



**TO: Valued Customers and Channel Partners of Sanyo
Component Europe, Semiconductor Division**

SUBJ: ON Semiconductor Freight Terms

DATE: November 2010

Dear Customer,

ON Semiconductor Corporation recently announced the signing of a definitive purchase agreement providing for the acquisition of SANYO Semiconductor Co., Ltd., a subsidiary of SANYO Electric, and other assets related to SANYO Electric's semiconductor business.

On Monday, January 31st 2011, all the Sanyo Component Europe (SCE), Semiconductor Division business processes and systems will be replaced by existing ON Semiconductor practices and procedures. The changes to be implemented will directly impact continuing business operations and relationships with all Direct and Channel Partners for SCE, Semiconductor Division.

As part of this integration, there will be a change to the standard Freight Terms between your Company and ON Semiconductor. Starting on January 31st 2011, ON Semiconductor Freight Terms will apply to all acquired SCE, Semiconductor Division's customers. This document defines ON Semiconductor's standard Freight Terms by "customer ship-to country". No actions are required on your part. However, it is important that your Accounts Payable and Purchasing teams understand the information contained in this communication.



ON Semiconductor Standard Freight Terms

These freight terms apply to the “ship-to” countries where you – our customers – have ON Semiconductor products delivered.

NON EUROPEAN UNION AND EMEA

ON Semiconductor uses a series of cross-docking facilities (or distribution hubs) in Asia supporting Non-European Union countries in Europe, the Middle East and Africa. Our standard freight terms are FCA (Free Carrier) from our Asian cross-docking facilities. ON Semiconductor’s Asia-based cross-docking locations and the countries each of these locations serves are as follows:

South Asia, Europe and Middle East (Singapore Hub location)

- Non-European Union countries in Europe, the Middle East and Africa

EUROPEAN UNION

ON Semiconductor uses its Asia based Global Distribution Centers (GDC) to serve the European Union by direct ship to customer. Our standard freight terms are DDP (Delivery Duty Paid) destination from these Asia GDC facilities.

(Note: European countries not in the EU are served by our South East Asia cross-docking location. See above.)

ON Semiconductor Standard Freight Terms (2011)

Hub Location	Customers Served	FOB Code
Singapore	Non EU Europe	FCA

Direct Ship Flows	Countries Served	FOB Code
GDC	EU	DDP