
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026
or

☐ **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: 001-34791



Magnachip Semiconductor Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

83-0406195
(I.R.S. Employer
Identification No.)

c/o Magnachip Semiconductor, Ltd.
15F, 76 Jikji-daero 436beon-gil, Heungdeok-gu
Cheongju-si, Chungcheongbuk-do, Republic of Korea 28581
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: +82 (2) 6903-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	MX	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐

Accelerated filer ☒
Smaller reporting company ☒
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of July 31, 2026, the registrant had 36,510,111 shares of common stock outstanding.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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PART I—FINANCIAL INFORMATION

Item 1. Interim Consolidated Financial Statements (Unaudited)

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2026	December 31, 2025
	(In thousands of U.S. dollars, except share data)	
Assets		
Current assets		
Cash and cash equivalents	\$ 87,936	\$ 103,756
Accounts receivable, net	23,788	26,022
Inventories, net	34,136	34,151
Other receivables	4,096	2,882
Prepaid expenses	4,346	5,062
Hedge collateral (Note 8)	4,540	1,200
Other current assets (Note 18)	5,631	3,782
Total current assets	164,473	176,855
Property, plant and equipment, net	92,243	100,204
Operating lease right-of-use assets	1,423	2,070
Intangible assets, net	395	454
Long-term prepaid expenses, net	498	584
Deferred income taxes	60,217	64,248
Other non-current assets	5,602	7,114
Total assets	<u>\$ 324,851</u>	<u>\$ 351,529</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 21,127	\$ 20,848
Other accounts payable	5,690	11,444
Accrued expenses (Note 7)	7,696	6,929
Accrued income taxes	38	81
Operating lease liabilities	1,144	1,427
Current portion of long-term borrowings (Note 11)	25,949	—
Other current liabilities	6,044	2,681
Total current liabilities	67,688	43,410
Long-term borrowings (Note 11)	15,566	44,599
Accrued severance benefits, net	11,908	11,502
Non-current operating lease liabilities	324	690
Other non-current liabilities	2,833	3,078
Total liabilities	98,319	103,279
Commitments and contingencies (Note 18)		
Stockholders' equity		
Common stock, \$0.01 par value, 150,000,000 shares authorized, 58,318,707 shares issued and 36,510,111 outstanding at June 30, 2026 and 58,027,696 shares issued and 36,219,100 outstanding at December 31, 2025	581	579
Additional paid-in capital	283,263	281,537
Retained earnings	205,390	214,852
Treasury stock, 21,808,596 shares at June 30, 2026 and 21,808,596 shares at December 31, 2025, respectively	(229,910)	(229,910)
Accumulated other comprehensive loss	(32,792)	(18,808)
Total stockholders' equity	226,532	248,250
Total liabilities and stockholders' equity	<u>\$ 324,851</u>	<u>\$ 351,529</u>

The accompanying notes are an integral part of these consolidated financial statements.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(In thousands of U.S. dollars, except share data)			
Net sales	\$ 44,704	\$ 47,622	\$ 90,912	\$ 92,344
Cost of sales	36,056	37,910	75,070	73,270
Gross profit	8,648	9,712	15,842	19,074
Operating expenses:				
Selling, general and administrative expenses	8,747	8,976	16,413	18,179
Research and development expenses	7,896	6,488	14,594	11,925
Other charges	1,981	846	1,981	846
Total operating expenses	18,624	16,310	32,988	30,950
Operating loss	(9,976)	(6,598)	(17,146)	(11,876)
Interest income	949	1,322	2,012	2,862
Interest expense	(320)	(373)	(693)	(796)
Foreign currency gain (loss), net	(526)	10,797	(641)	10,392
Other income (loss), net	286	(83)	276	31
Income (Loss) from continuing operations before income tax benefit, net	(9,587)	5,065	(16,192)	613
Income tax benefit, net	(1,986)	(4,138)	(3,894)	(4,539)
Income (Loss) from continuing operations	(7,601)	9,203	(12,298)	5,152
Income (Loss) from discontinued operations, net of tax	2,786	(8,880)	2,836	(13,707)
Net income (loss)	\$ (4,815)	\$ 323	\$ (9,462)	\$ (8,555)
Basic earnings (loss) per common share—				
Continuing operations	\$ (0.21)	\$ 0.26	\$ (0.34)	\$ 0.14
Discontinued operations	\$ 0.08	\$ (0.25)	\$ 0.08	\$ (0.37)
Total	\$ (0.13)	\$ 0.01	\$ (0.26)	\$ (0.23)
Diluted earnings (loss) per common share—				
Continuing operations	\$ (0.21)	\$ 0.25	\$ (0.34)	\$ 0.14
Discontinued operations	\$ 0.08	\$ (0.24)	\$ 0.08	\$ (0.37)
Total	\$ (0.13)	\$ 0.01	\$ (0.26)	\$ (0.23)
Weighted average number of shares—				
Basic	36,454,812	36,083,703	36,431,327	36,483,551
Diluted	36,454,812	36,768,647	36,431,327	37,209,622

The accompanying notes are an integral part of these consolidated financial statements.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(In thousands of U.S. dollars)			
Net income (loss)	\$ (4,815)	\$ 323	\$ (9,462)	\$ (8,555)
Other comprehensive income (loss)				
Foreign currency translation adjustments	(2,371)	875	(10,346)	1,630
Derivative adjustments	(170)	1,696	(3,638)	2,357
Total other comprehensive income (loss)	(2,541)	2,571	(13,984)	3,987
Total comprehensive income (loss)	<u>\$ (7,356)</u>	<u>\$ 2,894</u>	<u>\$ (23,446)</u>	<u>\$ (4,568)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)

(In thousands of U.S. dollars, except share data)	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
	Shares	Amount					
Three Months Ended June 30, 2026:							
Balance at March 31, 2026	36,440,854	\$ 581	\$ 282,178	\$ 210,205	\$ (229,910)	\$ (30,251)	\$ 232,803
Stock-based compensation	—	—	1,019	—	—	—	1,019
Issuance of common stock	10,809	0	66	—	—	—	66
Settlement of restricted stock units	58,448	0	—	—	—	—	—
Other comprehensive loss, net	—	—	—	—	—	(2,541)	(2,541)
Net loss	—	—	—	(4,815)	—	—	(4,815)
Balance at June 30, 2026	36,510,111	\$ 581	\$ 283,263	\$ 205,390	\$ (229,910)	\$ (32,792)	\$ 226,532
Three Months Ended June 30, 2025:							
Balance at March 31, 2025	36,675,789	\$ 575	\$ 280,452	\$ 235,698	\$ (227,047)	\$ (20,477)	\$ 269,201
Stock-based compensation	—	—	462	—	—	—	462
Settlement of restricted stock units	9,806	0	(61)	—	—	—	(61)
Acquisition of treasury stock	(731,557)	—	—	—	(2,334)	—	(2,334)
Other comprehensive income, net	—	—	—	—	—	2,571	2,571
Net income	—	—	—	323	—	—	323
Balance at June 30, 2025	35,954,038	\$ 575	\$ 280,853	\$ 236,021	\$ (229,381)	\$ (17,906)	\$ 270,162

(In thousands of U.S. dollars, except share data)	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
	Shares	Amount					
Six Months Ended June 30, 2026:							
Balance at December 31, 2025	36,219,100	\$ 579	\$ 281,537	\$ 214,852	\$ (229,910)	\$ (18,808)	\$ 248,250
Stock-based compensation	—	—	1,662	—	—	—	1,662
Issuance of common stock	10,809	0	66	—	—	—	66
Settlement of restricted stock units	280,202	2	(2)	—	—	—	—
Other comprehensive loss, net	—	—	—	—	—	(13,984)	(13,984)
Net loss	—	—	—	(9,462)	—	—	(9,462)
Balance at June 30, 2026	36,510,111	\$ 581	\$ 283,263	\$ 205,390	\$ (229,910)	\$ (32,792)	\$ 226,532
Six Months Ended June 30, 2025:							
Balance at December 31, 2024	36,912,118	\$ 574	\$ 279,423	\$ 244,576	\$ (225,883)	\$ (21,893)	\$ 276,797
Stock-based compensation	—	—	1,492	—	—	—	1,492
Settlement of restricted stock units	82,768	1	(62)	—	—	—	(61)
Acquisition of treasury stock	(1,040,848)	—	—	—	(3,498)	—	(3,498)
Other comprehensive income, net	—	—	—	—	—	3,987	3,987
Net loss	—	—	—	(8,555)	—	—	(8,555)
Balance at June 30, 2025	35,954,038	\$ 575	\$ 280,853	\$ 236,021	\$ (229,381)	\$ (17,906)	\$ 270,162

The accompanying notes are an integral part of these consolidated financial statements.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended	
	June 30, 2026	June 30, 2025
	(In thousands of U.S. dollars)	
Cash flows from operating activities		
Net loss	\$ (9,462)	\$ (8,555)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	5,637	6,661
Provision for severance benefits	2,338	2,175
Loss (gain) on foreign currency, net	5,878	(18,085)
Provision (reversal) for inventory reserves	(1,224)	845
Stock-based compensation	1,662	1,492
Impairment charges	—	7,362
Deferred income taxes	8	(649)
Others, net	128	476
Changes in operating assets and liabilities		
Accounts receivable, net	1,018	(4,600)
Inventories	(1,220)	(4,979)
Other receivables	(1,246)	(5,835)
Prepaid expenses	1,380	4,621
Other current assets	(2,882)	675
Accounts payable	581	2,559
Other accounts payable	(5,690)	(4,972)
Accrued expenses	1,287	(2,022)
Accrued income taxes	(41)	22
Other current liabilities	160	(546)
Other non-current liabilities	400	8
Payment of severance benefits	(689)	(9,843)
Others, net	(969)	3,389
Net cash used in operating activities	(2,946)	(29,801)
Cash flows from investing activities		
Proceeds from settlement of hedge collateral	4,334	2,237
Payment of hedge collateral	(7,828)	—
Purchase of property, plant and equipment	(5,244)	(12,083)
Payment for intellectual property registration	(67)	(85)
Collection of guarantee deposits	2,026	2,336
Payment of guarantee deposits	(158)	(297)
Others, net	49	180
Net cash used in investing activities	(6,888)	(7,712)
Cash flows from financing activities		
Proceeds from long-term borrowings	—	6,964
Proceeds from issuance of common stock	66	—
Acquisition of treasury stock	(201)	(4,020)
Repayment of financing related to water treatment facility arrangement	(217)	(225)
Repayment of principal portion of finance lease liabilities	(66)	(80)
Net cash provided by (used in) financing activities	(418)	2,639
Effect of exchange rates on cash and cash equivalents	(5,568)	9,590
Net decrease in cash and cash equivalents	(15,820)	(25,284)
Cash and cash equivalents		
Cash and cash equivalents at beginning of period	103,756	138,610
Cash and cash equivalents at end of period	<u>\$ 87,936</u>	<u>\$ 113,326</u>
Supplemental cash flow information		
Cash paid for interest on long-term borrowings	\$ 763	\$ 613
Cash refunded for income taxes	\$ (437)	\$ (1,168)
Non-cash investing activities		
Property, plant and equipment additions in other accounts payable	\$ 1,519	\$ 939

The accompanying notes are an integral part of these consolidated financial statements.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (TABULAR DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

1. Business, Basis of Presentation and Significant Accounting Policies

Business

Magnachip Semiconductor Corporation (together with its subsidiaries, the “Company”) is a designer and manufacturer of analog and mixed-signal power semiconductor platform solutions for various applications, including industrial, automotive, communication, consumer and computing.

The Company develops and manufactures Power discrete (“Power Analog Solutions”) products and develops Power integrated circuit (“IC”) products. Power Analog Solutions products include metal oxide semiconductor field effect transistors (“MOSFETs”) and insulated-gate bipolar transistors (“IGBTs”) for a range of devices, including televisions, smartphones, mobile phones, wearable devices, desktop personal computers (“PCs”), notebook PCs, tablet PCs, home appliance, other consumer electronics, automotive and industrial applications such as power suppliers, e-bikes, photovoltaic inverters, LED lighting and motor drives. Power IC products include AC-DC/DC-DC converters, LED drivers, regulators, power management integrated circuits (“PMICs”) and level shifter for a range of devices, including televisions, wearable devices, notebooks, tablet PCs and other consumer electronics, as well as automotive applications.

In 2024, the Power IC business was operated by Magnachip Mixed-Signal, Ltd. (“MMS”), which later transferred the business to Magnachip Semiconductor, Ltd. (“MSK”) effective January 1, 2025, pursuant to an intercompany business transfer agreement executed between MMS and MSK. The transfer was based on the mutual understanding that consolidating the Power Analog Solutions and Power IC businesses under a single company would create a more effective framework for expanding and strengthening the Company’s business for Power products.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). These interim consolidated financial statements include normal recurring adjustments and the elimination of all intercompany accounts and transactions which are, in the opinion of management, necessary to provide a fair statement of the Company’s financial condition and results of operations for the periods presented. These interim consolidated financial statements are presented in accordance with Accounting Standards Codification (“ASC”) 270, “Interim Reporting” and, accordingly, do not include all of the information and note disclosures required by U.S. GAAP for complete financial statements.

The December 31, 2025 balance sheet data was derived from the Company’s audited financial statements, but does not include all disclosures required by U.S. GAAP. The interim consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

There have been no material changes to the Company’s significant accounting policies as of and for the six months ended June 30, 2026 as compared to the significant accounting policies described in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses” (“ASU 2024-03”). Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. ASU 2024-03 requires public companies to disclose, in the notes to the financial statements, specific information about certain costs and expenses at each interim and annual reporting period. This includes disclosing amounts related to purchases of inventory, employee compensation, depreciation, and intangible asset amortization. In addition, public companies will need to provide qualitative description of the amounts remaining in relevant expense

captions that are not separately disaggregated quantitatively. ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and the amendments in this update may be applied prospectively or retrospectively. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities, which establishes guidance on the recognition, measurement, presentation, and disclosure of government grants received by business entities, including grants related to assets and grants related to income. The amendments are effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements and related disclosures.

In May 2026, the FASB issued ASU 2026-02, Environmental Credits and Environmental Credit Obligations (Topic 818), which establishes guidance on the recognition, measurement, presentation, and disclosure of environmental credits and environmental credit obligations. The amendments are effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements and related disclosures.

2. Discontinued Operations

On March 7, 2025, the Company's Board of Directors authorized a strategy to transition to a pure-play Power company, focusing future investments on the Power Analog Solutions and Power IC businesses. In connection with this strategy, the Company evaluated various strategic alternatives for its Display business, including a sale, merger, joint venture, licensing, or wind-down; however, the Company was unable to complete a transaction on terms that the Company's Board of Directors believed were in the best interests of the Company and its stockholders.

Accordingly, on April 6, 2025, the Company's Board of Directors unanimously approved the decision to shut down the Company's Display business (the "Discontinued Business"), including the liquidation of MMS, the Company's indirect wholly owned subsidiary that operated the Display business. As a result, the Display business qualifies as a discontinued operation in accordance with ASC 205-20.

The following table summarizes the results from discontinued operations, net of tax, for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net sales	\$ 6,075	\$ 7,730	\$ 7,721	\$ 17,286
Cost of sales	2,443	4,068	3,597	10,507
Gross profit	3,632	3,662	4,124	6,779
Operating expenses:				
Selling, general and administrative expenses	136	41	244	1,584
Research and development expenses	118	2,972	251	9,253
Early termination charges	—	1,561	—	1,561
Impairment and other charges	7	7,460	7	7,587
Total operating expenses	261	12,034	502	19,985
Operating income (loss) from discontinued operations	3,371	(8,372)	3,622	(13,206)
Interest income	0	84	0	215
Interest expense	(15)	(122)	(29)	(242)
Foreign currency gain (loss), net	116	(424)	165	(428)
Other income (loss), net	(1)	144	7	144
Income (Loss) from discontinued operations before income tax expense	3,471	(8,690)	3,765	(13,517)
Income tax expense, net	685	190	929	190
Income (Loss) from discontinued operations, net of tax	\$ 2,786	\$ (8,880)	\$ 2,836	\$ (13,707)

For the three and six months ended June 30, 2025, the Company recognized the impairment charges of \$7,362 thousand, primarily related to certain design tool software contracts in connection with the shutdown of the Display business.

The following table presents the major classes of assets and liabilities of the discontinued operations that were included in the consolidated balance sheets (in thousands):

	June 30, 2026	December 31, 2025
Accounts receivable, net	\$ 2,814	\$ 2,689
Inventories, net	2,519	2,252
Accrued severance benefits, net	40	24

The following table provides supplemental cash flows information related to discontinued operations (in thousands):

	Six Months Ended	
	June 30, 2026	June 30, 2025
Significant non-cash operating activities:		
Depreciation and amortization	\$ 11	\$ 304
Provision for severance benefits	19	(243)
Stock-based compensation	—	(353)
Impairment charges	—	7,362
Investing activities:		
Capital expenditures	\$ —	\$ —

Although the Company has discontinued the Display business, certain limited activities remain active solely for the purpose of completing the orderly wind-down of operations and fulfilling pre-existing customer obligations, including the sale of “end of life” (“EOL”) Display products, which is being conducted by MSK. A small team has been retained exclusively to facilitate these wind-down activities.

As such, the result of these limited ongoing activities do not qualify for presentation as part of continuing operations and are instead presented as part of discontinued operations. The following table presents the revenue, gross profit and operating expenses related to the Company’s continuing involvement with the Discontinued Business for the period presented (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net sales	\$ 6,075	\$ 2,318	\$ 7,721	\$ 2,318
Gross profit	3,632	933	4,124	933
Operating expenses	246	143	493	143

3. Inventories

Inventories as of June 30, 2026 and December 31, 2025 consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Finished goods	\$ 7,038	\$ 7,542
Semi-finished goods and work-in-process	27,249	29,245
Raw materials	4,843	4,198
Materials in-transit	—	—
Less: inventory reserve	(4,994)	(6,834)
Inventories, net	<u>\$ 34,136</u>	<u>\$ 34,151</u>

Changes in inventory reserve for the three and six months ended June 30, 2026 and 2025 are as follows (in thousands):

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Beginning balance	\$ (6,143)	\$ (6,834)	\$ (8,754)	\$ (7,732)
Change in reserve				
Inventory reserve charged to costs of sales	(834)	(1,995)	(1,357)	(3,656)
Sale of previously reserved inventory	1,719	3,174	1,578	2,846
	885	1,179	221	(810)
Write off	172	192	538	735
Translation adjustments	92	469	(500)	(688)
Ending balance	<u>\$ (4,994)</u>	<u>\$ (4,994)</u>	<u>\$ (8,495)</u>	<u>\$ (8,495)</u>

Inventory reserve represents the Company's best estimate in value lost due to excessive inventory level, physical deterioration, obsolescence, changes in price levels, or other causes based on individual facts and circumstances. Inventory reserve relates to inventory items including finished goods, semi-finished goods, work-in-process and raw materials. Write off of this reserve is recognized only when the related inventory has been disposed or scrapped.

