

**AUDIT COMMITTEE CHARTER
OF THE BOARD OF DIRECTORS**
(Amended and Restated as of August 8, 2019)

I. PURPOSE:

The purpose of the Audit Committee (“Committee”) of the Board of Directors (“Board”) of ON Semiconductor Corporation, a Delaware corporation (“Company”), shall be to take such actions, on behalf of the Board, as are necessary: (a) to monitor the integrity of the corporate accounting and financial reporting processes of the Company and the audits of the financial statements of the Company, (b) to provide to the Board the results of its monitoring and recommendations derived therefrom, (c) to outline to the Board changes made, or to be made, in internal accounting controls noted by the Committee, (d) to appoint, determine funding for, and oversee the independent registered public accounting firm (the “independent auditor”), (e) to review the independence, qualifications and performance of the Company’s internal and independent auditors, (f) to oversee that management has the processes in place to assure compliance by the Company with applicable corporate policies and legal and regulatory requirements that may have a material impact on the financial statements of the Company, and (g) to inform the Board and appropriately provide information and materials on significant matters that require the Board’s attention.

The Committee will prepare its report required by Item 407(d)(3) of Regulation S-K of the rules of the Securities and Exchange Commission (“Commission”) to be included in the Company’s annual proxy statement.

The Committee will fulfill its purpose primarily by exercising its authority and carrying out its responsibilities enumerated in Section III of this charter of the Committee (this “Charter”).

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles (“GAAP”) and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

II. COMPOSITION:

The Committee shall be comprised of three or more members of the Board. As and to the extent required under applicable federal securities laws and related rules and regulations, and/or the Nasdaq Stock Market, Inc. (“Nasdaq”) Marketplace Rules, all Committee members shall be independent. Members of the Committee shall be appointed to serve at the discretion of the Board for such term or terms as the Board may determine or until the member’s earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause. If a Committee Chairperson is not designated or present, the members may designate a Chairperson by majority vote. At least one Committee member shall be an “audit committee financial expert” as defined by the Commission and determined by the Board. All Committee members shall meet the experience and financial sophistication or literacy and other requirements contained in the Nasdaq Marketplace Rules with respect to audit committee composition. To the extent any Committee member ceases to comply with the independence or other requirements under Commission or Nasdaq rules and regulations, the Committee and such member, as applicable, may avail itself of any cure periods or exceptions allowed under such rules and regulations, as deemed appropriate by the Board.

III. AUTHORITY AND RESPONSIBILITIES:

The operation of the Committee shall be subject to the Bylaws of the Company, as in effect from time to time, and Section 141(c) of the Delaware General Corporation Law. The Committee shall have the following specific authority and such other responsibilities as from time to time may be prescribed by the Board:

1. The Committee shall have the sole authority to appoint or replace the Company's independent auditor (subject, if applicable, to shareholder ratification). The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including the resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The independent auditor shall report directly to the Committee.
2. The Committee shall pre-approve all auditing services and permitted non-auditing services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934 ("Exchange Act") which are approved by the Committee prior to the completion of the audit.
3. The Committee may form and delegate authority to a subcommittee consisting of one or more members of the Committee when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee shall be presented to the Committee at its next scheduled meeting.
4. The Committee shall, pursuant to Section 10A(m)(4) of and Rule 10A-3(b)(3) under the Exchange Act, establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
5. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing, rendering or issuing an audit report, and performing other audit, review or attest services, and to any such other advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
6. The Committee shall be responsible for (a) ensuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the applicable requirements regarding the independent auditor's communications with the Committee concerning independence, (b) reviewing relationships between the independent auditor and the Company and discussing with the independent auditor any disclosed relationships or services that may affect the objectivity and independence of the independent auditor, including the senior members of the independent auditor team, and (c) taking, or recommending that the full Board take, appropriate action to oversee the independence of the outside auditor.
7. Unless submitted to another comparable independent body of the Board, as and to the extent required under applicable federal securities laws and related rules and regulations, and/or the

Nasdaq Marketplace Rules, related party transactions shall be submitted to the Committee for review and oversight.

8. The Committee shall periodically review the Company's investment policy and related practices, and obtain reports on the resulting performance of the Company's investments.
9. The Committee shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
10. The Committee shall conduct annual self assessments of the Committee and its members.
11. The Committee, to the extent it deems necessary or appropriate, shall:

Financial Statements and Disclosure Matters:

- (a) Review and discuss with management and the independent auditor the annual audited financial statements (including the related notes), the form of audit opinion to be issued by the independent auditors on the financial statements, and disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
- (b) Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Quarterly Reports on Form 10-Q, including the results of the independent auditor's limited review of the quarterly financial statements and the management's discussion and analysis contained therein.
- (c) Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including, if appropriate, critical audit matters raised by the independent auditor, any significant changes in the Company's selection or application of accounting principles, any issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies, and the adequacy of disclosures about changes in internal control over financial reporting.
- (d) Review and discuss quarterly or other reports from the independent auditor on:
 - (i) All critical accounting policies and practices to be used;
 - (ii) All material alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
 - (iii) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- (e) Discuss with management the Company's earnings press releases, including the use of "pro-forma," and/or non-GAAP and "adjusted" non-GAAP information, as well

as financial information and earnings guidance provided to investors, analysts, rating agencies and other similar external audiences. Such discussion may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made).

