing price of the Company's common stock on February 21, 2001).

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 21, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF EMPLOYMENT OR SERVICES.

8.1 GENERAL. If the Optionee terminates employment or otherwise ceases to perform services for the Company for any reason other than death or Disability, then the Optionee may at any time within 90 days after the effective date of termination of employment or services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including 90 days after termination of employment or services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a

testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while an Optionee of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the

shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii) containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF EMPLOYMENT OR SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue in the employ of, or providing services to, the Company and shall not limit the right of the Company, in its sole discretion, to terminate the employment or services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION

By: /s/ George H. Cave

Its: Vice President & Secretary

MICHAEL ROHLEDER (OPTIONEE)

By: /s/ Michael Rohleder

EXHIBIT 10.11

ON SEMICONDUCTOR CORPORATION
2000 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AGREEMENT

This Option Agreement is made and entered into by and between ON Semiconductor Corporation ("Company") and WILLIAM GEORGE ("Optionee"), as of the 21st day of February, 2001 ("Date of Grant").

RECITALS

A. The Board of Directors of the Company has adopted the ON Semiconductor Corporation (formerly known as SCG Holding Corporation) 2000 Stock Incentive Plan, as amended (the "Plan"), as an incentive to retain key employees, officers, and consultants of the Company and to enhance the ability of the Company to attract new employees, officers and consultants whose services are considered unusually valuable by providing an opportunity for them to have a proprietary interest in the success of the Company.

B. The Board has approved the granting of options to the Optionee pursuant to the Plan to provide an incentive to the Optionee to focus on the long-term growth of the Company.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Optionee agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Optionee the right and option (hereinafter referred to as the "Option") to purchase an aggregate of 100,000 shares (such number being subject to adjustment as provided in paragraph 11 hereof and Section 14 of the Plan) of the Common Stock of the Company (the "Stock") on the terms and conditions herein set forth. This Option may be exercised in whole or in part and from time to time as hereinafter provided. The Option granted under this Agreement is NOT intended to be an "incentive stock option" as set forth in Section 422 of the Internal Revenue Code of 1986, as amended.

2. VESTING OF OPTION. The Option shall vest and become exercisable in accordance with the schedule below:

25% of the Option grant shall become exercisable on February 21, 2002;

25% of the Option grant shall become exercisable on February 21, 2003;

25% of the Option grant shall become exercisable on February 21, 2004;

25% of the Option grant shall become exercisable on February 21, 2005.

3. PURCHASE PRICE. The price at which the Optionee shall be entitled to purchase the Stock covered by the Option shall be $6.125 per share (i.e., the closing price of the Company's commonstock on February 21, 2001).

4. TERM OF OPTION. The Option granted under this Agreement shall expire, unless otherwise exercised, ten years from the Date of Grant, through and including the normal close of business of the Company on February 21, 2011 ("Expiration Date"), subject to earlier termination as provided in paragraph 8 hereof.

5. EXERCISE OF OPTION. The Option may be exercised by the Optionee as to all or any part of the Stock then vested by delivery to the Company of written notice of exercise and payment of the purchase price as provided in paragraphs 6 and 7 hereof.

6. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by timely delivery to the Company of written notice, which notice shall be effective on the date received by the Company ("Effective Date"). The notice shall state the Optionee's election to exercise the Option, the number of shares in respect of which an election to exercise has been made, the method of payment elected (see paragraph 7 hereof), the exact name or names in which the shares will be registered and the Social Security number of the Optionee. Such notice shall be signed by the Optionee and shall be accompanied by payment of the purchase price of such shares. In the event the Option shall be exercised by a person or persons other than Optionee pursuant to paragraph 8 hereof, such notice shall be signed by such other person or persons and shall be accompanied by proof acceptable to the Company of the legal right of such person or persons to exercise the Option. All shares delivered by the Company upon exercise of the Option shall be fully paid and nonassessable upon delivery.

7. METHOD OF PAYMENT FOR OPTIONS. Payment for shares purchased upon the exercise of the Option shall be made by the Optionee in cash, previously-acquired Stock held for more than six months (through actual tender or by attestation), broker-assisted cashless exercise arrangement, or such other method permitted by the Board and communicated to the Optionee in writing prior to the date the Optionee exercises all or any portion of the Option.

8. TERMINATION OF EMPLOYMENT OR SERVICES.

8.1 GENERAL. If the Optionee terminates employment or otherwise ceases to perform services for the Company for any reason other than death or Disability, then the Optionee may at any time within 90 days after the effective date of termination of employment or services exercise the Option to the extent that the Optionee was entitled to exercise the Option at the date of termination, provided that the Option shall lapse immediately upon a termination for Cause. In no event shall the Option be exercisable after the Expiration Date.

8.2 DEATH OR DISABILITY OF OPTIONEE. In the event of the death or Disability (as that term is defined in the Plan) of the Optionee within a period during which the Option, or any part thereof, could have been exercised by the Optionee, including 90 days after termination of employment or services (the "Option Period"), the Option shall lapse unless it is exercised within the Option Period and in no event later than twelve (12) months after the date of the Optionee's death or Disability by the Optionee or the Optionee's legal representative or representatives in the case of a Disability or, in the case of death, by the person or persons entitled to do so under the Optionee's last will and testament or if the Optionee fails to make a

testamentary disposition of such Option or shall die intestate, by the person or persons entitled to receive such Option under the applicable laws of descent and distribution. An Option may be exercised following the death or Disability of the Optionee only if the Option was exercisable by the Optionee immediately prior to his death or Disability. In no event shall the Option be exercisable after the Expiration Date. The Board shall have the right to require evidence satisfactory to it of the rights of any person or persons seeking to exercise the Option under this paragraph 8 to exercise the Option.