4. Property, Plant and Equipment

Property, plant and equipment as of June 30, 2026 and December 31, 2025 are comprised of the following (in thousands):

	June 30, 2026	December 31, 2025
Buildings and related structures	\$ 22,836	\$ 24,371
Machinery and equipment	126,367	137,024
Finance lease right-of-use assets	422	495
Others	25,948	32,342
	<u>175,573</u>	<u>194,232</u>
Less: accumulated depreciation	(118,231)	(128,171)
Land	10,871	11,679
Construction in progress	24,030	22,464
Property, plant and equipment, net	<u>\$ 92,243</u>	<u>\$ 100,204</u>

Aggregate depreciation expenses associated with continuing operations totaled \$5,540 thousand and \$6,225 thousand for the six months ended June 30, 2026 and 2025, respectively.

Pledge Agreement

On March 26, 2024, Magnachip Semiconductor, Ltd., a Korean limited liability company ("MSK") and indirect wholly owned subsidiary of the Company, executed a Standard Credit Agreement (together with its General Terms and Conditions, the "Loan Agreement") with Korea Development Bank ("KDB"). In connection with the Loan Agreement, on March 26, 2024, MSK entered into a Kun-Pledge (Mortgage) Agreement (the "Pledge Agreement") with KDB pursuant to which MSK pledged its real property and buildings located in Gumi, Korea in favor of KDB.

On December 16, 2024, MSK executed a Standard Credit Agreement (as amended) (together with its General Terms and Conditions, the "Equipment Financing Credit Agreement") with KDB. In connection with the Equipment Financing Credit Agreement, on December 8, 2024, MSK amended the Kun-Pledge Agreement (the "Equipment Pledge Agreement") with KDB, originally executed on or about March 26, 2024, to increase the maximum secured amount and to expand the scope of collateral to include certain machinery and equipment owned by MSK, which are located in its fabrication facility in Gumi, Korea.

See “Note 11. Borrowings” to these consolidated financial statements below for more information regarding the Loan Agreement and Equipment Financing Credit Agreement.

5. Intangible Assets

Intangible assets as of June 30, 2026 and December 31, 2025 are comprised of the following (in thousands):

	June 30, 2026		
	Gross amount	Accumulated amortization	Net amount
Intellectual property assets	\$ 7,181	\$ (6,786)	\$ 395
Intangible assets	<u>\$ 7,181</u>	<u>\$ (6,786)</u>	<u>\$ 395</u>

	December 31, 2025		
	Gross amount	Accumulated amortization	Net amount
Intellectual property assets	\$ 7,672	\$ (7,218)	\$ 454
Intangible assets	<u>\$ 7,672</u>	<u>\$ (7,218)</u>	<u>\$ 454</u>

Aggregate amortization expenses associated with continuing operations totaled \$86 thousand and \$132 thousand for the six months ended June 30, 2026 and 2025, respectively.

6. Leases

The Company has operating and finance leases for buildings and other assets such as vehicles and office equipment. The Company’s leases have remaining lease terms ranging from one year to four years.

The tables below present financial information related to the Company’s leases.

Supplemental balance sheets information related to leases as of June 30, 2026 and December 31, 2025 are as follows (in thousands):

Leases	Classification	June 30, 2026	December 31, 2025
Assets			
Operating lease	Operating lease right-of-use assets	\$ 1,423	\$ 2,070
Finance lease	Property, plant and equipment, net	145	217
Total lease assets		<u>\$ 1,568</u>	<u>\$ 2,287</u>
Liabilities			
Current			
Operating lease	Operating lease liabilities	\$ 1,144	\$ 1,427
Finance lease	Other current liabilities	106	130
Non-current			
Operating lease	Non-current operating lease liabilities	324	690
Finance lease	Other non-current liabilities	71	128
Total lease liabilities		<u>\$ 1,645</u>	<u>\$ 2,375</u>

The following table presents the weighted average remaining lease term and discount rate:

	June 30, 2026	December 31, 2025
Weighted average remaining lease term		
Operating leases	1.3 years	1.5 years
Finance leases	1.7 years	2.1 years
Weighted average discount rate		
Operating leases	6.0%	6.5%
Finance leases	6.9%	7.0%

The components of lease cost from continuing operations included in the Company's consolidated statements of operations, are as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Operating lease cost	\$ 333	\$ 495	\$ 704	\$ 979
Finance lease cost				
Amortization of right-of-use assets	28	37	58	73
Interest on lease liabilities	3	8	7	15
Total lease cost	<u>\$ 364</u>	<u>\$ 540</u>	<u>\$ 769</u>	<u>\$ 1,067</u>

The above table does not include an immaterial cost of short-term leases for the three and six months ended June 30, 2026 and 2025.

Other lease information associated with continuing operations is as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	\$ 343	\$ 470	\$ 701	\$ 1,092
Operating cash flows from finance leases	3	8	7	15
Financing cash flows from finance leases	32	40	66	78

Non-cash transaction amounts of lease liabilities arising from obtaining right-of-use assets were \$263 thousand and \$1,147 thousand for the six months ended June 30, 2026 and 2025, respectively.

The aggregate future lease payments for operating and finance leases as of June 30, 2026 are as follows (in thousands):

	Operating Leases	Finance Leases
Remainder of 2026	\$ 677	\$ 63
2027	740	103
2028	92	20
2029	13	2
Total future lease payments	1,522	188
Less: Imputed interest	(53)	(11)
Present value of future payments	<u>\$ 1,469</u>	<u>\$ 177</u>

7. Accrued Expenses

Accrued expenses as of June 30, 2026 and December 31, 2025 are comprised of the following (in thousands):

	June 30, 2026	December 31, 2025
Payroll, benefits and related taxes, excluding severance benefits	\$ 4,791	\$ 4,999
Withholding tax attributable to intercompany interest income	216	7
Outside service fees	901	841
Others	1,788	1,082
Accrued expenses	<u>\$ 7,696</u>	<u>\$ 6,929</u>

8. Derivative Financial Instruments

The Company's Korean subsidiary, Magnachip Semiconductor, Ltd., from time to time has entered into zero cost collar contracts to hedge the risk of changes in the functional-currency-equivalent cash flows attributable to currency rate changes on U.S. dollar denominated revenues.

Details of the zero cost collar contracts as of June 30, 2026 are as follows (in thousands):

Date of transaction	Total notional amount	Month of settlement
July 17, 2025	\$ 9,000	July 2026 to September 2026
September 30, 2025	\$ 15,000	July 2026 to December 2026
November 07, 2025	\$ 36,000	July 2026 to June 2027
April 23, 2026	\$ 18,000	April 2027 to September 2027

Details of the zero cost collar contracts as of December 31, 2025 are as follows (in thousands):

Date of transaction	Total notional amount	Month of settlement
February 03, 2025	\$ 9,000	January 2026 to March 2026
July 10, 2025	\$ 9,000	April 2026 to June 2026
July 17, 2025	\$ 9,000	July 2026 to September 2026
September 30, 2025	\$ 27,000	January 2026 to December 2026
November 07, 2025	\$ 42,000	April 2026 to June 2027

The zero cost collar contracts qualify as cash flow hedges under ASC 815, "Derivatives and Hedging," since at both the inception of the contracts and on an ongoing basis, the hedging relationship was and is expected to be highly effective in achieving offsetting cash flows attributable to the hedged risk during the term of the contracts.

The fair values of the Company's outstanding zero cost collar contracts recorded as assets and liabilities as of June 30, 2026 and December 31, 2025 are as follows (in thousands):

Derivatives designated as hedging instruments:		June 30, 2026	December 31, 2025
Assets Derivatives:			
Zero cost collars	Other current assets	\$ —	\$ 3
Liability Derivatives:			
Zero cost collars	Other current liabilities	\$ 4,948	\$ 1,644
Zero cost collars	Other non-current liabilities	\$ 358	\$ 126

Offsetting of derivative liabilities as of June 30, 2026 is as follows (in thousands):

	Gross amounts of recognized liabilities	Gross amounts offset in the balance sheets	Net amounts of liabilities presented in the balance sheets	Gross amounts not offset in the balance sheets		
As of June 30, 2026				Financial instruments	Cash collateral pledged	Net amount
Liability Derivatives:						
Zero cost collars	\$ 5,306	\$ —	\$ 5,306	\$ —	\$ (4,540)	\$ 766

Offsetting of derivative assets and liabilities as of December 31, 2025 is as follows (in thousands):

	Gross amounts of recognized assets/ liabilities	Gross amounts offset in the balance sheets	Net amounts of assets/ liabilities presented in the balance sheets	Gross amounts not offset in the balance sheets		
As of December 31, 2025				Financial instruments	Cash collateral pledged	Net amount
Asset Derivatives:						
Zero cost collars	\$ 3	\$ —	\$ 3	\$ —	\$ —	\$ 3
Liability Derivatives:						
Zero cost collars	\$ 1,770	\$ —	\$ 1,770	\$ —	\$ (1,200)	\$ 570

For derivative instruments that are designated and qualify as cash flow hedges, gains or losses on the derivative aside from components excluded from the assessment of effectiveness are reported as a component of accumulated other comprehensive income or loss (“AOCI”) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative, representing hedge components excluded from the assessment of effectiveness, are recognized in current earnings.

The following table summarizes the impact of derivative instruments on the consolidated statements of operations for the three months ended June 30, 2026 and 2025 (in thousands):

Derivatives in ASC 815 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives		Location/Amount of Loss Reclassified from AOCI Into Statement of Operations		Location/Amount of Gain (Loss) Recognized in Statement of Operations on Derivatives		
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,		
	2026	2025	2026	2025	2026	2025	
Zero cost collars			Net				
	\$ (1,574)	\$ 1,617	sales	\$ (1,404)	\$ (79)	Other income, net	\$ 279 \$ (80)
	\$ (1,574)	\$ 1,617		\$ (1,404)	\$ (79)		\$ 279 \$ (80)

The following table summarizes the impact of derivative instruments on the consolidated statements of operations for the six months ended June 30, 2026 and 2025 (in thousands):

Derivatives in ASC 815 Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivatives		Location/Amount of Loss Reclassified from AOCI Into Statement of Operations		Location/Amount of Gain (Loss) Recognized in Statement of Operations on Derivatives			
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,			
	2026	2025	2026	2025	2026	2025		
Zero cost collars	\$ (5,267)	\$ 1,753	Net sales	\$ (1,629)	\$ (604)	Other income, net	\$ 259	\$ (51)
	\$ (5,267)	\$ 1,753		\$ (1,629)	\$ (604)		\$ 259	\$ (51)

As of June 30, 2026, the amount expected to be reclassified from accumulated other comprehensive loss into loss within the next 12 months is \$4,059 thousand.

The Company is required to deposit additional cash collateral with Nomura Financial Investment (Korea) Co., Ltd. (“NFIK”) for any exposure in excess of \$500 thousand. As of June 30, 2026, \$4,540 thousand of additional cash collateral were required by NFIK and recorded as hedge collateral on the consolidated balance sheet. As of December 31, 2025, \$1,200 thousand of additional cash collateral were required by NFIK and recorded as hedge collateral on the consolidated balance sheet.

These zero cost collar contracts may be terminated by the counterparties if the Company’s total cash and cash equivalents is less than \$30,000 thousand at the end of a fiscal quarter, unless a waiver is obtained.

9. Fair Value Measurements

Fair Value of Financial Instruments

As of June 30, 2026, the following table represents the Company’s liabilities measured at fair value on a recurring basis and the basis for that measurement (in thousands):

	Carrying Value June 30, 2026	Fair Value Measurement June 30, 2026	Quoted Prices in Active Markets for Identical Liability (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:					
Derivative liabilities (Other current liabilities)	\$ 4,948	\$ 4,948	—	\$ 4,948	—
Derivative liabilities (Other non-current liabilities)	\$ 358	\$ 358	—	\$ 358	—

As of December 31, 2025, the following table represents the Company’s assets and liabilities measured at fair value on a recurring basis and the basis for that measurement (in thousands):

	Carrying Value December 31, 2025	Fair Value Measurement December 31, 2025	Quoted Prices in Active Markets for Identical Asset/Liability (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Derivative assets (Other current assets)	\$ 3	\$ 3	—	\$ 3	—
Liabilities:					
Derivative liabilities (Other current liabilities)	\$ 1,644	\$ 1,644	—	\$ 1,644	—
Derivative liabilities (Other non-current liabilities)	\$ 126	\$ 126	—	\$ 126	—

Items not reflected in the table above include cash equivalents, accounts receivable, other receivables, accounts payable, and other accounts payable, fair value of which approximate carrying values due to the short-term nature of these instruments. The fair value of assets and liabilities whose carrying value approximates fair value is determined using Level 2 inputs. The carrying value of the Company’s outstanding Term Loan and CAPEX Loan approximates its fair value because its interest rate reflects the market rate for the respective periods. The fair value of this debt is categorized within Level 2 of the fair value hierarchy.

10. Accrued Severance Benefits

The majority of accrued severance benefits are for employees in the Company’s Korean subsidiaries. Pursuant to the Employee Retirement Benefit Security Act of Korea, eligible employees and executive officers with one or more years of service are entitled to severance benefits upon the termination of their employment based on their length of service and rate of pay. As of June 30, 2026, 97% of all employees of the Company were eligible for severance benefits.

Changes in accrued severance benefits are as follows (in thousands):

	Three Months Ended	Six Months Ended	Three Months Ended	Six Months Ended
	June 30, 2026	June 30, 2026	June 30, 2025	June 30, 2025
Beginning balance	\$ 36,094	\$ 37,060	\$ 46,886	\$ 45,594
Provisions	1,126	2,338	661	2,175
Severance payments	(461)	(689)	(9,518)	(9,843)
Translation adjustments	(670)	(2,620)	3,552	3,655
	36,089	36,089	41,581	41,581
Less: Cumulative contributions to severance insurance deposit accounts	(24,166)	(24,166)	(27,313)	(27,313)
The National Pension Fund	(15)	(15)	(20)	(20)
Accrued severance benefits, net	\$ 11,908	\$ 11,908	\$ 14,248	\$ 14,248

The severance benefits funded through the Company's National Pension Fund have been and will be used exclusively for payment of severance benefits to eligible employees. These amounts have been deducted from the accrued severance benefit balance.

Beginning in July 2018, the Company contributes to certain severance insurance deposit accounts a certain percentage of severance benefits that are accrued for eligible employees for their services from January 1, 2018 pursuant to Employee Retirement Benefit Security Act of Korea. These accounts consist of time deposits and other guaranteed principal and interest, and are maintained at insurance companies, banks or security companies for the benefit of employees. The Company deducts the contributions made to these severance insurance deposit accounts from its accrued severance benefits.

The Company is liable to pay the following future benefits to its non-executive employees upon their normal retirement age (in thousands):

	Severance benefit
2027	\$ 365
2028	\$ —
2029	\$ 1,529
2030	\$ 2,082
2031	\$ 2,998
2032 – 2037	\$ 16,012

The above amounts were determined based on the non-executive employees' current salary rates and the number of service years that will be accumulated upon their retirement dates. These amounts do not include amounts that might be paid to non-executive employees that will cease working with the Company before their normal retirement ages.

Korea's mandatory retirement age is 60 years of age or older under the Employment Promotion for the Aged Act. The Company sets the retirement age of employees at 60.

11. Borrowings

Borrowings as of June 30, 2026 and December 31, 2025 are as follows (in thousands):

	June 30, 2026	December 31, 2025
Term Loan due March 2027	\$ 25,949	\$ 27,877
CAPEX Loans due June 2035	15,566	16,722
Total borrowings	\$ 41,515	\$ 44,599
Less: current portion of long-term borrowings	(25,949)	—
Long-term borrowings	\$ 15,566	\$ 44,599

Term Loan

On March 26, 2024, Magnachip Semiconductor, Ltd., a Korean limited liability company (“MSK”) and indirect wholly owned subsidiary of the Company, executed a Standard Credit Agreement (together with its General Terms and Conditions, the “Loan Agreement”) with Korea Development Bank (“KDB”). In connection with the Loan Agreement, on March 26, 2024, MSK entered into a Kun-Pledge (Mortgage) Agreement (the “Pledge Agreement”) with KDB pursuant to which MSK pledged its real property and buildings located in Gumi, Korea (“Fab 3 properties”) in favor of KDB.

The Loan Agreement provides for a working capital term loan (the “Term Loan”) of KRW 40,000,000,000 (\$29,835 thousand based on the KRW/USD exchange rate of 1,340.7:1 as of March 26, 2024 as quoted by KEB Hana Bank), which was funded in full to MSK on March 26, 2024.

The Term Loan bears interest at a variable rate equal to the 3-month CD rate quoted by KDB, plus 1.21%, which rate is adjusted quarterly. The initial interest rate on the Term Loan was 4.86% per annum. The Term Loan requires monthly interest-only payments and matures on March 26, 2027, at which time the full principal balance will be due and payable. All obligations of MSK under the Loan Agreement and the Term Loan are secured by the Fab 3 properties pursuant to the Pledge Agreement.

As of June 30, 2026, \$25,949 thousand aggregate principal amount of the Term Loan was outstanding, bearing interest at a variable rate of 4.03% per annum as of that date.

CAPEX Loans

On December 16, 2024, MSK executed a Standard Credit Agreement (as amended) (together with its General Terms and Conditions, the “Equipment Financing Credit Agreement”) with KDB. In connection with the Equipment Financing Credit Agreement, on December 8, 2024, MSK also amended the Kun-Pledge Agreement (the “Equipment Pledge Agreement”) with KDB, originally executed on or about March 26, 2024, to increase the maximum secured amount and to expand the scope of collateral to include certain machinery and equipment owned by MSK, which are located in its fabrication facility located in Gumi, Korea (“Fab 3 machinery and equipment”).

The Equipment Financing Credit Agreement provides for loans for MSK’s capital expenditures (the “CAPEX Loans”) up to an aggregate of KRW 38,000,000,000 (\$26,523 thousand based on the KRW/USD exchange rate of 1,432.7:1 as of December 16, 2024 as quoted by KEB Hana Bank), which have been and will be funded directly to capital expenditure supply vendors by KDB upon the submission of a request form by MSK with the necessary evidence such as purchase agreement, invoice and other documentation, as applicable.

The CAPEX Loans bear interest at a fixed rate quoted by the treasury bond market yield (a six-year Korea treasury bill rate). The CAPEX Loans mature in ten years from the initial loan disbursement date (the “Maturity Date”), with an initial two-year (measured from the first loan disbursement date) interest-only payment period during which only interest is paid monthly, followed by eight years of amortizing payments where the principal is repaid in equal installments every three months and interest is paid monthly. The Equipment Financing Credit Agreement contains customary representations of MSK in connection with the execution of the agreement and with each borrowing of the CAPEX Loans and customary terms and conditions for a secured equipment financing loan of this type in Korea. All obligations of MSK under the Equipment Financing Credit Agreement and the CAPEX Loans are secured by certain Fab 3 machinery and equipment pursuant to the Equipment Pledge Agreement.