- (f) Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Company's financial statements.
- (g) Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies as they relate to the Committee's responsibilities.
- (h) Review and discuss with the independent auditor the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the Commission.
- (i) Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for Form 10-Ks and 10-Qs about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls, as well as any significant change in internal controls implemented by management during the most recent reporting period of the Company.
- (j) Review with management and the independent auditors management's annual internal control report, including any attestation of the same by the independent auditors.
- (k) Review with management the Company's disclosure controls and procedures and review periodically management's conclusions about the efficacy of such disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.

Oversight of the Company's Relationship with the Independent Auditor

- (m) Review and evaluate the lead partner of the independent audit team.
- (n) Obtain and review a formal, written report from the independent auditor at least annually regarding (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with such issues, and (iv) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls and the provision of permitted non-audit services is compatible with maintaining such auditor's independence, and taking into account the opinions of management and personnel within the Internal Audit Function (as defined below) of the Company. The

Committee shall present its conclusions with respect to the independent auditor to the Board.

- (o) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- (p) Discuss with the lead partner of the independent audit team issues on which the audit team formally consulted with the national office of the independent auditors.
- (q) Discuss with management the Company's procedures and practices relating to the hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
- (r) Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit. Assist and interact with the independent auditor in order that such auditor may carry out its duties in the most efficient and cost effective manner.

Oversight of the Company's Internal Audit or Comparable Internal Function

- (s) With respect to the Company's internal audit or comparable internal function (either the "Internal Audit Function"), review and approve (to the extent appropriate) (i) its annual work plan, (ii) the Internal Audit Charter, (iii) its activities and organizational structure, (iv) its effectiveness, (v) the qualifications of its key personnel, and (vi) the appointment, replacement, reassignment or dismissal of the head of the Internal Audit Function.
- (t) Review the significant reports provided to management prepared by the Internal Audit Function and management's responses.
- (u) Discuss with the independent auditor and management the Internal Audit Function's responsibilities, budget and staffing and any recommended changes in the planned scope of the function.

Compliance Oversight Responsibilities

- (v) Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.¹
- (w) Obtain reports from management, the Company's head of the Internal Audit Function and the Law Department, as appropriate, with respect to any known material non-compliance with applicable legal requirements by the Company and its subsidiary/foreign affiliated entities, and compliance with the Company's Code of Business Conduct. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations that may have a material impact on the financial statements of the Company and with the Company's Code of Business Conduct.

¹ Section 10A(b) of the Exchange Act requires that the independent auditor respond in certain ways if during the course of conducting an audit of the financial statements of an issuer, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have a material effect on the financial statements of the issuer) has or may have occurred.

- (x) Discuss with management and the independent auditor any correspondence with regulators or governmental agencies, and any published reports that are brought to the attention of the Committee, which raise material issues regarding the Company's financial statements or accounting policies.
- (y) Discuss with the Company's General Counsel legal matters that may have a material impact on the Company's financial statements or compliance policies, and any material reports or inquiries received from regulators or governmental agencies.

General

- (z) Perform such other acts and have such other powers as may be necessary or convenient in the efficient and lawful discharge of the foregoing.

IV. MEETINGS:

The Committee will hold periodic meetings as deemed necessary by the Committee, but not less frequently than quarterly. The President and Chief Executive Officer, any Vice President and Chief Financial Officer may each attend any meeting of the Committee at the invitation of the Committee, except for portions of the meetings where his, her or their presence would be inappropriate, as determined by the Committee. As part of its job to foster open communication, the Committee shall meet periodically with the head of the Internal Audit Function, management and the independent auditors separately to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee shall meet with the independent auditors and management at least quarterly to review the Company's financial statements consistent with Section III above.

V. MINUTES:

Minutes of each meeting of the Committee shall be kept and distributed to each member of the Committee, and presented to the Board upon its request. Minutes of each meeting shall be maintained in the Secretary's office of the Company.

VI. GENERAL:

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications by the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such pertinent information as the Committee requests. In general, the Committee may coordinate with other Board committees with respect to matters within the scope of its duties, except to the extent inconsistent with Nasdaq or Commission rules.

VII. LIMITATION OF THE COMMITTEE'S ROLE:

The powers of the Committee shall be limited, and all activities of the Committee shall be governed, by the provisions of the Bylaws of the Company and applicable law.