9. NONTRANSFERABILITY. The Option granted by this Option Agreement shall be exercisable only during the term of the Option provided in paragraph 4 hereof and, except as provided in paragraph 8 above, only by the Optionee during his lifetime and while an Optionee of the Company. Except as otherwise permitted by the Committee, this Option shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution.

10. MARKET STAND-OFF AGREEMENT. The Optionee, if requested by the Company and an underwriter of Stock (or other securities) of the Company, agrees not to sell or otherwise transfer or dispose of any Stock (or other securities) of the Company held by the Optionee during the period not to exceed 180 days as requested by the managing underwriter following the effective date of a registration statement of the Company filed under the Securities Act. Such agreement shall be in writing in a form satisfactory to the Company and such underwriter. The Company may impose stop transfer instructions with respect to the Stock (or other securities) subject to the foregoing restriction until the end of such project.

11. ADJUSTMENTS IN NUMBER OF SHARES AND OPTION PRICE. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Option the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to the Option, all as set forth in Section 14 of the Plan.

12. DELIVERY OF SHARES. No shares of Stock shall be delivered upon exercise of the Option until (i) the purchase price shall have been paid in full in the manner herein provided; (ii) applicable taxes required to be withheld have been paid or withheld in full; (iii) approval of any governmental authority required in connection with the Option, or the issuance of shares thereunder, has been received by the Company; and (iv) if required by the Board, the Optionee has delivered to the Board an Investment Letter in form and content satisfactory to the Company as provided in paragraph 13 hereof.

13. SECURITIES ACT. The Company shall not be required to deliver any shares of Stock pursuant to the exercise of all or any part of the Option if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations. The Board may require that the Optionee, prior to the issuance of any such shares pursuant to exercise of the Option, sign and deliver to the Company a written statement ("Investment Letter") stating (i) that the Optionee is purchasing the

shares for investment and not with a view to the sale or distribution thereof; (ii) that the Optionee will not sell any shares received upon exercise of the Option or any other shares of the Company that the Optionee may then own or thereafter acquire except either (a) through a broker on a national securities exchange or (b) with the prior written approval of the Company; and (iii) containing such other terms and conditions as counsel for the Company may reasonably require to assure compliance with the Securities Act of 1933 or other applicable federal or state securities laws and regulations. Such Investment Letter shall be in form and content acceptable to the Board in its sole discretion.

14. DEFINITIONS; COPY OF PLAN. To the extent not specifically provided herein, all capitalized terms used in this Option Agreement shall have the same meanings ascribed to them in the Plan. By the execution of this Agreement, the Optionee acknowledges receipt of a copy of the Plan.

15. ADMINISTRATION. This Option Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Board in accordance with the terms of and as provided in the Plan. The Board shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Board with respect thereto and to this Option Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Option Agreement and the Plan, the provisions of the Plan shall control.

16. CONTINUATION OF EMPLOYMENT OR SERVICES. This Option Agreement shall not be construed to confer upon the Optionee any right to continue in the employ of, or providing services to, the Company and shall not limit the right of the Company, in its sole discretion, to terminate the employment or services of the Optionee at any time.

17. OBLIGATION TO EXERCISE. The Optionee shall have no obligation to exercise any option granted by this Agreement.

18. GOVERNING LAW. This Option Agreement shall be interpreted and administered under the laws of the State of Delaware.

19. AMENDMENTS. This Option Agreement may be amended only by a written agreement executed by the Company and the Optionee. The Company and the Optionee acknowledge that changes in federal tax laws enacted subsequent to the Date of Grant, and applicable to stock options, may provide for tax benefits to the Company or the Optionee. In any such event, the Company and the Optionee agree that this Option Agreement may be amended as necessary to secure for the Company and the Optionee any benefits that may result from such legislation. Any such amendment shall be made only upon the mutual consent of the parties, which consent (of either party) may be withheld for any reason.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be signed by its duly authorized representative and the Optionee has signed this Option Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION

By: /s/ George H. Cave

Its: Vice President & Secretary

WILLIAM GEORGE (OPTIONEE)

By: /s/ William George

Exhibit 18

May 14, 2001

To the Board of Directors of
ON Semiconductor Corporation

We are providing this letter to you for inclusion as an exhibit to your Form 10-Q filing pursuant to Item 601 of Regulation S-K.

We have been provided a copy of ON Semiconductor Corporation's (the "Company") Quarterly Report on Form 10-Q for the period ended March 30, 2001. Note 2 therein describes a change in the Company's revenue recognition method for sales to distributors from the time product is sold to distributors to the time product is sold by the distributors to the end customers. It should be understood that the preferability of one acceptable method of accounting over another for revenue recognition relating to distributor sales has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, the adoption of a preferable accounting principle in conformity with Accounting Principles Board Opinion No. 20.

We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2000. Accordingly, our comments are subject to change upon completion of an audit of the financial statements covering the period of the accounting change.

Very truly yours,

/s/PricewaterhouseCoopers LLP