During 2025, under its existing Equipment Financing Credit Agreement with KDB, MSK entered into three CAPEX Loans in the aggregate principal amount of KRW 23,995,000,000, consisting of (i) KRW 9,520,000,000 on June 26, 2025, (ii) KRW 5,075,000,000 on September 26, 2025, and (iii) KRW 9,400,000,000 on December 30, 2025 (\$15,566 thousand in the aggregate based on the KRW/USD exchange rate of 1,541.5:1 as of June 30, 2026, as quoted by KEB Hana Bank). The CAPEX Loans bear a weighted average interest rate of 2.91% per annum and mature on June 26, 2035.

As of June 30, 2026, the aggregate principal amount outstanding under the CAPEX Loans was \$15,566 thousand, and the scheduled principal repayment amounts are as following (in thousands):

	Principal Repayments
Remainder of 2026	\$ —
2027	\$ 973
2028	\$ 1,946
2029	\$ 1,946
2030	\$ 1,946
2031 – 2035	\$ 8,755

12. Other Charges

For the three and six months ended June 30, 2026, the Company recorded \$1,981 thousand of other charges, consisting of a \$1,095 thousand customer goodwill payment related to a certain product, and \$886 thousand of one-time employee incentives. For the same period in 2025, the Company recorded \$496 thousand of one-time employee incentives and \$350 thousand of certain executive separation benefit related accruals.

13. Foreign Currency Loss, Net

Net foreign currency gain or loss includes non-cash translation gain or loss associated with intercompany balances. A substantial portion of the Company's net foreign currency gain or loss is non-cash translation gain or loss associated with intercompany long-term loans to MSK, the Company's Korean subsidiary. The loans are denominated in U.S. dollars and are affected by changes in the exchange rate between the Korean won and the U.S. dollar. As of June 30, 2026 and December 31, 2025, the outstanding intercompany loan balances including accrued interest between MSK and the Dutch subsidiary were \$76,948 thousand and \$75,063 thousand, respectively. The Korean won to U.S. dollar exchange rates were 1,541.5:1 and 1,434.9:1 using the first base rate as of June 30, 2026 and December 31, 2025, respectively, as quoted by the KEB Hana Bank.

14. Income Taxes

The Company and its subsidiaries file income tax returns in Korea, Japan, Taiwan, the U.S. and in various other jurisdictions. The Company is subject to income or non-income tax examinations by tax authorities of these jurisdictions for all open tax years.

For the three and six months ended June 30, 2026, the Company recorded an income tax benefit of \$1,986 thousand and \$3,894 thousand, primarily related to the estimated taxable loss in its primary operating entity in Korea for the respective period.

For the three and six months ended June 30, 2025, the Company recorded an income tax benefit of \$4,138 thousand and \$4,539 thousand, primarily related to its primary operating entity in Korea based on the estimated taxable loss for the respective period, including loss recognized in connection with the shutdown of the discontinued Display business during the second quarter of 2025.

15. Geographic and Other Information

The Company operates within a single operating segment, Power Solutions business, which consists of the Power Analog Solutions and Power IC businesses.

The Chief Executive Officer, as the chief operating decision maker ("CODM"), organizes the Company and measures performance of two business lines of Power Analog Solutions and Power IC in the Power Solutions business at the level of revenue and gross profit margin by comparing actual results against previously forecasted targets.

The Company's CODM does not evaluate the performance of each business line using any other information, such as asset or liability.

The following sets forth information relating to the operating segment, Power Solutions business (in thousands). For financial information below gross profit, including operating income and expenses as well as other income and expenses, please refer to the Company's consolidated statements of operations.

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net Sales				
Power Solutions business				
Power Analog Solutions	\$ 40,574	\$ 42,261	\$ 82,221	\$ 82,118
Power IC	4,130	5,361	8,691	10,226
Total Power Solutions business	44,704	47,622	90,912	92,344
Total net sales	\$ 44,704	\$ 47,622	\$ 90,912	\$ 92,344
Cost of Sales				
Power Solutions business				
Power Analog Solutions	\$ 33,615	\$ 34,552	\$ 69,911	\$ 67,309
Power IC	2,441	3,358	5,159	5,961
Total Power Solutions business	36,056	37,910	75,070	73,270
Total cost of sales	\$ 36,056	\$ 37,910	\$ 75,070	\$ 73,270
Gross Profit				
Power Solutions business				
Power Analog Solutions	\$ 6,959	\$ 7,709	\$ 12,310	\$ 14,809
Power IC	1,689	2,003	3,532	4,265
Total Power Solutions business	8,648	9,712	15,842	19,074
Total gross profit	\$ 8,648	\$ 9,712	\$ 15,842	\$ 19,074

The following is a summary of net sales by geographic region, based on the location to which the products are billed (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Korea	\$ 18,827	\$ 22,721	\$ 39,493	\$ 44,437
Asia Pacific (other than Korea)	24,027	22,445	47,614	43,437
United States	1,005	1,470	2,244	2,652
Europe	845	986	1,561	1,818
Total	\$ 44,704	\$ 47,622	\$ 90,912	\$ 92,344

For the three months ended June 30, 2026 and 2025, of the Company's net sales in Asia Pacific (other than Korea), net sales in China and Hong Kong together represented 81.7% and 80.8%, respectively, and net sales in Taiwan represented 9.9% and 10.7%, respectively. For the six months ended June 30, 2026 and 2025, of the Company's net sales in Asia Pacific (other than Korea), net sales in China and Hong Kong together represented 82.7% and 81.9%, respectively, and net sales in Taiwan represented 10.4% and 11.0%, respectively.

Net sales from the Company's top ten largest customers accounted for 73.3% and 74.4% for the three months ended June 30, 2026 and 2025, respectively, and 73.2% and 74.0% for the six months ended June 30, 2026 and 2025, respectively.

For the three months ended June 30, 2026, the Company had one customer that represented 26.5% of net sales. For the six months ended June 30, 2026, the Company had one customer that represented 28.8% of net sales. For the three months ended June 30, 2025, the Company had one customer that represented 29.4% of net sales. For the six months ended June 30, 2025, the Company had one customer that represented 31.1% of net sales.

As of June 30, 2026, one customer accounted for 44.1% of the Company's accounts receivable. As of December 31, 2025, two customers accounted for 35.4% and 15.7% of the Company's accounts receivable, respectively.

16. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following as of June 30, 2026 and December 31, 2025, respectively (in thousands):

	June 30, 2026	December 31, 2025
Foreign currency translation adjustments	\$ (28,439)	\$ (18,093)
Derivative adjustments	(4,353)	(715)
Total	<u>\$ (32,792)</u>	<u>\$ (18,808)</u>

Changes in accumulated other comprehensive loss for the three months ended June 30, 2026 and 2025 are as follows (in thousands):

	Foreign currency translation adjustments	Derivative adjustments	Total
Three Months Ended June 30, 2026			
Beginning balance	\$ (26,068)	\$ (4,183)	\$ (30,251)
Other comprehensive loss before reclassifications	(2,371)	(1,574)	(3,945)
Amounts reclassified from accumulated other comprehensive loss	—	1,404	1,404
Net current-period other comprehensive loss	(2,371)	(170)	(2,541)
Ending balance	<u>\$ (28,439)</u>	<u>\$ (4,353)</u>	<u>\$ (32,792)</u>
Three Months Ended June 30, 2025			
Beginning balance	\$ (20,172)	\$ (305)	\$ (20,477)
Other comprehensive income before reclassifications	260	1,617	1,877
Amounts reclassified from accumulated other comprehensive loss	615	79	694
Net current-period other comprehensive income	875	1,696	2,571
Ending balance	<u>\$ (19,297)</u>	<u>\$ 1,391</u>	<u>\$ (17,906)</u>

Changes in accumulated other comprehensive loss for the six months ended June 30, 2026 and 2025 are as follows (in thousands):

	Foreign currency translation adjustments	Derivative adjustments	Total
Six Months Ended June 30, 2026			
Beginning balance	\$ (18,093)	\$ (715)	\$ (18,808)
Other comprehensive loss before reclassifications	(10,346)	(5,267)	(15,613)
Amounts reclassified from accumulated other comprehensive loss	—	1,629	1,629
Net current-period other comprehensive loss	(10,346)	(3,638)	(13,984)
Ending balance	\$ (28,439)	\$ (4,353)	\$ (32,792)
Six Months Ended June 30, 2025			
Beginning balance	\$ (20,927)	\$ (966)	\$ (21,893)
Other comprehensive income before reclassifications	1,015	1,753	2,768
Amounts reclassified from accumulated other comprehensive loss	615	604	1,219
Net current-period other comprehensive income	1,630	2,357	3,987
Ending balance	\$ (19,297)	\$ 1,391	\$ (17,906)

17. Earnings (Loss) Per Share

The following table illustrates the computation of basic and diluted earnings (loss) per common share for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
(In thousands of U.S. dollars, except share data)				
Basic earnings (loss) per common share				
Income (Loss) from continuing operations	\$ (7,601)	\$ 9,203	\$ (12,298)	\$ 5,152
Income (Loss) from discontinued operations, net of tax	2,786	(8,880)	2,836	(13,707)
Net income (loss)	<u>\$ (4,815)</u>	<u>\$ 323</u>	<u>\$ (9,462)</u>	<u>\$ (8,555)</u>
Basic weighted average common stock outstanding	36,454,812	36,083,703	36,431,327	36,483,551
Basic earnings (loss) per common share				
Continuing operations	\$ (0.21)	\$ 0.26	\$ (0.34)	\$ 0.14
Discontinued operations	0.08	(0.25)	0.08	(0.37)
Total	<u>\$ (0.13)</u>	<u>\$ 0.01</u>	<u>\$ (0.26)</u>	<u>\$ (0.23)</u>
Diluted earnings (loss) per common share				
Income (Loss) from continuing operations	\$ (7,601)	\$ 9,203	\$ (12,298)	\$ 5,152
Income (Loss) from discontinued operations, net of tax	2,786	(8,880)	2,836	(13,707)
Net income (loss)	<u>\$ (4,815)</u>	<u>\$ 323</u>	<u>\$ (9,462)</u>	<u>\$ (8,555)</u>
Basic weighted average common stock outstanding	36,454,812	36,083,703	36,431,327	36,483,551
Net effect of dilutive equity awards	—	684,944	—	726,071
Diluted weighted average common stock outstanding	36,454,812	36,768,647	36,431,327	37,209,622
Diluted earnings (loss) per common share				
Continuing operations	\$ (0.21)	\$ 0.25	\$ (0.34)	\$ 0.14
Discontinued operations	0.08	(0.24)	0.08	(0.37)
Total	<u>\$ (0.13)</u>	<u>\$ 0.01</u>	<u>\$ (0.26)</u>	<u>\$ (0.23)</u>

Diluted earnings (loss) per common share adjusts basic earnings (loss) per common share for the potentially dilutive impact of stock options and restricted stock units. As the Company has reported loss from continuing operations for the three and six months ended June 30, 2026, all potentially dilutive securities are antidilutive and accordingly not considered, therefore basic loss per common share equals diluted loss per common share.

The following outstanding instruments were excluded from the computation of diluted loss per common share, as they have an anti-dilutive effect on the calculation:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Options	149,211	464,065	149,211	464,065
Restricted Stock Units	2,183,926	—	2,183,926	—

18. Commitments and Contingencies

Advances to Suppliers

The Company, from time to time, may make advances in form of prepayments or deposits to suppliers, including external foundries, to meet its planned production. The Company recorded advances of \$548 thousand and \$512 thousand as other current assets as of June 30, 2026 and December 31, 2025, respectively.

19. Stockholders' Equity

At the Market Offering

On June 17, 2026, the Company entered into an At Market Issuance Sales Agreement (the “ATM Program”) with B. Riley Securities, Inc., as sales agent, pursuant to which it may offer and sell, from time to time, shares of common stock having an aggregate offering price of up to \$50.0 million under its shelf registration statement on Form S-3 (File No. 333-296756) and a related prospectus supplement dated June 17, 2026.

FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Report”) contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 27A of the Securities Act of 1933, as amended, that involve risks and uncertainties. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. All statements other than statements of historical facts included in this Report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements.

These forward-looking statements are largely based on our expectations and beliefs concerning future events, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Although we believe our estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this Report are not guarantees of future performance, and we cannot assure any reader that those statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the factors referenced in this section, in “Part II: Item 1A. Risk Factors” herein and in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for our fiscal year ended December 31, 2025 filed on March 16, 2026 (“2025 Form 10-K”).

All forward-looking statements speak only as of the date of this Report. We do not intend to publicly update or revise any forward-looking statements as a result of new information or future events or otherwise, except as required by law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Statements made in this Report, unless the context otherwise requires, that include the use of the terms “we,” “us,” “our” and “Magnachip” refer to Magnachip Semiconductor Corporation and its consolidated subsidiaries. The term “Korea” refers to the Republic of Korea or South Korea.

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

The following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and the related notes included elsewhere in this Report.

Overview

We are a designer and manufacturer of analog and mixed-signal power semiconductor platform solutions for various applications, including industrial, automotive, communication, consumer and computing. We provide a broad range of standard products to customers worldwide. We, with about 45 years of operating history, own a substantial number of registered patents and pending applications, and have extensive engineering, design and manufacturing process expertise.

We develop and manufacture Power Analog Solutions products and develop Power integrated circuit ("IC") products. Power Analog Solutions products include metal oxide semiconductor field effect transistors ("MOSFETs") and insulated-gate bipolar transistors ("IGBTs") for a range of devices, including televisions, smartphones, mobile phones, wearable devices, desktop PCs, notebook PCs, tablet PCs, home appliance, other consumer electronics, automotive and industrial applications such as power suppliers, e-bikes, photovoltaic inverters, LED lighting and motor drives.

Our Power IC products provide Power IC solutions to major television suppliers and large panel display suppliers. These products include AC-DC/DC-DC converters, LED drivers, regulators, power management integrated circuits ("PMICs") and level shifter for a range of devices, including televisions, wearable devices, notebooks, tablet PCs and other consumer electronics, as well as automotive applications.

Our wide variety of analog and mixed-signal power semiconductor products combined with our mature technology platform allow us to address multiple high-growth end markets and rapidly develop and introduce new products and services in response to market demands. Our design center and substantial manufacturing operations in Korea place us at the core of the global electronics device supply chain. We believe this enables us to quickly and efficiently respond to our customers' needs, and allows us to better serve and capture additional demand from existing and new customers. Substantially all of our Power IC products are produced using an external foundry. Through strategic cooperation with an external foundry, we seek to ensure we outsource wafers at competitive prices and produce quality products.

To maintain and increase our profitability, we must accurately forecast trends in demand for electronics devices that incorporate semiconductor products we produce. We must understand our customers' needs as well as the likely end market trends and demand in the markets they serve, including trends and cyclicality in the semiconductor industry, which are influenced by broader macroeconomic conditions, including inflation, interest rates, geopolitical developments and global trade policies. For example, certain shipments to customers with operations in or exposure to the United States or China are subject to heightened risks and uncertainties arising from trade and export control policies, including the imposition of new tariffs, increases in existing tariffs, or other export control measures implemented by the United States, China, or other governmental authorities. Furthermore, ongoing geopolitical tensions, including conflicts and instability in the Middle East, such as the military conflict involving the United States, Israel, and Iran, as well as tensions between China and Taiwan, may contribute to increased volatility in global markets and increased costs, as well as disruptions in supply chains and impacts to customer demand. We must also invest in relevant research and development activities and purchase necessary materials on a timely basis to meet our customers' demand while maintaining our target margins and cash flow.

The semiconductor markets in which we participate are highly competitive. The prices of our products tend to decrease regularly over their useful lives, and such price decreases can be significant as new generations of products are introduced by us or our competitors. We strive to offset the impact of declining selling prices for existing products through cost reductions and the introduction of new products that command selling prices above the average selling price of our existing products. In addition, we seek to manage our inventories and manufacturing capacity so as to mitigate the risk of losses from product obsolescence.

Demand for our products and services is driven by overall demand for industrial, automotive, communication, consumer and computing products and can be adversely affected by, among others, periods of weak consumer and enterprise spending, changes in global trade conditions, export controls, tariffs, geopolitical uncertainty, or by market share losses by our customers. Macroeconomic conditions, including inflation, increased energy costs and supply chain constraints, have contributed to increased logistics and input costs across the supply chain, and such costs may remain elevated. We continue to monitor for potential disruptions or cost increases resulting from geopolitical tensions, including in the Middle East and Eastern Europe, as well as

evolving global trade policies. In order to mitigate the impact of market volatility on our business, we continually strive to diversify our portfolio of products, customers, and target applications. We also expect that new competitors will emerge in these markets that may place increased pressure on the pricing for our products and services. While we believe we are well positioned competitively to compete in these markets and against these new competitors as a result of our long operating history, existing manufacturing capacity and our worldwide customer base, if we are not effective in competing in these markets, our operating results may be adversely affected.

Net sales for our Power Analog Solutions and Power IC products are driven by design wins in which we are selected by an electronics original equipment manufacturer (“OEM”) or other potential customers to supply its demand for a particular product. A customer will often have more than one supplier designed into multi-source components for a particular product line. Once we have design wins and the products enter into mass production, we often specify the pricing of a particular product for a set period of time, with periodic discussions and renegotiations of pricing with our customers. In any given period, our net sales depend heavily upon the end-market demand for the goods in which our products are used, the inventory levels maintained by our customers and, in some cases, allocation of demand for components for a particular product among selected qualified suppliers.

In contrast to completely fabless semiconductor companies, our internal manufacturing capacity provides us with greater control over certain manufacturing costs and the ability to implement process and production improvements for our internally manufactured products, which can favorably impact gross profit margins. Our internal manufacturing capacity also allows for better control over delivery schedules, improved consistency over product quality and reliability and improved ability to protect intellectual property from misappropriation on these internally manufactured products. However, having internal manufacturing capacity exposes us to the risk of under-utilization of manufacturing capacity that results in lower gross profit margins, particularly during downturns in the semiconductor industry.

Our Power Analog Solutions and Power IC businesses require investments in capital equipment. Analog and mixed-signal manufacturing facilities and processes are typically distinguished by the design and process implementation expertise rather than the use of the most advanced equipment. Many of these processes also tend to migrate more slowly to smaller geometries due to technological barriers and increased costs. For example, some of our products use high-voltage technology that requires larger geometries and that may not migrate to smaller geometries for several years, if at all. As a result, our manufacturing base and strategy do not require substantial investment in leading edge process equipment for those products, allowing us to utilize our facilities and equipment over an extended period of time with moderate required capital investments. In addition, we are less likely to experience significant industry overcapacity, which can cause product prices to decline significantly. In general, we seek to invest in manufacturing capacity that can be used for multiple high-value applications over an extended period of time. In addition, we outsource manufacturing of those Power IC products which do require advanced technology and 8-inch wafer capacity. We believe this balanced capital investment strategy enables us to optimize our capital investments and facilitates more diversified product and service offerings.

As we expanded our design capabilities to products that require lower geometries unavailable at our existing manufacturing facilities, we have started outsourcing 8-inch wafer for Power IC products after the sale of our fabrication facility located in Cheongju, Korea in 2020. This additional source of manufacturing has been an important part of our supply chain management. By outsourcing manufacturing of Power IC products to an external foundry, we have been able to adapt dynamically to changing customer requirements and address growing markets without substantial capital investments by us. However, relying on the external foundry exposes us to the risk of being unable to secure manufacturing capacity, particularly during global shortages of foundry services. Although we work strategically with the external foundry to ensure long-term wafer capacity, if these efforts are at any time unsuccessful, our ability to deliver products to our customers may be negatively impacted, which would adversely affect our relationship with customers and opportunities to secure new design-wins.

