

**Report of Organizational Actions
Affecting Basis of Securities**

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
ON Semiconductor Corporation		36-3840970	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Matthew Beckler	602-244-3528	matt.beckler@onsemi.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
5005 E. McDowell Road MS C250		Phoenix, Arizona 85008	
8 Date of action		9 Classification and description	
6/31/2018		Term Loan B	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
68218EAF1			

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

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

Sign Here *gms* Signature ▶ Matthew E. Beckler Date ▶ July 6, 2018

Print your name ▶ MATTHEW E. BECKLER Title ▶ VICE PRESIDENT, GLOBAL TAX

Paid Preparer Use Only	Print/Type preparer's name Amy E Patel	Preparer's signature <u>Amy E. Patel</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN P00391257
	Firm's name ▶ DELOITTE TAX LLP	Firm's EIN ▶ 86-1065772			
	Firm's address ▶ 2901 N CENTRAL AVE, PHOENIX, AZ 85012	Phone no. 602-234-5100			

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ON Semiconductor Corporation

EIN: [36-3840979]

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

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

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

Form 8937, Part II, Line 14

On March 31, 2017, ON Semiconductor Corporation ("ON Semi") was deemed to issue a term loan with a principal amount of approximately \$1.8 billion (the "Prior Term Loan"). In general, the Prior Term Loan had an interest rate equal to LIBOR plus an applicable margin of 2.25% and a maturity date of March 31, 2023. The Prior Term Loan was deemed to be issued with an issue price equal to 100.5835% of the stated principal amount. ON Semi made two \$100 million prepayments on the Prior Term Loan between August and September 2017.

On November 30, 2017, the Prior Term Loan was amended to reduce the applicable margin by 25 bps, from 2.25% to 2.0%. At the same time, ON Semi made a \$400 million prepayment on the Prior Term Loan. ON Semi determined that the Prior Term Loan was not deemed to be retired and reissued under Treas. Reg. § 1.1001-3 for U.S. federal income tax purposes as a result of the November 30, 2017, changes.

On May 31, 2018, the Prior Term Loan was again amended to reduce the applicable margin by 25 bps, from 2.0% to 1.75% (the "Amendment"). As a result of the Amendment, for U.S. federal income tax purposes, the Prior Term Loan was treated as retired in exchange for a new term loan (the "2018 Term Loan") under Treas. Reg. § 1.1001-3(e)(2) and -3(f)(3).

Certain lenders of the Prior Term Loan rolled their interests in the Prior Term Loan into the 2018 Term Loan (the "Participating Lenders"), while other lenders were repaid in cash. ON Semi did not pay any cash consideration in connection with the Amendment.

Form 8937, Part II, Line 15

To the extent that the Prior Term Loan and the 2018 Term Loan constitute "securities" for purposes of the rules providing for tax-free recapitalizations under section 368(a)(1)(E) ("Tax Securities"), the Amendment likely qualifies as a tax-free recapitalization of the Prior Term Loan. To the extent that either the Prior Term Loan or the 2018 Term Loan are not Tax Securities, the Amendment does not qualify as a tax-free recapitalization of the Prior Term Loan.

To the extent the Amendment is a tax-free recapitalization of the Prior Term Loan, each Participating Lender's aggregate tax basis in the 2018 Term Loan will generally equal such Participating Lenders aggregate basis in the Prior Term Loan immediately prior to the deemed exchange (tax basis is also adjusted for cash received and gain recognized, which is not relevant to the Amendment).

ON Semi intends to treat the Prior Term Loan and the 2018 Term Loan as Tax Securities such that the Amendment qualifies as a tax-free recapitalization of the Prior Term Loan. Participating Lenders should consult their tax advisors to determine the tax consequences of the Amendment to them.

Form 8937, Part II, Line 16

To the extent the Amendment is a tax-free recapitalization of the Prior Term Loan, each Participating Lender's aggregate tax basis in the 2018 Term Loan will generally equal such Participating Lenders aggregate basis in the Prior Term Loan immediately prior to the deemed exchange (tax basis is also adjusted for cash received and gain recognized, which is not relevant to the Amendment).

ON Semi intends to treat the Prior Term Loan and the 2018 Term Loan as Tax Securities such that the Amendment qualifies as a tax-free recapitalization of the Prior Term Loan. Participating Lenders should consult their tax advisors to determine the tax consequences of the Amendment to them.

Form 8937, Part II, Line 17

Sections 354, 358, 1001 and 1012.

Form 8937, Part II, Line 18

The Amendment generally should not result in a loss to Participating Lenders to the extent the Amendment is a tax-free recapitalization of the Prior Term Loan. To the extent the Amendment is not a tax-free recapitalization of the Prior Term Loan, the Amendment may result in a loss to a Participating Lender to the extent such Participating Lender's tax basis in the Prior Term Loan exceeds the issue price of the 2018 Term Loan received in exchange therefor.

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