

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287

Estimated average burden

hours per response: 0.5

☒ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

| | | | | | | |
|--|--|--|--|--|--|--|
| 1. Name and Address of Reporting Person* | | | 2. Issuer Name and Ticker or Trading Symbol | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | |
| Engaged Capital LLC | | | MAGNACHIP SEMICONDUCTOR Corp | | Director 10% Owner | |
| (Last) (First) (Middle) | | | 3. Date of Earliest Transaction (Month/Day/Year) | | Officer (give title below) X Other (specify below) | |
| 610 NEWPORT CENTER DRIVE | | | 01/11/2017 | | See Footnote 1 | |
| SUITE 250 | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | 6. Individual or Joint/Group Filing (Check Applicable Line) | |
| (Street) | | | | | Form filed by One Reporting Person | |
| NEWPORT CA 92660 | | | | | X Form filed by More than One Reporting Person | |
| (City) (State) (Zip) | | | | | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, par value \$0.01 per share ⁽¹⁾ | 01/11/2017 | | S | | 347,850 | D | \$6.35 | 3,105,124 | I | By: Engaged Capital Flagship Master Fund, LP ⁽²⁾⁽⁶⁾ |
| Common Stock, par value \$0.01 per share ⁽¹⁾ | 01/11/2017 | | S | | 52,150 | D | \$6.35 | 347,850 | I | By: Managed Account of Engaged Capital, LLC ⁽³⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| 5.00% Exchangeable Senior Notes due 2021 ⁽⁴⁾⁽⁵⁾ | \$8.255 | 01/11/2017 | | P | | \$4,496,288 | (4) | 03/01/2021 | Common Stock, par value \$0.01 per share ⁽¹⁾ | 544,674 | \$4,496,288 | \$4,496,288 | I | By: Engaged Capital Flagship Master Fund, LP ⁽²⁾⁽⁶⁾ |
| 5.00% Exchangeable Senior Notes due 2021 ⁽⁴⁾⁽⁵⁾ | \$8.255 | 01/11/2017 | | P | | \$503,712 | (4) | 03/01/2021 | Common Stock, par value \$0.01 per share ⁽¹⁾ | 61,019 | \$503,712 | \$503,712 | I | By: Managed Account of Engaged Capital, LLC ⁽³⁾ |

1. Name and Address of Reporting Person*

[Engaged Capital LLC](#)

(Last) (First) (Middle)
610 NEWPORT CENTER DRIVE
SUITE 250

(Street)
NEWPORT CA 92660
BEACH

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Welling Glenn W.](#)

(Last) (First) (Middle)
C/O ENGAGED CAPITAL, LLC
610 NEWPORT CENTER DR. SUITE 250

(Street)
NEWPORT CA 92660
BEACH

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Engaged Capital Holdings, LLC](#)

(Last) (First) (Middle)
610 NEWPORT CENTER DRIVE
SUITE 250

(Street)
NEWPORT CA 92660
BEACH

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Engaged Capital Flagship Master Fund, LP](#)

(Last) (First) (Middle)
CRICKET SQUARE, HUTCHINS DRIVE
P.O. BOX 2681

(Street)
GRAND E9 KY1-1111
CAYMAN

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Engaged Capital Flagship Fund, L.P.](#)

(Last) (First) (Middle)

610 NEWPORT CENTER DRIVE
SUITE 250

(Street)

NEWPORT BEACH CA 92660

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Engaged Capital Flagship Fund, Ltd.](#)

(Last) (First) (Middle)

610 NEWPORT CENTER DRIVE
SUITE 250

(Street)

NEWPORT BEACH CA 92660

(City) (State) (Zip)

Explanation of Responses:

1. This Form 4 is filed jointly by Engaged Capital Flagship Master Fund, LP ("Engaged Capital Flagship Master"), Engaged Capital Flagship Fund, LP ("Engaged Capital Fund"), Engaged Capital Flagship Fund, Ltd. ("Engaged Capital Offshore"), Engaged Capital, LLC ("Engaged Capital"), Engaged Capital Holdings, LLC ("Engaged Holdings") and Glenn W. Welling (collectively, the "Reporting Persons"). Each of the Reporting Persons may be deemed to be a member of a Section 13(d) group that no longer collectively beneficially owns more than 10% of the Issuer's outstanding shares of Common Stock. Each of the Reporting Persons disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

2. Securities owned directly by Engaged Capital Flagship Master. As feeder funds of Engaged Capital Flagship Master, each of Engaged Capital Fund and Engaged Capital Offshore may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master. As the general partner and investment adviser of Engaged Capital Flagship Master, Engaged Capital may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master. Engaged Holdings, as the managing member of Engaged Capital, may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master. Mr. Welling, as the Founder and Chief Investment Officer of Engaged Capital and sole member of Engaged Holdings, may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master.

3. Securities held in an account separately managed by Engaged Capital (the "Engaged Capital Account"). Engaged Capital, as the investment adviser of the Engaged Capital Account, may be deemed to beneficially own the securities held in the Engaged Capital Account. Engaged Holdings, as the managing member of Engaged Capital, may be deemed to beneficially own the securities held in the Engaged Capital Account. Mr. Welling, as the Founder and Chief Investment Officer of Engaged Capital and sole member of Engaged Holdings, may be deemed to beneficially own the securities held in the Engaged Capital Account.

4. The 5.00% Exchangeable Senior Notes due 2021 (the "Convertible Notes") bear interest at a rate of 5.00% per annum, with interest payable semiannually. The principal of the Convertible Notes is convertible into shares of the Issuer's Common Stock at any time after their issuance at a conversion price of approximately \$8.2550 per share, subject to adjustment in certain circumstances in accordance with the terms of the Convertible Notes; however, the Convertible Notes are subject to a blocker provision that precludes holders from converting the Convertible Notes to the extent that the holder and its affiliates would beneficially own (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in excess of 9.99% of the Issuer's shares outstanding immediately after giving effect to such conversion.

5. At the time the Convertible Notes were purchased (pre-market January 11, 2017), the market value of the Issuer's Common Stock was \$6.35, based off of the closing price of the Common Stock on January 10, 2017. On January 11, 2017, the Common Stock opened at \$6.55 and closed at \$6.70, with a low of \$6.40 and a high of \$6.85 during the day. As such, in accordance with Rule 16b-6(c)(2) under the Exchange Act, there are no recoverable profits in connection with the transactions reported herein.

6. Effective July 1, 2016, Engaged Capital Master Feeder II, LP changed its name to Engaged Capital Flagship Master Fund, LP, Engaged Capital II, LP changed its name to Engaged Capital Flagship Fund, LP and Engaged Capital II Offshore Ltd. changed its name to Engaged Capital Flagship Fund, Ltd.

[Engaged Capital, LLC; By: /s/
Glenn W. Welling, Authorized](#) [01/13/2017](#)
[Signatory](#)

[/s/ Glenn W. Welling](#) [01/13/2017](#)

[Engaged Capital Holdings,
LLC; By: /s/ Glenn W.](#) [01/13/2017](#)
[Welling, Authorized](#)
[Signatory](#)

[Engaged Capital Flagship
Master Fund, LP; By:](#)
[Engaged Capital, LLC; By: /s/](#) [01/13/2017](#)
[Glenn W. Welling, Authorized](#)
[Signatory](#)

[Engaged Capital Flagship
Fund, LP; By: Engaged](#)
[Capital, LLC; By: /s/ Glenn](#) [01/13/2017](#)
[W. Welling, Authorized](#)
[Signatory](#)

[Engaged Capital Flagship
Fund, Ltd.; By: /s/ Glenn W.](#) [01/13/2017](#)
[Welling, Director](#)

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.