Our success going forward will depend upon our ability to adapt to future challenges such as the emergence of new competitors for our products and services or the consolidation of current competitors. Additionally, we must innovate to remain ahead of, or at least rapidly adapt to, technological breakthroughs that may lead to a significant change in the technology necessary to deliver our products and services. We believe

that our established relationships and close collaboration with leading customers enhance our awareness of new product opportunities, market and technology trends and improve our ability to adapt and grow successfully.

Recent Developments

Strategic Partnership for Silicon Carbide (SiC) Technologies

In July 2026, we entered into a strategic partnership with Navitas Semiconductor Corporation (“Navitas”) to accelerate adoption of SiC technologies in high-voltage (“HV”) and ultra-high-voltage (“UHV”) power markets. Under the terms of the agreement, we will license certain Navitas technology to enter the HV and UHV SiC markets, enabling us to build on Navitas' proven SiC device platforms for next-generation power conversion applications.

We will also gain access to Navitas' SiC supply chain and materials ecosystem, supporting faster market entry. At the same time, we and Navitas will seek to port, qualify, and internalize the technology at our fabrication facility in order to help accelerate our entry into SiC technology. The licensed technologies are expected to support next-generation applications including energy and grid infrastructure, energy storage, industrial electrification, automotive and other high-power systems.

Gumi Power Substation Upgrade

A planned upgrade to the electrical substation in our Gumi fabrication facility by a third-party owner of the substation is expected to take place during the third quarter of 2026 and will temporarily impact operations at our Gumi facility. To help mitigate potential customer supply disruptions, we increased inventory production during the second quarter and a portion of the third quarter of 2026 in advance of the electrical substation upgrade. As a result, our factory utilization rate was higher in the second quarter, while utilization is expected to be lower in the third quarter during the planned upgrade.

The higher fab utilization in the second quarter is expected to have a favorable one-quarter lag impact on third-quarter gross profit margin. However, we currently expect this benefit to be more than offset by an unfavorable product mix driven by increased demand for lower-margin products. As a result, the planned increase in second-quarter production is not expected to have a significant positive impact on third-quarter gross margin.

Looking ahead, the lower fab utilization expected in the third quarter as a result of the planned electrical substation upgrade is expected to have a one-quarter lag impact on gross profit margin, with a modest negative impact expected on fourth-quarter gross margin.

Macroeconomic Industry Conditions

The semiconductor industry continues to face a number of macroeconomic challenges, including rising inflation, higher interest rates, supply chain disruptions, inventory corrections, shifting customer and end-user demand, fluctuations in currency rates, and geopolitical tensions, including without limitation ongoing conflicts involving Russia and Ukraine, sustained military action and conflicts in the Middle East, and trade conflicts or trade wars (especially those between the United States and China) including those arising directly or indirectly from tariffs imposed by the United States, any one or more of which may cause (if they have not already caused) volatility and unpredictability in the supply chain or market for semiconductor products and end-user demand. In particular, the military conflict involving the United States, Israel, and Iran has created significant volatility in global energy and materials markets and may adversely affect our manufacturing costs, supply chain continuity, and customer demand. For example, the resulting disruptions to oil, gas, and critical raw material shipments could constrain availability and/or increase costs of key inputs used in semiconductor production and could lead to delays or reduced demand across end markets, which may materially and adversely impact our business, financial condition, and results of operations. The length and severity of these macroeconomic events and their overall impact on our business, results of operations and financial condition remain uncertain.

Developments in Export Control Regulations

On October 7, 2022, the Bureau of Industry and Security (BIS) of the U.S. Department of Commerce published changes to U.S. export control regulations (U.S. Export Regulations), including new restrictions on Chinese entities' ability to obtain advanced computing chips, develop and maintain supercomputers, and

manufacture advanced semiconductors. Further, on October 12, 2022, a new rule went into effect requiring U.S. persons to obtain a license prior to engaging in certain activities that could “support” certain end-uses and end-users, including those related to weapons of mass destruction. Additionally, on October 21, 2022, BIS brought into effect a series of new Foreign Direct Product (FDP) rules and various new controls on advanced computing items, significantly expanding the scope of items that are subject to export control under the U.S. Export Regulations. More recently, on October 25, 2023, BIS published additional rules, which went into effect on November 17, 2023 to expand, clarify, and correct the rules published in October 2022. A further corrected and clarified version of these rules went into effect on April 4, 2024. On January 16, 2025, BIS published amendments and clarifications of the U.S. Export Regulations which further tightened controls of advanced computing items. On September 30, 2025, BIS published an “Affiliates Rule” to expand end-user controls to cover certain affiliates of entities designated on BIS Entity List or Military End User List or designated on the Specially Designated Nationals and Blocked Persons (SDN) List administered by the U.S. Department of the Treasury, Office of Foreign Assets Control. BIS subsequently delayed enforcement of the Affiliates Rule until November 2026. Based on our understanding of the U.S. Export Regulations and related rules currently in effect, we expect to invest additional resources and efforts in the screening of prospects, customers, and end-users in order to comply with the new Affiliates Rule once it goes into effect; while we do not anticipate that the rest of the rules will have a material impact on our current business, we will continue reviewing and assessing these rules and regulations and their potential impact on our business. BIS has recently altered aspects of its semiconductor licensing policies to a case-by-case review, taking into account requirements such as export volume thresholds and third party testing requirements. Additional changes to the U.S. Export Regulations are expected, such as recently proposed rule changes that may expand restrictions on export transactions involving end users or end uses with military connections; but the scope or timing of such changes is uncertain. We will continue to monitor such developments, including potential additional trade restrictions, and other regulatory or policy changes by the U.S. and foreign governments.

Explanation and Reconciliation of Non-U.S. GAAP Measures

Adjusted EBITDA, Adjusted Operating Income (Loss) and Adjusted Net Income (Loss)

We use the terms Adjusted EBITDA, Adjusted Operating Income (Loss) and Adjusted Net Income (Loss) (including on a per share basis) in this Report. Adjusted EBITDA, as we define it, is a non-U.S. GAAP measure. We define Adjusted EBITDA for the periods indicated as EBITDA (as defined below), adjusted to exclude (i) stock-based compensation expense, (ii) foreign currency loss (gain), net, (iii) derivative valuation loss (gain), net and (iv) other charges. EBITDA for the periods indicated is defined as income(loss) from continuing operations before interest income, interest expense, income tax benefit, net and depreciation and amortization.

See the footnotes to the table below for further information regarding these items. We present Adjusted EBITDA as a supplemental measure of our performance because:

- we believe that Adjusted EBITDA, by eliminating the impact of a number of items that we do not consider to be indicative of our core ongoing operating performance, provides a more comparable measure of our operating performance from period-to-period and may be a better indicator of future performance;
- we believe that Adjusted EBITDA is commonly requested and used by securities analysts, investors and other interested parties in the evaluation of a company as an enterprise level performance measure that eliminates the effects of financing, income taxes and the accounting effects of capital spending, as well as other one time or recurring items described above; and
- we believe that Adjusted EBITDA is useful for investors, among other reasons, to assess a company’s period-to-period core operating performance and to understand and assess the manner in which management analyzes operating performance.

We use Adjusted EBITDA in a number of ways, including:

- for planning purposes, including the preparation of our annual operating budget;
 - to evaluate the effectiveness of our enterprise level business strategies;
 - in communications with our Board of Directors concerning our consolidated financial performance; and
 - in certain of our compensation plans as a performance measure for determining incentive compensation payments.
-

We encourage you to evaluate each adjustment and the reasons we consider them appropriate. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses (income) similar to the adjustments in this presentation. Adjusted EBITDA is not a measure defined in accordance with U.S. GAAP and should not be construed as an alternative to income (loss) from continuing operations or any other performance measure derived in accordance with U.S. GAAP, or as an alternative to cash flows from operating activities as a measure of liquidity. A reconciliation of income (loss) from continuing operations to Adjusted EBITDA from continuing operations is as follows:

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(Dollars in millions)			
Income (Loss) from continuing operations	\$ (7.6)	\$ (12.3)	\$ 9.2	\$ 5.2
Interest income	(0.9)	(2.0)	(1.3)	(2.9)
Interest expense	0.3	0.7	0.4	0.8
Income tax benefit, net	(2.0)	(3.9)	(4.1)	(4.5)
Depreciation and amortization	2.8	5.6	3.2	6.4
EBITDA from continuing operations	\$ (7.5)	\$ (11.9)	\$ 7.4	\$ 4.9
Adjustments:				
Stock-based compensation expense(a)	1.0	1.7	1.0	1.8
Foreign currency loss (gain), net(b)	0.5	0.6	(10.8)	(10.4)
Derivative valuation loss (gain), net(c)	(0.3)	(0.3)	0.1	0.1
Other charges(d)	2.0	2.0	0.8	0.8
Adjusted EBITDA from continuing operations	\$ (4.2)	\$ (7.9)	\$ (1.5)	\$ (2.7)

- (a) This adjustment eliminates the impact of non-cash stock-based compensation expenses. Although we expect to incur non-cash stock-based compensation expenses in the future, these expenses do not generally require cash settlement, and, therefore, are not used by us to assess the profitability of our operations. We believe that analysts and investors will find it helpful to review our operating performance without the effects of these non-cash expenses as supplemental information.
- (b) This adjustment mainly eliminates the impact of non-cash foreign currency translation associated with intercompany debt obligations and foreign currency denominated receivables and payables, as well as the cash impact of foreign currency transaction gains or losses on collection of such receivables and payment of such payables. Although we expect to incur foreign currency translation gains or losses in the future, we believe that analysts and investors will find it helpful to review our operating performance without the effects of these primarily non-cash gains or losses, which we cannot control. Additionally, we believe the isolation of this adjustment provides investors with enhanced comparability to prior and future periods of our operating performance results.
- (c) This adjustment eliminates the impact of gain or loss recognized in income on derivatives, which represents derivatives value changes excluded from the risk being hedged. We enter into derivative transactions to mitigate foreign exchange risks. As our derivative transactions are limited to a certain portion of our expected cash flows denominated in U.S. dollars, and we do not enter into derivative transactions for trading or speculative purposes, we do not believe that these charges or gains are indicative of our core operating performance.
- (d) For the three and six months ended June 30, 2026, this adjustment eliminates \$2.0 million of other charges, consisting of a \$1.1 million customer goodwill payment related to a certain product, and \$0.9 million of one-time employee incentives. For the three and six months ended June 30, 2025, this adjustment eliminates \$0.5 million of one-time employee incentives and \$0.3 million of certain executive separation benefit related accruals. As this adjustment meaningfully impacted our operating results and are not expected to represent an ongoing operating expense or income to us, we believe our operating performance results are more usefully compared if this adjustment is excluded.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not consider the potentially dilutive impact of issuing stock-based compensation to our management team and employees;
- Adjusted EBITDA does not reflect the costs of holding certain assets and liabilities in foreign currencies; and
- other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our U.S. GAAP results and using Adjusted EBITDA only supplementally.

We present Adjusted Operating Income (Loss) as supplemental measures of our performance. We prepare Adjusted Operating Income (Loss) by adjusting operating income (loss) to eliminate the impact of stock-based compensation expenses and other items that may be either one time or recurring that we do not consider to be indicative of our core ongoing operating performance. We believe that Adjusted Operating Income (Loss) is useful to investors to provide a supplemental way to understand our underlying operating performance and allows investors to monitor and understand changes in our ability to generate income (loss) from ongoing business operations.

Adjusted Operating Income (Loss) is not a measure defined in accordance with U.S. GAAP and should not be construed as an alternative to operating income (loss) or any other performance measure derived in accordance with U.S. GAAP. We encourage you to evaluate each adjustment and the reasons we consider them appropriate. Other companies in our industry may calculate Adjusted Operating Income (Loss) differently than we do, limiting its usefulness as a comparative measure. In addition, in evaluating Adjusted Operating Income (Loss), you should be aware that in the future we may incur expenses (income) similar to the adjustments in this presentation. We define Adjusted Operating Income (Loss) for the periods indicated as operating income (loss) adjusted to exclude (i) stock-based compensation expense and (ii) other charges.

The following table summarizes the adjustments to operating loss that we make in order to calculate Adjusted Operating Loss for the periods indicated:

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(Dollars in millions)			
Operating loss	\$ (10.0)	\$ (17.1)	\$ (6.6)	\$ (11.9)
Adjustments:				
Stock-based compensation expense(a)	1.0	1.7	1.0	1.8
Other charges(b)	2.0	2.0	0.8	0.8
Adjusted Operating Loss	<u>\$ (7.0)</u>	<u>\$ (13.5)</u>	<u>\$ (4.8)</u>	<u>\$ (9.2)</u>

- (a) This adjustment eliminates the impact of non-cash stock-based compensation expenses. Although we expect to incur non-cash stock-based compensation expenses in the future, these expenses do not generally require cash settlement, and, therefore, are not used by us to assess the profitability of our operations. We believe that analysts and investors will find it helpful to review our operating performance without the effects of these non-cash expenses as supplemental information.
- (b) For the three and six months ended June 30, 2026, this adjustment eliminates \$2.0 million of other charges, consisting of a \$1.1 million customer goodwill payment related to a certain product, and \$0.9 million of one-time employee incentives. For the three and six months ended June 30, 2025, this adjustment eliminates \$0.5 million of one-time employee incentives and \$0.3 million of certain executive separation benefit related accruals. As this adjustment meaningfully impacted our operating results and

are not expected to represent an ongoing operating expense or income to us, we believe our operating performance results are more usefully compared if this adjustment is excluded.

We present Adjusted Net Income (Loss) (including on a per share basis) as a further supplemental measure of our performance. We prepare Adjusted Net Income (Loss) (including on a per share basis) by adjusting income (loss) from continuing operations to eliminate the impact of a number of non-cash expenses and other items that may be either one time or recurring that we do not consider to be indicative of our core ongoing operating performance. We believe that Adjusted Net Income (Loss) (including on a per share basis) is particularly useful because it reflects the impact of our asset base and capital structure on our operating performance. We present Adjusted Net Income (Loss) (including on a per share basis) for a number of reasons, including:

- we use Adjusted Net Income (Loss) (including on a per share basis) in communications with our Board of Directors concerning our consolidated financial performance without the impact of non-cash expenses and the other items as we discussed below since we believe that it is a more consistent measure of our core operating results from period to period; and
- we believe that reporting Adjusted Net Income (Loss) (including on a per share basis) is useful to readers in evaluating our core operating results because it eliminates the effects of non-cash expenses as well as the other items we discuss below, such as foreign currency gains and losses, which are out of our control and can vary significantly from period to period.

Adjusted Net Income (Loss) (including on a per share basis) is not a measure defined in accordance with U.S. GAAP and should not be construed as an alternative to income (loss) from continuing operations or any other performance measure derived in accordance with U.S. GAAP, or as an alternative to cash flows from operating activities as a measure of liquidity. We encourage you to evaluate each adjustment and the reasons we consider them appropriate. Other companies in our industry may calculate Adjusted Net Income (Loss) (including on a per share basis) differently than we do, limiting its usefulness as a comparative measure. In addition, in evaluating Adjusted Net Income (Loss) (including on a per share basis), you should be aware that in the future we may incur expenses (income) similar to the adjustments in this presentation. We define Adjusted Net Income (Loss) (including on a per share basis); for the periods indicated as income (loss) from continuing operations, adjusted to exclude (i) stock-based compensation expense, (ii) foreign currency loss (gain), net, (iii) derivative valuation loss (gain), net, (iv) other charges and (v) income tax effect on non-GAAP adjustments.

The following table summarizes the adjustments to income (loss) from continuing operations that we make in order to calculate Adjusted Loss (including on a per share basis) from continuing operations for the periods indicated:

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
	(Dollars in millions, except per share data)			
Income (Loss) from continuing operations	\$ (7.6)	\$ (12.3)	\$ 9.2	\$ 5.2
Adjustments:				
Stock-based compensation expense(a)	1.0	1.7	1.0	1.8
Foreign currency loss (gain), net(b)	0.5	0.6	(10.8)	(10.4)
Derivative valuation loss (gain), net(c)	(0.3)	(0.3)	0.1	0.1
Other charges(d)	2.0	2.0	0.8	0.8
Income tax effect on non-GAAP adjustments(e)	(0.5)	(0.7)	(2.3)	(2.3)
Adjusted Loss from continuing operations	\$ (4.9)	\$ (9.0)	\$ (2.0)	\$ (4.8)
Reported earnings (loss) per share – basic	\$ (0.21)	\$ (0.34)	\$ 0.26	\$ 0.14
Reported earnings (loss) per share – diluted	\$ (0.21)	\$ (0.34)	\$ 0.25	\$ 0.14
Weighted average number of shares – basic	36,454,812	36,431,327	36,083,703	36,483,551
Weighted average number of shares – diluted	36,454,812	36,431,327	36,768,647	37,209,622
Adjusted loss per share – basic	\$ (0.13)	\$ (0.25)	\$ (0.05)	\$ (0.13)
Adjusted loss per share – diluted	\$ (0.13)	\$ (0.25)	\$ (0.05)	\$ (0.13)
Weighted average number of shares – basic	36,454,812	36,431,327	36,083,703	36,483,551
Weighted average number of shares – diluted	36,454,812	36,431,327	36,083,703	36,483,551

- (a) This adjustment eliminates the impact of non-cash stock-based compensation expenses. Although we expect to incur non-cash stock-based compensation expenses in the future, these expenses do not generally require cash settlement, and, therefore, are not used by us to assess the profitability of our operations. We believe that analysts and investors will find it helpful to review our operating performance without the effects of these non-cash expenses as supplemental information.

- (b) This adjustment mainly eliminates the impact of non-cash foreign currency translation associated with intercompany debt obligations and foreign currency denominated receivables and payables, as well as the cash impact of foreign currency transaction gains or losses on collection of such receivables and payment of such payables. Although we expect to incur foreign currency translation gains or losses in the future, we believe that analysts and investors will find it helpful to review our operating performance without the effects of these primarily non-cash gains or losses, which we cannot control. Additionally, we believe the isolation of this adjustment provides investors with enhanced comparability to prior and future periods of our operating performance results.
- (c) This adjustment eliminates the impact of gain or loss recognized in income on derivatives, which represents derivatives value changes excluded from the risk being hedged. We enter into derivative transactions to mitigate foreign exchange risks. As our derivative transactions are limited to a certain portion of our expected cash flows denominated in U.S. dollars, and we do not enter into derivative transactions for trading or speculative purposes, we do not believe that these charges or gains are indicative of our core operating performance.
- (d) For the three and six months ended June 30, 2026, this adjustment eliminates \$2.0 million of other charges, consisting of a \$1.1 million customer goodwill payment related to a certain product, and \$0.9 million of one-time employee incentives. For the three and six months ended June 30, 2025, this adjustment eliminates \$0.5 million of one-time employee incentives and \$0.3 million of certain executive separation benefit related accruals. As this adjustment meaningfully impacted our operating results and are not expected to represent an ongoing operating expense or income to us, we believe our operating performance results are more usefully compared if this adjustment is excluded.
- (e) For the three and six months ended June 30, 2026 and 2025, income tax effect on non-GAAP adjustments was calculated by comparing the tax expense of each jurisdiction with and without the non-GAAP adjustments.

We believe that all adjustments to income (loss) from continuing operations used to calculate Adjusted Net Income (Loss) from continuing operations were applied consistently to the periods presented.

Adjusted Net Income (Loss) has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- Adjusted Net Income (Loss) does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted Net Income (Loss) does not consider the potentially dilutive impact of issuing stock-based compensation to our management team and employees;
- Adjusted Net Income (Loss) does not reflect the costs of holding certain assets and liabilities in foreign currencies; and
- Other companies in our industry may calculate Adjusted Net Income (Loss) differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted Net Income (Loss) should not be considered as a measure of profitability of our business. We compensate for these limitations by relying primarily on our U.S. GAAP results and using Adjusted Net Income (Loss) only as a supplement.

Factors Affecting Our Results of Operations

Net Sales. We derive all of our sales (net of sales returns and allowances) from our Power Solutions business, which consists of our Power Analog Solution and Power IC businesses. Our product inventory is primarily located in Korea and is available for drop shipment globally. Outside of Korea, we maintain limited product inventory, and our sales representatives generally relay orders to our fabrication facility in Korea for fulfillment. We have strategically located our sales offices near concentrations of major customers. Our sales offices are located in Korea, Japan, Taiwan and Greater China. Our network of authorized agents and distributors is in the United States, Europe and the Asia Pacific region.

We recognize revenue when a customer obtains control of the product, which is generally upon product shipment, delivery at the customer's location or upon customer acceptance, depending on the terms of the arrangement. For the six months ended June 30, 2026 and 2025, our products were sold to 160 and 163 end customers, respectively, and our net sales to our ten largest customers represented 73.2% and 74.0% of our net sales, respectively.

Gross Profit. Our overall gross profit generally fluctuates as a result of changes in overall sales volumes and in the average selling prices of our products and services. Other factors that influence our gross profit include changes in product mix, the introduction of new products and services and subsequent generations of existing products and services, shifts in the utilization of our manufacturing facility and the yields achieved by our manufacturing operations, changes in material, labor and other manufacturing costs including outsourced manufacturing expenses, and variation in depreciation expense.

Average Selling Prices (“ASP”). Average selling prices for our products tend to be highest at the time of introduction of new products which utilize the latest technology and tend to decrease over time as such products mature in the market and are replaced by new generation products. We strive to offset the impact of declining selling prices for existing products through our product development activities and by introducing new products that command selling prices above the average selling price of our existing products. In addition, we seek to manage our inventories and manufacturing capacity so as to preclude losses from product and productive capacity obsolescence.

Material Costs. Our material costs consist of costs of raw materials, such as silicon wafers, chemicals, gases and tape and packaging supplies. We use processes that require specialized raw materials, such as silicon wafers, that are generally available from a limited number of suppliers. If demand increases or supplies decrease, the costs of our raw materials could increase significantly.

Labor Costs. A significant portion of our employees are located in Korea. Under Korean labor laws, most employees and certain executive officers with one or more years of service are entitled to severance benefits upon the termination of their employment based on their length of service and rate of pay. As of June 30, 2026, 97% of our employees were eligible for severance benefits.

Depreciation Expense. We periodically evaluate the carrying values of long-lived assets, including property, plant and equipment and intangible assets, as well as the related depreciation periods. We depreciate our property, plant and equipment using the straight-line method over the estimated useful lives of our assets. Depreciation rates vary from 30-40 years on buildings to 3-12 years for certain equipment and assets. Our evaluation of carrying values is based on various analyses including cash flow and profitability projections. If our projections indicate that future undiscounted cash flows are not sufficient to recover the carrying value of the related long-lived assets, the carrying value of the assets is impaired and will be reduced, with the reduction charged to expense so that the carrying value is equal to fair value.

Selling Expenses. We sell our products worldwide through a direct sales force as well as a network of sales agents and representatives to OEMs, including major branded customers and contract manufacturers, and indirectly through distributors. Selling expenses consist primarily of the personnel costs for the members of our direct sales force, a network of sales representatives and other costs of distribution. Personnel costs include base salary, benefits and incentive compensation.

General and Administrative Expenses. General and administrative expenses consist of the costs of various corporate operations, including finance, legal, human resources and other administrative functions. These expenses primarily consist of payroll-related expenses, consulting and other professional fees and office facility-related expenses.

Research and Development. The rapid technological change and product obsolescence that characterize our industry require us to make continuous investments in research and development. Product development time frames vary but, in general, we incur research and development costs one to two years before generating sales from the associated new products. These expenses include personnel costs for members of our engineering workforce, cost of photomasks, silicon wafers and other non-recurring engineering charges related to product design. Additionally, we develop base line process technology through experimentation and through the design and use of characterization wafers that help achieve commercially feasible yields for new products. The majority of research and development expenses of our Power IC business are material and design-related costs for Power IC products. Power IC uses standard BCD process technologies which can be sourced from multiple foundries. The majority of research and development expenses of our Power Analog Solutions business are certain equipment, material and design-related costs for Power Analog Solutions products.

Impact of Foreign Currency Exchange Rates on Reported Results of Operations. Historically, a portion of our revenues and cost of sales and greater than the majority of our operating expenses have been denominated in non-U.S. currencies, principally the Korean won, and we expect that this will remain true in the future.

Because we report our results of operations in U.S. dollars converted from our non-U.S. revenues and expenses based on monthly average exchange rates, changes in the exchange rate between the Korean won and the U.S. dollar could materially impact our reported results of operations and distort period to period comparisons. In particular, because of the difference in the amount of our consolidated revenues and expenses that are in U.S. dollars relative to Korean won, depreciation in the U.S. dollar relative to the Korean won could result in a material increase in reported costs relative to revenues, and therefore could cause our profit margins and operating income to appear to decline materially, particularly relative to prior periods. The converse is true if the U.S. dollar were to appreciate relative to the Korean won. Moreover, our foreign currency gain or loss may be affected by changes in the exchange rate between the Korean won and the U.S. dollar, including those related to the intercompany long-term loans to our Korean subsidiary, Magnachip Semiconductor, Ltd. or MSK, which is denominated in U.S. dollars. As of June 30, 2026, the outstanding intercompany loan balance including accrued interest between MSK and our Dutch subsidiary was \$76.9 million. While the intercompany loan balance including accrued interest has decreased compared to prior periods, changes in exchange rates could continue to affect our reported foreign currency gain or loss. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our stock could be adversely affected.

From time to time, we may engage in exchange rate hedging activities in an effort to mitigate the impact of exchange rate fluctuations. Our Korean subsidiary, Magnachip Semiconductor, Ltd., enters into foreign currency zero cost collar contracts in order to mitigate a portion of the impact of U.S. dollar-Korean won exchange rate fluctuations on our operating results. Obligations under these foreign currency zero cost collar contracts must be cash collateralized if our exposure exceeds certain specified thresholds. These zero cost collar contracts may be terminated by a counterparty in a number of circumstances, including if our total cash and cash equivalents is less than \$30.0 million at the end of a fiscal quarter unless a waiver is obtained from the counterparty. We cannot assure that any hedging technique we implement will be effective. If our hedging activities are not effective, changes in currency exchange rates may have a more significant impact on our results of operations.

Foreign Currency Gain or Loss. Foreign currency translation gains or losses on transactions by us or our subsidiaries in a currency other than our or our subsidiaries' functional currency are included in foreign currency gain (loss), net in our consolidated statements of operations. A substantial portion of this net foreign currency gain or loss relates to non-cash translation gain or loss related to the principal balance of intercompany balances at our Korean subsidiary, Magnachip Semiconductor, Ltd., that are denominated in U.S. dollars. This gain or loss results from fluctuations in the exchange rate between the Korean won and U.S. dollar.

Income Taxes. We record our income taxes in each of the tax jurisdictions in which we operate. This process involves using an asset and liability approach whereby deferred tax assets and liabilities are recorded for differences in the financial reporting bases and tax basis of our assets and liabilities. We exercise significant management judgment in determining our provision for income taxes, deferred tax assets and liabilities. We assess whether it is more likely than not that the deferred tax assets existing at the period-end will be realized in future periods. In such assessment, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operations. In the event we were to determine that we would be able to realize the deferred income tax assets in the future in excess of their net recorded amount, we would adjust the valuation allowance, which would reduce the provision for income taxes.

We are subject to income- or non-income-based tax examinations by tax authorities of the U.S., Korea and multiple other foreign jurisdictions for all open tax years. Significant estimates and judgments are required in determining our worldwide provision for income- or non-income based taxes. Some of these estimates are based on interpretations of existing tax laws or regulations. The ultimate amount of tax liability may be uncertain as a result.

Capital Expenditures. We primarily invest in manufacturing equipment, software design tools and other tangible assets mainly for fabrication facility maintenance, capacity expansion and technology improvement. Capacity expansions and technology improvements typically occur in anticipation of increases in demand. We typically pay for capital expenditures in partial installments with portions due on order, delivery and final acceptance. Our capital expenditures mainly include our payments for the purchase of property, plant and equipment.

Inventories. We monitor our inventory levels in light of product development changes and market expectations. We may be required to take additional charges for quantities in excess of demand, cost in excess of market value and product age. Our analysis may take into consideration historical usage, expected demand, anticipated sales price, new product development schedules, the effect new products might have on the sales of existing products, product age, customer design activity, customer concentration and other factors. These forecasts require us to estimate our ability to predict demand for current and future products and compare those estimates with our current inventory levels and inventory purchase commitments. Our forecasts for our inventory may differ from actual inventory use.

Results of Operations – Comparison of Three Months Ended June 30, 2026 and 2025

The following table sets forth consolidated results of operations for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Change Amount
	Amount	% of Net Sales	Amount	% of Net Sales	
	(Dollars in millions)				
Net sales	\$ 44.7	100.0%	\$ 47.6	100.0%	\$ (2.9)
Cost of sales	36.1	80.7	37.9	79.6	(1.9)
Gross profit	8.6	19.3	9.7	20.4	(1.1)
Operating expenses:					
Selling, general and administrative expenses	8.7	19.6	9.0	18.8	(0.2)
Research and development expenses	7.9	17.7	6.5	13.6	1.4
Other charges	2.0	4.4	0.8	1.8	1.1
Total operating expenses	18.6	41.7	16.3	34.2	2.3
Operating loss	(10.0)	(22.3)	(6.6)	(13.9)	(3.4)
Interest income	0.9	2.1	1.3	2.8	(0.4)
Interest expense	(0.3)	(0.7)	(0.4)	(0.8)	0.1
Foreign currency gain (loss), net	(0.5)	(1.2)	10.8	22.7	(11.3)
Other income (loss), net	0.3	0.6	(0.1)	(0.2)	0.4
	0.4	0.9	11.7	24.5	(11.3)
Income (Loss) from continuing operations before income tax benefit, net	(9.6)	(21.4)	5.1	10.6	(14.7)
Income tax benefit, net	(2.0)	(4.4)	(4.1)	(8.7)	2.2
Income (Loss) from continuing operations	(7.6)	(17.0)	9.2	19.3	(16.8)
Income (Loss) from discontinued operations, net of tax	2.8	6.2	(8.9)	(18.6)	11.7
Net income (loss)	\$ (4.8)	(10.8)%	\$ 0.3	0.7%	\$ (5.1)

Results by business line

	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Change Amount
	Amount	% of Net Sales	Amount	% of Net Sales	
(Dollars in millions)					
Net Sales					
Power Solutions business					
Power Analog Solutions	\$ 40.6	90.8%	\$ 42.3	88.7%	\$ (1.7)
Power IC	4.1	9.2	5.4	11.3	(1.2)
Total Power Solutions business	44.7	100.0	47.6	100.0	(2.9)
Total net sales	\$ 44.7	100.0%	\$ 47.6	100.0%	\$ (2.9)

	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Change Amount
	Amount	% of Net Sales	Amount	% of Net Sales	
(Dollars in millions)					
Gross Profit					
Power Solutions business					
Power Analog Solutions	\$ 7.0	17.2%	\$ 7.7	18.2%	\$ (0.8)
Power IC	1.7	40.9	2.0	37.4	(0.3)
Total Power Solutions business	8.6	19.3	9.7	20.4	(1.1)
Total gross profit	\$ 8.6	19.3%	\$ 9.7	20.4%	\$ (1.1)

Net Sales

We operate within a single operating segment, Power Solutions business, which consists of our Power Analog Solutions and Power IC businesses.

The Power Solutions business. Net Sales from Power Solutions business were \$44.7 million for the three months ended June 30, 2026, a \$2.9 million, or 6.1%, decrease compared to \$47.6 million for the three months ended June 30, 2025. This decrease was primarily due to a decrease in revenue from both our Power Analog Solutions and Power IC businesses, as described below.

Net sales from Power Analog Solutions business were \$40.6 million for the three months ended June 30, 2026, a \$1.7 million, or 4.0%, decrease compared to \$42.3 million for the three months ended June 30, 2025. The decrease in net sales from our Power Analog Solutions business line was primarily attributable to weaker demand for our older generation products resulting from intensified pricing competition, which was offset in part by a higher demand for MOSFETs and IGBTs in the industrial applications.

Net sales from Power IC business were \$4.1 million for the three months ended June 30, 2026, a \$1.2 million, or 23.0%, decrease compared to \$5.4 million for the three months ended June 30, 2025. The decrease in net sales from our Power IC business line was primarily attributable to a decrease in sales of our Power IC products, primarily for LED televisions and OLED IT devices.

Gross Profit

The Power Solutions business. Gross profit from our Power Solutions business was \$8.6 million for the three months ended June 30, 2026, which represented a \$1.1 million, or 11.0%, decrease from gross profit of \$9.7 million for the three months ended June 30, 2025. Gross profit as a percentage of net sales for the three months ended June 30, 2026 decreased to 19.3% compared to 20.4% for the three months ended June 30, 2025. The year-over-year decrease in gross profit and gross profit as a percentage of net sales was primarily attributable to an unfavorable product mix, driven by ASP erosion resulting from increased competitive pricing pressure on our older generation products, particularly in China.

Net Sales by Geographic Region

We report net sales by geographic region based on the location to which the products are billed. The following table sets forth our net sales by geographic region and the percentage of total net sales represented by each geographic region for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Change Amount
	Amount	% of Net Sales	Amount	% of Net Sales	
	(Dollars in millions)				
Korea	\$ 18.8	42.1%	\$ 22.7	47.7%	\$ (3.9)
Asia Pacific (other than Korea)	24.0	53.7	22.4	47.1	1.6
United States	1.0	2.2	1.5	3.1	(0.5)
Europe	0.8	1.9	1.0	2.1	(0.1)
	<u>\$ 44.7</u>	<u>100.0%</u>	<u>\$ 47.6</u>	<u>100.0%</u>	<u>\$ (2.9)</u>

Net sales in Korea decreased from \$22.7 million for the three months ended June 30, 2025 to \$18.8 million for the three months ended June 30, 2026, or by \$3.9 million, or 17.1%, primarily due to a decrease in revenue resulting from the competitive pricing pressure on our older generation products in consumer applications and a lower demand for our Power IC products, primarily for LED televisions and OLED IT devices.

Net sales in the Asia Pacific (other than Korea) increased from \$22.4 million for the three months ended June 30, 2025 to \$24.0 million for the three months ended June 30, 2026, or by \$1.6 million, or 7.0%, primarily due to a higher demand for power products such as MOSFETs and high-end MOSFETs in computing and industrial applications, and IGBTs primarily for solar inverters.

Operating Expenses

Selling, General and Administrative Expenses. Selling, general and administrative expenses were \$8.7 million, or 19.6% of net sales, for the three months ended June 30, 2026, compared to \$9.0 million, or 18.8% of net sales, for the three months ended June 30, 2025. The decrease of \$0.2 million, or 2.6%, was primarily attributable to a decrease in employee compensation, driven mainly by the execution of the voluntary resignation program primarily for shared function employees and separation of certain executive officers in 2025.

Research and Development Expenses. Research and development expenses were \$7.9 million, or 17.7% of net sales, for the three months ended June 30, 2026, compared to \$6.5 million, or 13.6% of net sales, for the three months ended June 30, 2025. The increase of \$1.4 million, or 21.7%, was primarily attributable to higher personnel costs resulting from the increased headcount in research and development, as well as the timing of continued investment in our new generation product development activities.

Other Charges. For the three months ended June 30, 2026, we recorded \$2.0 million of other charges, consisting of a \$1.1 million customer goodwill payment related to a certain product, and \$0.9 million of one-time employee incentives. For the three months ended June 30, 2025, we recorded \$0.5 million of one-time employee incentives and \$0.3 million of certain executive separation benefit related accruals.

Operating Loss

As a result of the foregoing, operating loss of \$10.0 million was recorded for the three months ended June 30, 2026 compared to an operating loss of \$6.6 million for the three months ended June 30, 2025. As discussed above, the increase in operating loss of \$3.4 million resulted primarily from a \$1.4 million increase in research and development expenses, a \$1.1 million increase in other charges and a \$1.1 million decrease in gross profit.

Other Income (Expense)

Interest Income. Interest income was \$0.9 million and \$1.3 million for the three months ended June 30, 2026 and 2025, respectively.

Interest Expense. Interest expense was \$0.3 million and \$0.4 million for the three months ended June 30, 2026 and 2025, respectively.

Foreign Currency Gain (Loss), Net. Net foreign currency loss for the three months ended June 30, 2026 was \$0.5 million compared to a net foreign currency gain of \$10.8 million for the three months ended June 30, 2025. The net foreign currency loss for the three months ended June 30, 2026 was due to the depreciation in value of the Korean won relative to the U.S. dollar during the period. The net foreign currency gain for the three months ended June 30, 2025 was due to the appreciation in value of the Korean won relative to the U.S. dollar during the period.

A substantial portion of our net foreign currency gain or loss is a non-cash translation gain or loss associated with the intercompany long-term loans to our Korean subsidiary, which is denominated in U.S. dollars, and is affected by changes in the exchange rate between the Korean won and the U.S. dollar. As of June 30, 2026 and June 30, 2025, the outstanding intercompany loan balances including accrued interest

between our Korean subsidiary, Magnachip Semiconductor, Ltd., and our Dutch subsidiary were \$76.9 million and \$241.7 million, respectively. Foreign currency translation gain or loss from intercompany balances were included in determining our consolidated net income since the intercompany balances were not considered long-term investments in nature because management intended to settle these intercompany balances at their respective maturity dates.

Income Tax Benefit, Net

We are subject to income taxes in the United States and many foreign jurisdictions and our effective tax rate is affected by changes in the mix of earnings between countries with differing tax rates.

Income tax benefit was \$2.0 million for the three months ended June 30, 2026, which was primarily attributable to the estimated taxable loss in our Korean subsidiary for the respective period.

Income tax benefit was \$4.1 million for the three months ended June 30, 2025, which was primarily attributable to the estimated taxable loss in our Korean subsidiary for the respective period, including loss recognized in connection with the shutdown of the discontinued Display business during the second quarter of 2025.

Income (Loss) from Continuing Operations

Loss from continuing operations for the three months ended June 30, 2026 was \$7.6 million compared to income from continuing operations of \$9.2 million for the three months ended June 30, 2025. The \$16.8 million increase in loss from continuing operations was primarily attributable to an \$11.3 million increase in net foreign currency loss, a \$3.4 million increase in operating loss and a \$2.2 million decrease in income tax benefit.

Income (Loss) from Discontinued Operations, Net of Tax

Income from discontinued operations, net of tax for the three months ended June 30, 2026 was \$2.8 million compared to a loss from discontinued operations, net of tax of \$8.9 million for the three months ended June 30, 2025. The \$11.7 million improvement in loss from discontinued operations, net of tax primarily resulted from the absence of \$7.4 million of impairment charges, primarily related to certain design tool software contracts and \$1.6 million of early termination charges incurred in the prior-year period.

Net Income (Loss)

As a result of the foregoing, a net loss of \$4.8 million was recorded for the three months ended June 30, 2026 compared to a net income of \$0.3 million for the three months ended June 30, 2025. As discussed above, the deterioration in net loss of \$5.1 million resulted from a \$16.8 million increase in loss from continuing operations, which was offset by an \$11.7 million improvement in loss from discontinued operations, net of tax.

Results of Operations – Comparison of Six Months Ended June 30, 2026 and 2025

The following table sets forth consolidated results of operations for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025		
	Amount	% of Net Sales	Amount	% of Net Sales	Change Amount
	(Dollars in millions)				
Net sales	\$ 90.9	100.0%	\$ 92.3	100.0%	\$ (1.4)
Cost of sales	75.1	82.6	73.3	79.3	1.8
Gross profit	15.8	17.4	19.1	20.7	(3.2)
Operating expenses:					
Selling, general and administrative expenses	16.4	18.1	18.2	19.7	(1.8)
Research and development expenses	14.6	16.1	11.9	12.9	2.7
Other charges	2.0	2.2	0.8	0.9	1.1
Total operating expenses	33.0	36.3	31.0	33.5	2.0
Operating loss	(17.1)	(18.9)	(11.9)	(12.9)	(5.3)
Interest income	2.0	2.2	2.9	3.1	(0.9)
Interest expense	(0.7)	(0.8)	(0.8)	(0.9)	0.1
Foreign currency gain (loss), net	(0.6)	(0.7)	10.4	11.3	(11.0)
Other income, net	0.3	0.3	0.0	0.0	0.2
	1.0	1.0	12.5	13.5	(11.5)
Income (Loss) from continuing operations before income tax benefit, net	(16.2)	(17.8)	0.6	0.7	(16.8)
Income tax benefit, net	(3.9)	(4.3)	(4.5)	(4.9)	0.6
Income (Loss) from continuing operations	(12.3)	(13.5)	5.2	5.6	(17.5)
Income (Loss) from discontinued operations, net of tax	2.8	3.1	(13.7)	(14.8)	16.5
Net loss	\$ (9.5)	(10.4)%	\$ (8.6)	(9.3)%	\$ (0.9)

Results by business line

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025		Change Amount
	Amount	% of Net Sales	Amount	% of Net Sales	
	(Dollars in millions)				
Net Sales					
Power Solutions business					
Power Analog Solutions	\$ 82.2	90.4%	\$ 82.1	88.9%	\$ 0.1
Power IC	8.7	9.6	10.2	11.1	(1.5)
Total Power Solutions business	90.9	100.0	92.3	100.0	(1.4)
Total net sales	\$ 90.9	100.0%	\$ 92.3	100.0%	\$ (1.4)

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025		
	<u>Amount</u>	<u>% of Net Sales</u>	<u>Amount</u>	<u>% of Net Sales</u>	<u>Change Amount</u>
	(Dollars in millions)				
Gross Profit					
Power Solutions business					
Power Analog Solutions	\$ 12.3	15.0%	\$ 14.8	18.0%	\$ (2.5)
Power IC	3.5	40.6	4.3	41.7	(0.7)
Total Power Solutions business	15.8	17.4	19.1	20.7	(3.2)
Total gross profit	\$ 15.8	17.4%	\$ 19.1	20.7%	\$ (3.2)

Net Sales

We operate within a single operating segment, Power Solutions business, which consists of our Power Analog Solutions and Power IC businesses.

The Power Solutions business. Net Sales from Power Solutions business were \$90.9 million for the six months ended June 30, 2026, a \$1.4 million, or 1.6%, decrease compared to \$92.3 million for the six months ended June 30, 2025. This decrease was primarily due to a decrease in revenue related to our Power IC business as described below.

Net sales from Power Analog Solutions business were relatively flat at \$82.2 million for the six months ended June 30, 2026, compared to \$82.1 million for the six months ended June 30, 2025. The increase in net sales from our Power Analog Solutions business line was primarily attributable to higher demand for MOSFETs and IGBTs in the industrial applications, which was substantially offset by weaker demand for our older generation products resulting from intensified pricing competition.

Net sales from Power IC business were \$8.7 million for the six months ended June 30, 2026, a \$1.5 million, or 15.0%, decrease compared to \$10.2 million for the six months ended June 30, 2025. The decrease in net sales from our Power IC business line was primarily attributable to a decrease in sales of our Power IC products, primarily for OLED IT devices and LED televisions.

Gross Profit

The Power Solutions business. Gross profit from our Power Solutions business was \$15.8 million for the six months ended June 30, 2026, which represented a \$3.2 million, or 16.9%, decrease from gross profit of \$19.1 million for the six months ended June 30, 2025. Gross profit as a percentage of net sales for the six months ended June 30, 2026 decreased to 17.4% compared to 20.7% for the six months ended June 30, 2025. The year-over-year decrease in gross profit and gross profit as a percentage of net sales was primarily attributable to an unfavorable product mix, driven by ASP erosion resulting from increased pricing pressure on our older generation products, particularly in China.

Net Sales by Geographic Region

We report net sales by geographic region based on the location to which the products are billed. The following table sets forth our net sales by geographic region and the percentage of total net sales represented by each geographic region for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025		
	Amount	% of Net Sales	Amount	% of Net Sales	Change Amount
	(Dollars in millions)				
Korea	\$ 39.5	43.4%	\$ 44.4	48.1%	\$ (4.9)
Asia Pacific (other than Korea)	47.6	52.4	43.4	47.0	4.2
United States	2.2	2.5	2.7	2.9	(0.4)
Europe	1.6	1.7	1.8	2.0	(0.3)
	\$ 90.9	100.0%	\$ 92.3	100.0%	\$ (1.4)

Net sales in Korea decreased from \$44.4 million for the six months ended June 30, 2025 to \$39.5 million for the six months ended June 30, 2026, or by \$4.9 million, or 11.1%, primarily due to a decrease in revenue resulting from the competitive pricing pressure on our older generation products in consumer applications, which was offset in part by an increased demand for power products such as medium-voltage MOSFETs in industrial applications. A lower demand for our Power IC products, primarily for LED televisions and OLED IT devices also had an unfavorable impact on net sales.

Net sales in the Asia Pacific (other than Korea) increased from \$43.4 million for the six months ended June 30, 2025 to \$47.6 million for the six months ended June 30, 2026, or by \$4.2 million, or 9.6%, primarily due to a higher demand for power products such as MOSFETs and high-end MOSFETs in computing and industrial applications, and IGBTs primarily for solar inverters.

Operating Expenses

Selling, General and Administrative Expenses. Selling, general and administrative expenses were \$16.4 million, or 18.1% of net sales, for the six months ended June 30, 2026, compared to \$18.2 million, or 19.7% of net sales, for the six months ended June 30, 2025. The decrease of \$1.8 million, or 9.7%, was primarily attributable to a decrease in employee compensation, driven mainly by the execution of the voluntary resignation program primarily for shared function employees and separation of certain executive officers in 2025, as well as a decrease in professional fees mainly comprised of legal and consulting fees.

Research and Development Expenses. Research and development expenses were \$14.6 million, or 16.1% of net sales, for the six months ended June 30, 2026, compared to \$11.9 million, or 12.9% of net sales, for the six months ended June 30, 2025. The increase of \$2.7 million, or 22.4%, was primarily attributable to higher personnel costs resulting from the increased headcount in research and development, as well as the timing of continued investment in our new generation product development activities.

Other Charges. For the six months ended June 30, 2026, we recorded \$2.0 million of other charges, consisting of a \$1.1 million customer goodwill payment related to a certain product, and \$0.9 million of one-time employee incentives. For the six months ended June 30, 2025, we recorded \$0.5 million of one-time employee incentives and \$0.3 million of certain executive separation benefit related accruals.

Operating Loss

As a result of the foregoing, operating loss of \$17.1 million was recorded for the six months ended June 30, 2026 compared to an operating loss of \$11.9 million for the six months ended June 30, 2025. As discussed above, the increase in operating loss of \$5.3 million resulted primarily from a \$3.2 million decrease in gross profit, a \$2.7 million increase in research and development expenses and a \$1.1 million increase in other charges, which was offset in part by a \$1.8 million decrease in selling, general and administrative expenses

Other Income (Expense)

Interest Income. Interest income was \$2.0 million and \$2.9 million for the six months ended June 30, 2026 and 2025, respectively.

Interest Expense. Interest expense was \$0.7 million and \$0.8 million for the six months ended June 30, 2026 and 2025, respectively.

Foreign Currency Gain (Loss), Net. Net foreign currency loss for the six months ended June 30, 2026 was \$0.6 million compared to a net foreign currency gain of \$10.4 million for the six months ended June 30, 2025. The net foreign currency loss for the six months ended June 30, 2026 was due to the depreciation in value of the Korean won relative to the U.S. dollar during the period. The net foreign currency gain for the six months ended June 30, 2025 was due to the appreciation in value of the Korean won relative to the U.S. dollar during the period.

A substantial portion of our net foreign currency gain or loss is a non-cash translation gain or loss associated with the intercompany long-term loans to our Korean subsidiary, which is denominated in U.S. dollars, and is affected by changes in the exchange rate between the Korean won and the U.S. dollar. As of June 30, 2026 and June 30, 2025, the outstanding intercompany loan balances including accrued interest between our Korean subsidiary, Magnachip Semiconductor, Ltd., and our Dutch subsidiary were \$76.9 million and \$241.7 million, respectively. Foreign currency translation gain or loss from intercompany balances were included in determining our consolidated net income since the intercompany balances were not considered long-term investments in nature because management intended to settle these intercompany balances at their respective maturity dates.

Income Tax Benefit, Net

We are subject to income taxes in the United States and many foreign jurisdictions and our effective tax rate is affected by changes in the mix of earnings between countries with differing tax rates.

Income tax benefit was \$3.9 million for the six months ended June 30, 2026, which was primarily attributable to the estimated taxable loss in our Korean subsidiary for the respective period.

Income tax benefit was \$4.5 million for the six months ended June 30, 2025, which was primarily attributable to the estimated taxable loss in our Korean subsidiary for the respective period, including loss recognized in connection with the shutdown of the discontinued Display business during the second quarter of 2025.

Income (Loss) from Continuing Operations

Loss from continuing operations for the six months ended June 30, 2026 was \$12.3 million compared to income from continuing operations of \$5.2 million for the six months ended June 30, 2025. The \$17.5 million increase in loss from continuing operations was primarily attributable to an \$11.0 million increase in net foreign currency loss, a \$5.3 million increase in operating loss and a \$0.6 million decrease in income tax benefit.

Income (Loss) from Discontinued Operations, Net of Tax

Income from discontinued operations, net of tax for the six months ended June 30, 2026 was \$2.8 million compared to a loss from discontinued operations, net of tax of \$13.7 million for the six months ended June 30, 2025. The \$16.5 million improvement in loss from discontinued operations, net of tax, primarily resulted from a \$9.0 million decrease in research and development expense, a \$1.3 million decrease in selling, general and administrative expenses, and the absence of \$7.4 million of impairment charges, primarily related to certain design tool software contracts, and \$1.6 million of early termination charges incurred in the prior-year period, which was offset in part by a \$2.7 million decrease in gross profit and a \$0.7 million increase in income tax expense.

Net Loss

As a result of the foregoing, a net loss of \$9.5 million was recorded for the six months ended June 30, 2026 compared to a net loss of \$8.6 million for the six months ended June 30, 2025. As discussed above, the increase in net loss of \$0.9 million resulted from a \$17.5 million increase in loss from continuing operations, which was offset by a \$16.5 million improvement in loss from discontinued operations, net of tax.

Liquidity and Capital Resources

Our principal capital requirements are to fund sales and marketing, invest in research and development and capital equipment, to make debt service payments and to fund working capital needs. We calculate working capital as current assets less current liabilities.

Our principal sources of liquidity are our cash, cash equivalents, cash flows from operating and financing activities. Our ability to manage cash and cash equivalents may be limited, as our primary cash flows are dictated by the terms of our sales and supply agreements, contractual obligations, debt instruments and legal and regulatory requirements. From time to time, we may sell accounts receivable to third parties under factoring agreements or engage in accounts receivable discounting to facilitate the collection of cash. In addition, from time to time, we may make payments to our vendors on extended terms with their consent. As of June 30, 2026, we did not have any accounts payable on extended terms or payment deferment with our vendors.

As of June 29, 2018, our Korean subsidiary, Magnachip Semiconductor, Ltd. (“MSK”), entered into an arrangement whereby it (i) acquired a water treatment facility from SK hynix for \$4.2 million to support our fabrication facility in Gumi, Korea, and (ii) subsequently sold the water treatment facility for \$4.2 million to a third party management company that we engaged to run the facility for a 10-year term beginning July 1, 2018. Effective November 1, 2025, the service term was adjusted, extending the remaining service period through 2038. As of June 30, 2026, the outstanding obligation of this arrangement is approximately \$42.8 million for remaining service term through 2038.

On March 26, 2024, MSK executed a Standard Credit Agreement (together with its General Terms and Conditions, the “Loan Agreement”) with Korea Development Bank (“KDB”). The Loan Agreement provides for a working capital term loan (the “Term Loan”) of KRW 40,000,000,000 (\$25.9 million based on the KRW/USD exchange rate of 1,541.5:1 as of June 30, 2026 as quoted by KEB Hana Bank). The Term Loan requires monthly interest-only payments and matures on March 26, 2027, at which time the full principal balance will be due and payable.

During 2025, under its existing Equipment Financing Credit Agreement with KDB, MSK entered into three CAPEX Loans in the aggregate principal amount of KRW 23,995,000,000, consisting of (i) KRW 9,520,000,000 on June 26, 2025, (ii) KRW 5,075,000,000 on September 26, 2025, and (iii) KRW 9,400,000,000 on December 30, 2025 (\$15.6 million in the aggregate based on the KRW/USD exchange rate of 1,541.5:1 as of June 30, 2026, as quoted by KEB Hana Bank). The CAPEX Loans require monthly interest-only payments, with principal repayments deferred for an initial two-year period and amortized over the subsequent eight years, and matures on June 26, 2035.

On June 17, 2026, we entered into an At Market Issuance Sales Agreement with B. Riley Securities, Inc., as sales agent, pursuant to which we may offer and sell, from time to time, shares of our common stock having an aggregate offering price of up to \$50.0 million under our shelf registration statement on Form S-3 (File No. 333-296756) and a related prospectus supplement dated June 17, 2026. During the three and six months ended June 30, 2026, we sold 10,809 shares of common stock under the program for net proceeds of \$0.1 million, and \$49.9 million remained available for future sales under the program as of June 30, 2026. We intend to use any net proceeds from sales under the program for general corporate purposes, which may include investments in strategic growth initiatives and technologies that support AI data centers and robotics.

As of June 30, 2026, cash and cash equivalents held by MSK were \$82.1 million, which represents 93% of our total cash and cash equivalents on a consolidated basis. We currently believe that we will have sufficient cash reserves from cash on hand and expected cash from operations to fund our operations as well as debt service and capital expenditures for the next 12 months and the foreseeable future.

Working Capital

Our working capital balance as of June 30, 2026 was \$96.8 million compared to \$133.4 million as of December 31, 2025. The decrease in working capital balance was mainly attributable to the reclassification of \$25.9 million of our Term Loan to the current portion of long-term borrowings, reflecting its maturity within one year, as well as a \$15.8 million decrease in cash and cash equivalents, primarily driven by operating cash outflows and \$5.2 million of capital expenditures.

Cash Flows from Operating Activities

Cash outflow used in operating activities totaled \$2.9 million for the six months ended June 30, 2026, compared to \$29.8 million of cash outflow used in operating activities for the six months ended June 30, 2025. The net operating cash outflow for the six months ended June 30, 2026 reflects our net loss of \$9.5 million, as adjusted favorably by \$14.4 million, which mainly consisted of depreciation and amortization, provision for severance benefits, reversal for inventory reserves, net foreign currency gain or loss and stock-based compensation, and net unfavorable impact of \$7.9 million from changes in operating assets and liabilities.

Cash Flows from Investing Activities

Cash outflow used in investing activities totaled \$6.9 million for the six months ended June 30, 2026, compared to \$7.7 million of cash outflow used in investing activities for the six months ended June 30, 2025. The \$0.8 million decrease in cash outflow was primarily attributable to a \$6.8 million decrease in the purchase of property, plant and equipment, which was offset in part by a \$5.7 million net increase in hedge collateral.

Cash Flows from Financing Activities

Cash outflow used in financing activities totaled \$0.4 million for the six months ended June 30, 2026, compared to \$2.6 million of cash inflow provided by financing activities for the six months ended June 30, 2025. The financing cash outflow for the six months ended June 30, 2026 was primarily attributable to a payment of \$0.2 million for the repurchase of our common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock units. The financing cash inflow for the six months ended June 30, 2025 was primarily attributable to the \$7.0 million of proceeds received from the CAPEX Loan with KDB, which was offset in part by a payment of \$3.5 million for the repurchases of our common stock pursuant to our stock repurchase program and a payment of \$0.5 million for the repurchase of our common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock units.

For additional cash flow information associated with our discontinued operation, please see “Item 1. Interim Consolidated Financial Statements – Notes to Consolidated Financial Statements – Note 2 – Discontinued Operations” included elsewhere in this Report.

Capital Expenditures

We routinely make capital expenditures for fabrication facility maintenance, enhancement of our existing facility and reinforcement of our global research and development capability. For the six months ended June 30, 2026, capital expenditures for property, plant and equipment were \$5.2 million, a \$6.8 million decrease from \$12.1 million for the six months ended June 30, 2025. Of the \$5.2 million incurred during the first half of 2026, \$3.2 million was related to investments in equipment at our fabrication facility located in Gumi, Korea. These investments are expected to support the development of new generation products and the installation of new tools to optimize product mix and improvement in gross profit margins for the future periods.

Critical Accounting Policies and Estimates

Preparing financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods and the related disclosures in our consolidated financial statements and accompanying notes.

We believe that our significant accounting policies, which are described further in Note 1 to our consolidated financial statements in our Annual Report on Form 10-K for our fiscal year ended December 31, 2025, or our 2025 Form 10-K, are critical due to the fact that they involve a high degree of judgment and estimates about the effects of matters that are inherently uncertain. We base these estimates and judgments on historical experience, knowledge of current conditions and other assumptions and information that we believe to be reasonable. Estimates and assumptions about future events and their effects cannot be determined with certainty. Accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the business environment in which we operate changes.

A description of our critical accounting policies that involve significant management judgement appears in our 2025 Form 10-K, under “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Critical Accounting Policies and Estimates.” There have been no other material changes to our critical accounting policies and estimates as compared to our critical accounting policies and estimates included in our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

[Reserved]

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Report, we carried out an evaluation under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, as of June 30, 2026, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of legal proceedings, see “Part I, Item 3. Legal Proceedings” of our 2025 Form 10-K.

See also “Item 1A. Risk Factors” in this Report and “Part I, Item 1A. Risk Factors” of our 2025 Form 10-K for additional information.

Item 1A. Risk Factors

The Company is subject to risks and uncertainties, any of which could have a significant or material adverse effect on our business, financial condition, liquidity or consolidated financial statements.

In addition to the other information contained in this Report and the other reports and materials the Company files with the Securities and Exchange Commission, investors should carefully consider the risk factors disclosed in Part I, Item 1A of our 2025 Form 10-K, Part II, Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2026, as well as in our subsequent filings with the Securities and Exchange Commission. The risks described herein and therein are not the only ones we face.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table shows the monthly activity related to our repurchases of common stock for the quarter ended June 30, 2026.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Approximate dollar value of Shares that may yet be Purchased under the Plans or Programs (in thousands)(1)
April 2026	—	—	—	\$ 20,951
May 2026	—	—	—	\$ 20,951
June 2026	—	—	—	\$ 20,951
Total	—	—	—	\$ 20,951

- (1) On July 19, 2023, the Company’s Board of Directors authorized a \$50 million stock buyback program (the “Repurchase Plan”). Purchases under the Repurchase Plan have been and will be made in the open market or through privately negotiated transactions, depending upon market conditions and other factors. No purchases under the Repurchase Plan were made during the quarter ended June 30, 2026.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408.

Amendment to Executive Service Agreement of Chief Financial Officer

The following disclosure is provided in lieu of filing a Current Report on Form 8-K under Item 5.02(e) (Compensatory Arrangements of Certain Officers) of Form 8-K:

On August 7, 2026, the Company and Magnachip Semiconductor, Ltd. entered into a letter agreement with Shinyoung Park, the Company's Chief Financial Officer (the "Amendment"), amending the Amended and Restated Executive Service Agreement dated April 28, 2025, by and among the Company, Magnachip Semiconductor, Ltd. and Ms. Park, as amended by that certain letter agreement dated April 28, 2025 (the "Service Agreement"). Pursuant to the Amendment, the temporary 10% reduction in Ms. Park's annual base salary was terminated and her annual base salary was reinstated to \$360,000 (from the reduced annualized amount of \$324,000), effective as of August 7, 2026. Except as expressly modified by the Amendment, all other terms and conditions of the Service Agreement remain unchanged.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.5 to this Report and is, incorporated herein by reference.

Item 6. Exhibits.

Exhibit Number	Description
10.1 ^{#*}	Executive Service Agreement, effective as of July 1, 2026, by and among Magnachip Semiconductor Corporation, Magnachip Semiconductor, Ltd. and Chae Lee.
10.2 [*]	Amended and Restated 2020 Equity and Incentive Compensation Plan (Incorporated by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A filed with the Commission on April 30, 2026).
10.3 ^{#*}	Termination Agreement, regarding a certain Executive Service Agreement dated as of September 30, 2025 and related agreements, effective as of July 1, 2026, by and between Magnachip Semiconductor, Ltd. and Camillo Martino.
10.4 ^{#*}	Termination Agreement, regarding a certain Consulting Agreement dated as of September 30, 2025 and related agreements, effective as of July 1, 2026, by and between Magnachip Semiconductor Corporation and Camillo Martino.
10.5 ^{#*}	Letter Agreement, dated as of August 7, 2026, by and among Magnachip Semiconductor Corporation, Magnachip Semiconductor, Ltd. and Shinyoung Park.
10.6 ^{#*}	Form of Time-Based Restricted Stock Units Award Agreement for Chae Lee.
10.7 ^{#*}	Form of Performance Stock Units Award Agreement for Chae Lee.
10.8 ^{#*}	Form of Stock Options Award Agreement for Chae Lee.
31.1 [#]	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 of the Principal Executive Officer.
31.2 [#]	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 of the Principal Financial Officer.
32.1 [†]	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Principal Executive Officer.
32.2 [†]	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Principal Financial Officer.
101.INS [#]	Inline XBRL Instance Document.
101.SCH [#]	Inline XBRL Taxonomy Extension Schema Document.
101.CAL [#]	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF [#]	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB [#]	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE [#]	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Footnotes:

- # Filed herewith
† Furnished herewith
* Management contract, compensatory plan or arrangement
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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.

MAGNACHIP SEMICONDUCTOR CORPORATION
(Registrant)

Dated: August 10, 2026

By: /s/ Chae Lee
Chae Lee
Chief Executive Officer
(Principal Executive Officer)

Dated: August 10, 2026

By: /s/ Shinyoung Park
Shinyoung Park
Chief Financial Officer
(Principal Financial Officer and Principal
Accounting Officer)

EXECUTIVE SERVICE AGREEMENT

This Executive Service Agreement (this “Agreement”), effective as of July 1, 2026 (the “Effective Date”), is made by and between Chae Lee (the “Executive”), on the one hand, and Magnachip Semiconductor Corporation, a Delaware corporation (“Parent”), and Magnachip Semiconductor, Ltd., a wholly owned subsidiary of Parent (“MSK” and together with Parent and each of its Affiliates that may engage the Executive from time to time, including any and all successors thereto, the “Company”), on the other hand.

RECITALS

A. The Company and the Executive desire to enter into this Agreement to assure the Company is provided with continued services of the Executive and to set forth the rights and duties of the parties hereto.

B. Except as otherwise set forth herein, this Agreement is intended to supersede any prior agreements or understandings, whether formal or informal, between the Executive and the Company (the “Prior Agreement”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. Certain Definitions.

(a) “Affiliate” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person, where “control” shall have the meaning given such term under Rule 405 of the Securities Act of 1933, as amended.

(b) “Agreement” shall have the meaning set forth in the preamble hereto.

(c) “Annual Base Salary” shall have the meaning set forth in Section 3(a). For the avoidance of doubt, no other compensation (including the Annual Bonus and the Equity Awards) or benefit shall be included in, or be a part of, the Annual Base Salary.

(d) “Annual Bonus” shall have the meaning set forth in Section 3(b).

(e) “Award Agreements” shall have the meaning set forth in Section 1(o).

(f) “Board” shall mean the Board of Directors of the Company.

(g) The Company shall have “Cause” to terminate the Executive’s engagement pursuant to Section 4(a)(i) hereunder upon (i) the Executive’s conviction of, or a plea of *nolo contendere* to, a felony or other crime involving moral turpitude (or, in each case, equivalent crimes in a jurisdiction other than the United States), but excluding minor traffic violations; (ii) the Executive’s commission of fraud, embezzlement or misappropriation of funds; (iii) a breach by the Executive of the Executive’s fiduciary duty to the Company; (iv) the

Executive's refusal to fulfill the Executive's duties and responsibilities (other than by reason of death or Disability) to the Company; (v) the Executive's material violation of any established lawful policy of the Company; (vi) the Executive's material breach of any of the terms of any agreement the Executive has with the Company; (vii) the Executive's habitual use of illicit drugs or habitual abuse of alcohol that affects the Executive's job performance; (viii) any gross negligence, material misconduct or material wrongful act or omission on the Executive's part in connection with the Executive's duties and responsibilities to the Company, or (ix) in the event that the Company (through the Board) determines in good faith that it needs to terminate the Executive's employment in order to avoid significant cost and/or burden to the business due to the Executive's restrictive covenants with any prior employer, but only in the event that litigation has been explicitly and credibly threatened or brought by any such former employer of Executive relating to Executive's employment with the Company; for clarity, anticipated legal defense costs in excess of \$100,000 to the Company will in all cases be considered significant for purposes of this clause. The Company may terminate the Executive's engagement for Cause under this Agreement, following issuance to the Executive of written notice of the circumstances the Company believes constitute Cause, at any time within 90 days after it becomes aware of such circumstances; provided, however, that, if the basis for termination is curable, then the Executive shall have fifteen (15) days after receipt of such written notice to cure such basis, and if not cured, the Company may terminate the Executive's engagement for Cause at any time within 90 days after the expiration of such cure period. If, within 90 days subsequent to termination of Executive's engagement for any reason (other than by the Company for Cause), the Company determines that the Executive's engagement could have been terminated for Cause, the Executive's engagement will be deemed to have been terminated for Cause for all purposes, and the Executive will be required to disgorge to the Company all amounts received pursuant to this Agreement or otherwise on account of such termination that would not have been payable to the Executive had such termination been by the Company for Cause; provided, however, that the Company's ability to retroactively determine that the Executive's engagement could have been terminated for Cause under this sentence will cease upon the occurrence of a Change in Control.

(h)[Intentionally Omitted]

(i) "Change in Control" has the meaning given to such term in the Equity Incentive Plan that qualifies as a change of control event under Code section 409A.

(j) "Code" shall mean the U.S. Internal Revenue Code of 1986, as amended.

(k) "Date of Termination" shall mean the effective date of termination of Executive's engagement, as set forth in Section 4.

(l) "Disability" shall mean a finding by the Company of the Executive's incapacitation through any illness, injury, accident or condition of either a physical or psychological nature that has resulted in the Executive's inability to perform the essential functions of the Executive's position, even with reasonable accommodations, for 180 calendar days during any period of 365 consecutive calendar days, and such incapacity is expected to continue.

(m) "Effective Date" shall have the meaning set forth in the preamble hereto.

(n) "Executive" shall have the meaning set forth in the preamble hereto.

(o)“Equity Awards” means the equity awards that the Executive may receive subject to the Board’s approval and under the terms of the Equity Incentive Plan and standard forms of award agreements under the Equity Incentive Plan (the “Award Agreements”).

(p)“Equity Incentive Plan” means, as applicable, the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan or any predecessor or successor equity incentive plan of Parent, as amended or amended and restated from time to time.

(q)“Final Base Salary” means the Executive’s Annual Base Salary as in effect immediately prior to the termination of the Executive’s engagement (or, if clause (i) or (ii) of the definition of “Good Reason” is implicated, immediately before any relevant diminution of the Executive’s Annual Base Salary).

(r) The Executive shall have “Good Reason” to resign or otherwise terminate the Executive’s engagement with the Company pursuant to Section 4(a)(iii) in the event that the following action is taken by the Company without the Executive’s consent: (i) if upon or following a Change in Control, a diminution in the Executive’s Annual Base Salary or Target Annual Bonus opportunity by more than 15%; (ii) if prior to a Change in Control, a diminution in the Executive’s Annual Base Salary, other than an across the board cumulative reduction of no more than 15% that applies in a similar manner to all similarly-situated members of the senior management of the Company; (iii) a material diminution in Executive’s title, authority, duties or responsibilities as Chief Executive Officer; or (iv) the Company’s material breach of any of the material terms of any material agreement between the Executive and the Company. The Executive will not have Good Reason to terminate the Executive’s engagement and receive payments or benefits under Section 5(b) unless the Executive provides the Board with written notice of the circumstances the Executive believes constitute Good Reason within thirty (30) days after the occurrence of such circumstances. If the Company does not cure within fifteen (15) days after receipt of such written notice, then the Executive may terminate the Executive’s engagement for Good Reason at any time within ninety (90) days after the expiration of such cure period. If the Executive terminates the Executive’s engagement prior to the expiration of the fifteen (15) day cure period or more than ninety (90) days after the expiration of the cure period, the Executive will not be treated as having terminated the Executive’s engagement for Good Reason.

(s)“Inventions” shall have the meaning set forth in Section 7(c)(i).

(t)“Notice of Termination” shall have the meaning set forth in Section 4(b).

(u)“Parent” shall have the meaning set forth in the preamble hereto.

(v)“Person” shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(w)“Prior Agreement” shall have the meaning set forth in the Recitals.

(x)“Proprietary Rights” shall have the meaning set forth in Section 7(c)(i).

(y)“Target Annual Bonus” means the Executive’s target Annual Bonus, expressed as a percentage of the Annual Base Salary, under the terms of the Company’s cash bonus plan as is then in effect.

(z)“Term” shall have the meaning set forth in Section 2(b).

2. Executive’s Service.

(a)In General. The Company shall engage the Executive, and the Executive shall provide services to the Company, for the period set forth in Section 2(b), in the position(s) set forth in Section 2(c), and upon the other terms and conditions herein provided.

(b)Term. The term of this Agreement (the “Term”) shall begin on the Effective Date and remain in effect, until terminated as provided in Section 4. Notwithstanding anything herein to the contrary, the Executive’s engagement with the Company shall be “at-will”, and the Executive or the Company may terminate the Executive’s engagement for any reason or no reason at any time, in either case subject to Section 4.

(c)Position and Duties.

(i) During the Term, the Executive shall serve as Chief Executive Officer of Parent and MSK, with responsibilities, duties and authority customary for such position. The Executive shall also serve as an officer of other Affiliates of the Company as requested by the Board. Except as otherwise provided herein, the Executive shall not be entitled to any additional compensation for service as a member of the Board or other positions or titles the Executive may hold with any Affiliate of the Company to the extent the Executive is so appointed. The Executive shall report to the Board. The Executive agrees to observe and comply with the Company’s rules and policies as adopted from time to time by the Company. The Executive shall devote the Executive’s full business time, skill, attention and best efforts to the performance of the Executive’s duties hereunder; provided, however, that the Executive shall be entitled to (A) serve on civic, charitable and religious boards and (B) manage the Executive’s personal and family investments, (C) continue to serve as the sellers’ representative for Tagore Technology Inc. under that certain agreement dated August 1, 2024 and remains effective until August 1, 2028, which has been disclosed to the Board prior to the Effective Date, and (D) serve on corporate boards with the prior approval of the Board, in each case, to the extent that such activities do not materially interfere with the performance of the Executive’s duties and responsibilities hereunder, are not in conflict with the business interests of the Company or its Affiliates, and do not otherwise compete with the business of the Company or its Affiliates.

(ii) The Executive shall be principally based at the Company’s offices in Seoul, South Korea. The Executive shall perform the Executive’s duties and responsibilities to the Company at such principal place of service and at such other location(s) to which the Company may reasonably require the Executive to travel for Company business purposes.

(iii) For the avoidance of doubt, Executive understands and agrees that given his duties and responsibilities, his status from a Korean law perspective is that of an employer, thus, will be treated as such with respect to his working terms and conditions unless and only to the extent otherwise agreed herein. Accordingly, the Executive confirms herein that he is not subject to the Korean Labor Standards Act and other relevant employment laws. Instead, the terms herein shall be the totality of the agreement between he and the Company.

3. Compensation and Related Matters.

(a)Annual Base Salary. During the Term, the Executive shall receive a base salary at a rate of Five hundred sixty-thousand U.S. Dollars (USD 560,000) per annum, which shall be paid in accordance with the customary payroll practices of the Company (the “Annual Base Salary”).

(b)Annual Bonus. With respect to each calendar year that ends during the Term, the Executive shall be eligible to receive an annual cash bonus (the “Annual Bonus”) under the terms of the Company’s cash bonus plan as is then in effect (the “Cash Bonus Plan”). The Executive’s target Annual Bonus shall equal one hundred percent (100%) of the Executive’s Annual Base Salary, with the opportunity to earn up to two hundred percent (200%) of the Annual Based Salary if applicable performance targets are exceeded, subject to the terms of the Cash Bonus Plan and any additional requirements established by the Board.

(c)Equity Compensation. While the Executive is engaged to provide services to the Company, the Executive will be eligible to participate in the equity incentive program applicable to the Company’s executives. All grants of Equity Awards shall, in all cases, be determined and approved by the Board in its sole discretion. Prior to receiving any Equity Award, the Executive must execute the Award Agreement(s) in the form(s) approved by the Board. The Executive will receive an initial equity award under the Equity Incentive Plan covering 875,000 shares of the Company’s common stock (the “Initial Equity Award”). The grant date of the Initial Equity Award shall be determined in accordance with the Company’s applicable equity award grant policy. The Initial Equity Award will consist (as determined by the Board in its reasonable discretion) of (i) 288,750 time-based restricted stock units, (ii) 437,500 performance stock units, and (iii) 148,750 stock options, in each case pursuant to an award agreement substantially in the form attached hereto as Exhibit A-1, Exhibit A-2, and Exhibit A-3, respectively. Accordingly, the actual terms of any Equity Award will be governed by the Equity Incentive Plan and the applicable Award Agreement and documents evidencing the grant of such Equity Award, and not by any other terms set forth herein or otherwise. The Initial Equity Award will vest over four (4) years, with a one-year cliff vesting period, subject to your continued service through each applicable vesting date. The PSUs will be subject to achievement of performance criteria to be established and approved by the Board, within six (6) months following the Effective Date. In addition, the vesting period of the Initial Equity Award shall be accelerated from four (4) years to three (3) years upon achievement of certain performance criteria to be established and approved by the Board within six (6) months following the Effective Date, with achievement of such performance criteria to be determined by the Board following completion of the three (3) year period.

(d)Benefits. During the Term, the Executive shall be entitled to participate in the benefit plans, programs and arrangements of the Company now (or, to the extent determined by the Board, hereafter) in effect, in accordance with their terms.

(e)Annual Vacation. During the Term, the Executive shall be entitled to paid-time-off (including vacation days) on an annual basis in accordance with the Company’s applicable policies and practices. Under the policies applicable to other executives of the Company, any unused paid-time-off (including vacation days) shall neither be carried over to the following year nor be compensated for. Any paid-time-off (including vacation days) shall be taken at the reasonable and mutual convenience of the Company and the Executive.

(f)Business Expenses. During the Term, the Company shall reimburse the Executive for all reasonable travel and other business expenses incurred by the Executive in

the performance of the Executive's duties to the Company, in accordance with the Company's expense reimbursement policies and procedures.

(g) Health Insurance: During the Term, the Company shall provide and maintain, in accordance with the Company's arrangements, health insurance coverage for the Executive and the Executive's spouse in both Korea and the United States.

4. Termination. The Executive's engagement hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) Circumstances.

(i) Termination with Cause. The Company may terminate the Executive's engagement with Cause.

(ii) Termination without Cause. The Company may terminate the Executive's engagement without Cause.

(iii) Resignation with Good Reason. The Executive may resign from the Executive's engagement with Good Reason.

(iv) Resignation without Good Reason. The Executive may resign from the Executive's engagement without Good Reason upon not less than thirty (30) days' advance written notice to the Board.

(v) Death. The Executive's engagement hereunder shall terminate upon the Executive's death.

(vi) Disability. If the Executive has incurred a Disability, the Company may give the Executive written notice of its intention to terminate the Executive's engagement. In that event, the Executive's engagement with the Company shall terminate effective on the later of the thirtieth (30th) day after receipt of such notice by the Executive and the date specified in such notice; provided, however, that, if the Executive shall have returned to full-time performance of the Executive's duties hereunder within the thirty (30) day period following receipt of such notice and shall have reasonably demonstrated that the Executive is not subject to a Disability, then the Executive's engagement shall not be terminated pursuant to this clause (vii).

(b) Notice of Termination. Any termination of the Executive's engagement with the Company, whether by the Company or the Executive under this Section 4 (other than termination pursuant to Section 4(a)(v)), shall be communicated by written notice to the other party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) except with respect to a termination pursuant to Section 4(a)(ii) or (iv), setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's engagement under the provision so indicated, and (iii) specifying a Date of Termination as provided herein (a "Notice of Termination"). If the Company delivers a Notice of Termination under Section 4(a)(vi), the Date of Termination shall be at least thirty (30) days following the date of such notice; provided, however, that such notice need not specify a Date of Termination, in which case the Date of Termination shall be determined pursuant to Section 4(a)(vi). If the Company delivers a Notice of Termination under Section 4(a)(i) or 4(a)(ii), the Date of Termination shall be, in the Company's sole discretion, the date

on which the Executive receives such notice or any subsequent date selected by the Company. If the Executive delivers a Notice of Termination under Section 4(a)(iii) or 4(a)(iv), the Date of Termination shall be at least thirty (30) days following the date of such notice; provided, however, that the Company may, in its sole discretion, accelerate the Date of Termination to any date that occurs following the Company's receipt of such notice, without changing the characterization of such termination as voluntary, even if such date is prior to the date specified in such notice. The failure by the Company or the Executive to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Cause or Good Reason shall not waive any right of the Company or the Executive hereunder or preclude the Company or the Executive from asserting such fact or circumstance in enforcing the Company's or the Executive's rights hereunder.

(c)Termination and Resignation of All Positions. Upon termination of the Executive's engagement for any reason, the Executive agrees to resign, as of the Date of Termination or such other date requested by the Company, from all positions and offices that the Executive then holds with the Company and its Affiliates. In addition, as applicable, if the Executive fails to resign from any such positions or offices, the Company shall be relieved of its obligations under Section 5(b).

5. Company Obligations upon Termination of the Executive's Engagement.

(a)In General. Subject to Section 11(a), upon termination of the Executive's engagement for any reason, the Executive (or the Executive's estate) shall be entitled to receive (i) any amount of the Executive's Annual Base Salary earned through the Date of Termination not theretofore paid, (ii) any Annual Bonus for the year prior to the year in which the Date of Termination occurred that was earned but not yet paid, (iii) any expenses owed to the Executive under Section 3(f), and (iv) any vested payment or benefit arising from the Executive's participation in, or benefits under, any qualified benefit plans, programs or arrangements under Section 3(d) (other than severance plans, programs or arrangements), which amounts shall be payable in accordance with the terms and conditions of such benefit plans, programs or arrangements including, where applicable, any death and disability benefits (the "Accrued Obligations"). Notwithstanding anything herein to the contrary, upon a Termination with Cause (to be determined through a fair and impartial proceeding by a court of competent jurisdiction or an arbitrator, as applicable, if Executive disagrees with Company), and only in the case of such a termination, the Accrued Obligations shall not include the amount set forth in clause (ii) of the preceding sentence or any other amounts or benefits not payable in accordance with the terms and conditions of any benefit plan, program or arrangement.

(b)Termination without Cause or Resignation with Good Reason. Subject to Section 11(a) and subject to the Executive's continued compliance with the covenants contained in Sections 6, 7 and 10, if the Company terminates the Executive's engagement without Cause (other than for death or Disability) pursuant to Section 4(a)(ii) or the Executive resigns from the Executive's engagement with Good Reason pursuant to Section 4(a)(iii), the Company shall, in addition to the Accrued Obligations:

(i) continue to pay the Final Base Salary in accordance with the Company's customary payroll practices during the period beginning on the Date of Termination and ending on the earlier to occur of (A) the first anniversary of the Date of Termination and (B) the first date that the Executive violates any covenant contained in Section 6 or 7 (the "Salary Payment"), and if the Date of Termination occurs after June 30 of

the calendar year in which the Date of Termination occurs, pay the Executive a prorated portion of the Annual Bonus payable with respect to the calendar year in which such termination occurs (which prorated amount shall equal the amount of the Annual Bonus multiplied by a fraction, (x) the numerator of which equals the number of days that have elapsed between January 1 of such calendar year and the Date of Termination and (y) the denominator of which equals 365), based on actual performance achievement for such year, and payable if and when annual bonuses are paid to other senior executives of the Company with respect to such year (the “Pro Rata Bonus”, together with the Salary Payment, the “Separation Payment”); provided, however, that, if the Company terminates the Executive’s engagement without Cause pursuant to Section 4(a)(ii) or the Executive resigns from the Executive’s engagement with Good Reason pursuant to Section 4(a)(iii), in each case, either (x) during a period of time when the Company is party to a definitive corporate transaction agreement, the consummation of which would result in a Change in Control, or (y) within twelve (12) months following a Change in Control (such a termination a “CIC Qualified Termination”), then the Separation Payment shall instead equal the sum of (xx) one and one-half (1.5) times the Final Base Salary, payable (1) in a single cash lump sum on the sixtieth (60th) day following the Date of Termination in the event that the Change in Control is also a “change in control event” (within the meaning of Section 409A of the Code) or (2) in accordance with the schedule contemplated by the first sentence of this Section 5(b)(i) in the event that the Change in Control is not a “change in control event” and (yy) if the Date of Termination occurs after June 30th of the calendar year in which the Date of Termination occurs, an amount equal to an additional month of base salary for each month that has passed since July 1st through the Date of Termination (rounding up for any partial months), and payable in a lump sum on the sixtieth (60th) day following the Date of Termination, in each case, so long as the Release (as defined below) has become effective and the Executive has not violated any covenant contained in Section 6 or 7, in which case the Separation Payment shall be forfeited; for the avoidance of doubt, if the Date of Termination occurs in July, the payment described in clause (yy) above will be equal to one month’s base salary; and

(ii) provide for vesting of any outstanding unvested Equity Awards, as set forth in the Equity Incentive Plan and the applicable Award Agreement(s);

provided, however, that all payments and benefits to be paid or provided pursuant to this Section 5(b) shall commence on the sixtieth (60th) day following the Date of Termination, and, only with respect to any cash payments, the initial installment of such payments shall include a lump-sum payment of all amounts accrued under this Section 5(b) from the Date of Termination through the date of such initial payment.

Notwithstanding anything herein to the contrary, if the Executive breaches any of the covenants contained in Sections 6 and 7, the Company shall have the right to cease providing any payments or benefits under this Section 5(b) and, if requested, the Executive shall repay to the Company within sixty (60) days of such request any previously paid payments or benefits under this Section 5(b); provided that the foregoing shall not apply unless the Company provides the Executive with written notice of the circumstances it believes constitutes a breach of such covenants within ninety (90) days after it becomes aware of such circumstances; provided further that, if the basis for the alleged breach is curable, then the Executive shall have fifteen (15) days after receipt of such written notice to cure such basis.

Payment of the amounts and benefits under this Section 5(b) is in lieu of any other severance or separation pay payable to the Executive whether under any previous agreement, offer letter

or severance program, plan or policy, applicable law (including the laws of the Republic of Korea) or other statute, or otherwise.

(c)Release. Notwithstanding anything herein to the contrary, the amounts payable and benefits to be provided to the Executive under Section 5(b), other than the Accrued Obligations, shall be contingent upon and subject to the Executive's (or the Executive's estate's, if applicable) execution and non-revocation of a general waiver and release of claims agreement generally consistent with the form attached as Exhibit B hereto (as appropriately modified to comply with applicable law, the "Release") (and the expiration of any applicable revocation period), on or prior to the sixtieth (60th) day following the Date of Termination.

(d)Survival. The obligations of any of the parties under this Agreement which by their nature may require either partial or total performance after the termination of the Term or this Agreement (including those under Sections 6, 7, 8, 9 and 10) and Sections 11, 12, 14, 15, 22, 23, 24 and 25 will survive any termination of this Agreement.

6. Non-Competition; Non-Solicitation; Non-Hire.

(a)To the fullest extent permitted by applicable law, the Executive agrees that during the Executive's engagement with the Company, and for the twelve (12) month period following termination of the Executive's engagement for any reason, the Executive will not, directly or indirectly, have any equity or equity-based interest, or work or otherwise provide services as an employee, contractor, officer, owner, consultant, partner, director or otherwise, in any business anywhere in the world that competes with any of the businesses of the Company. Notwithstanding the foregoing, the Executive shall be permitted to acquire a passive stock or equity interest in such a business, provided that the stock or other equity interest acquired is not more than five percent (5%) of the outstanding interest in such business. Notwithstanding anything herein to the contrary, if prior to the expiration of the aforementioned 12-month period the Executive enters into any agreement that obligates the Executive to provide any form of services to the Company, then such twelve (12) month period shall commence on the date that the Executives ceases to provide services under such agreement.

(b)To the fullest extent permitted by applicable law, the Executive agrees that during the Executive's engagement with the Company, and for the twelve (12) month period following termination of the Executive's engagement for any reason, the Executive will not, directly or indirectly, on the Executive's own behalf or on behalf of another (i) solicit, induce or attempt to solicit or induce any officer, director, employee or consultant of the Company to terminate their relationship with or leave the Company, or in any way interfere with the relationship between the Company, on the one hand, and any officer, director, employee or consultant thereof, on the other hand, (ii) hire (or other similar arrangement) any Person (in any capacity whether as an officer, director, employee or consultant) who is, or at any time in the twelve (12) months preceding the Date of Termination was, an officer, director, employee or consultant of the Company or (iii) induce or attempt to induce any customer, supplier, prospect, licensee or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, supplier, prospect, licensee or business relation, on the one hand, and the Company, on the other hand.

(c)In the event that the terms of this Section 6 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of

time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action. The Executive hereby acknowledges that the terms of this Section 6 are reasonable in terms of duration, scope and area restrictions and are necessary to protect the goodwill of the Company. The Executive hereby authorizes the Company to inform any future employer or prospective employer of the existence and terms of Sections 6 and 7 without liability for interference with the Executive's employment or prospective employment.

7. Non-Disclosure of Confidential Information; Non-Disparagement; Intellectual Property.

(a)Non-Disclosure of Confidential Information; Return of Property. The Executive recognizes and acknowledges that the Executive has access to confidential information and/or has had or will have material contact with the Company's customers, suppliers, licensees, representatives, agents, partners, licensors or business relations. The Executive agrees that during the Executive's engagement and in perpetuity thereafter, the Executive shall maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for the Executive's benefit or the benefit of any Person, any confidential or proprietary information or trade secrets of or relating to the Company, including information with respect to the Company's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment, or deliver to any Person any document, record, notebook, computer program or similar repository of or containing any such confidential or proprietary information or trade secrets. Upon termination of the Executive's engagement for any reason, the Executive shall promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents or any other documents concerning the Company's customers, business plans, marketing strategies, products or processes. The Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and, if requested by the Company, shall reasonably assist such counsel in resisting or otherwise responding to such process.

(b)Non-Disparagement. The Executive shall not, at any time during the Executive's engagement and in perpetuity thereafter, directly or indirectly, knowingly disparage, criticize or otherwise make derogatory statements regarding the Company, or any of its successors, directors or officers. The foregoing shall not be violated by the Executive's truthful responses to legal process or inquiry by a governmental authority.

(c)Intellectual Property Rights.

(i) The Executive agrees that the results and proceeds of the Executive's services for the Company (including any trade secrets, products, services, processes, know-how, designs, developments, innovations, analyses, drawings, reports, techniques, formulas, methods, developmental or experimental work, improvements, discoveries, inventions, ideas, source and object codes, programs, matters of a literary, musical, dramatic or otherwise

creative nature, writings and other works of authorship) resulting from services performed for the Company and any works in progress, whether or not patentable or registrable under copyright or similar statutes, that were made, developed, conceived or reduced to practice or learned by the Executive, either alone or jointly with others (collectively, “Inventions”), shall be works-made-for-hire and the Company (or, if applicable or as directed by the Company) shall be deemed the sole owner throughout the universe of any and all trade secret, patent, copyright and other intellectual property rights (collectively, “Proprietary Rights”) of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner the Company determines in its sole discretion, without any further payment to the Executive whatsoever. If, for any reason, any of such results and proceeds shall not legally be a work-made-for-hire and/or there are any Proprietary Rights which do not accrue to the Company under the immediately preceding sentence, then the Executive hereby irrevocably assigns and agrees to assign any and all of the Executive’s right, title and interest thereto, including any and all Proprietary Rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, to the Company (or, if applicable or as directed by the Company), and the Company or such Affiliates shall have the right to use the same in perpetuity throughout the universe in any manner determined by the Company or such Affiliates without any further payment to the Executive whatsoever. As to any Invention that the Executive is required to assign, the Executive shall promptly and fully disclose to the Company all information known to the Executive concerning such Invention. The Executive hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, that the Executive now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

(ii) The Executive agrees that, from time to time, as may be requested by the Company and at the Company’s sole cost and expense, the Executive shall do any and all things that the Company may reasonably deem useful or desirable to establish or document the Company’s exclusive ownership throughout the United States of America or any other country of any and all Proprietary Rights in any such Inventions, including the execution of appropriate copyright and/or patent applications or assignments. To the extent the Executive has any Proprietary Rights in the Inventions that cannot be assigned in the manner described above, the Executive unconditionally and irrevocably waives the enforcement of such Proprietary Rights. This Section 7(c)(ii) is subject to and shall not be deemed to limit, restrict or constitute any waiver by the Company of any Proprietary Rights of ownership to which the Company may be entitled by operation of law by virtue of the Executive’s engagement with the Company. The Executive further agrees that, from time to time, as may be requested by the Company and at the Company’s sole cost and expense, the Executive shall assist the Company in every proper and lawful way to obtain and from time to time enforce Proprietary Rights relating to Inventions in any and all countries. To this end, the Executive shall execute, verify and deliver such documents and perform such other acts (including appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, the Executive shall execute, verify and deliver assignments of such Proprietary Rights to the Company or its designees. The Executive’s obligation to assist the Company with respect to Proprietary Rights relating to such Inventions in any and all countries shall continue beyond the termination of the Executive’s engagement with the Company.

(d) Protected Disclosures.

(i) Nothing in this Agreement will preclude, prohibit or restrict the Executive from (A) communicating with, any federal, state or local administrative or regulatory agency or authority, including the Securities and Exchange Commission (the “SEC”); (B) participating or cooperating in any investigation conducted by any governmental agency or authority; or (C) filing a charge of discrimination with the United States Equal Employment Opportunity Commission or any other federal state or local administrative agency or regulatory authority.

(ii) Nothing in this Agreement, or any other agreement between the parties, prohibits or is intended in any manner to prohibit, the Executive from (A) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including the Department of Justice, the SEC, the U.S. Congress and any governmental agency Inspector General, or (B) making other disclosures that are protected under whistleblower provisions of federal law or regulation. This Agreement does not limit the Executive’s right to receive an award (including a monetary reward) for information provided to the SEC. The Executive does not need the prior authorization of anyone at the Company to make any such reports or disclosures, and the Executive is not required to notify the Company that the Executive has made such reports or disclosures.

(iii) Nothing in this Agreement or any other agreement or policy of the Company is intended to interfere with or restrain the immunity provided under 18 U.S.C. §1833(b). The Executive cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (A) (1) in confidence to federal, state or local government officials, directly or indirectly, or to an attorney, and (2) for the purpose of reporting or investigating a suspected violation of law; (B) in a complaint or other document filed in a lawsuit or other proceeding, if filed under seal; or (C) in connection with a lawsuit alleging retaliation for reporting a suspected violation of law, if filed under seal and does not disclose the trade secret, except pursuant to a court order.

(iv) The foregoing provisions regarding protected disclosures are intended to comply with all applicable laws. If any laws are adopted, amended or repealed after the execution of this Agreement, this Section 7(d) shall be deemed to be amended to reflect the same.

8. Injunctive Relief. The Executive recognizes and acknowledges that a breach of any of the covenants contained in Sections 6 and 7 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Executive agrees that in the event of a breach or threatened breach of any of the covenants contained in Sections 6 and 7, in addition to any other remedy that may be available at law or in equity, the Company will be entitled to specific performance and injunctive relief (without posting a bond). In the event of any breach or violation by the Executive of any of the covenants contained in Sections 6 and 7, the time period of such covenant with respect to the Executive shall, to the fullest extent permitted by law, be tolled until such breach or violation is resolved (to be determined through a fair and impartial proceeding by a court of competent jurisdiction or an arbitrator, as applicable, if Executive disagrees with Company).

9. Indemnification. During the Executive’s engagement as a director or officer (or both) of Parent, and at all times thereafter during which the Executive may be subject to liability in

connection with the Executive's performance of his or her duties as a director or officer (or both) of Parent, the Executive shall be entitled to the protection set forth in the Indemnification Agreement between the Executive and the Company to be entered into on or about the date hereof, in addition to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and officers against all costs, charges, and expenses incurred or sustained by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of him or her being or having been a director, officer or employee of the Company, as well as any rights the Executive may have under the Company's articles of incorporation and bylaws (in each case, other than any dispute, claim or controversy arising under or relating to this Agreement or otherwise arising under or relating to the Executive's engagement, equity ownership or compensation). Notwithstanding anything herein to the contrary, the Executive's rights under this Section 9 shall survive the termination or expiration of this Agreement for any reason.

10. Cooperation. The Executive agrees that, subject to the Executive's reasonable availability, during and after the Executive's engagement with the Company, and without the necessity of the Company obtaining a subpoena or court order, the Executive shall provide reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against the Company Releasees (as defined in the Release), which relates to events occurring during the Executive's engagement (including furnishing relevant information and materials to the Company or its designee and/or providing testimony at depositions and at trial); provided that the Company shall reimburse the Executive for reasonable out-of-pocket expenses the Executive incurs that are associated with any such cooperation; provided further that any such cooperation occurring after the termination of the Executive's engagement shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with the Executive's business or personal affairs. Notwithstanding anything herein to the contrary, the preceding cooperation covenant shall not apply to any suit, action, proceeding, investigation, defense or claim that arises out of or relates to a dispute between the Executive and any of the Company Releasees.

11. Section 409A of the Code.

(a)General. The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including any such regulations or other guidance that may be issued after the Effective Date ("Section 409A"). Notwithstanding anything herein to the contrary, in the event that the Company determines that any amounts payable hereunder will be taxable currently to the Executive under Section 409A(a)(1)(A) of the Code and related Department of Treasury guidance, the Company and the Executive shall cooperate in good faith to (i) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that they mutually determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement, and to avoid less-favorable accounting or tax consequences for the Company, and/or (ii) take such other actions as mutually determined to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes

thereunder; provided, however, that this Section 11(a) does not create an obligation on the part of the Company to modify this Agreement and does not guarantee that the amounts payable hereunder will not be subject to interest or penalties under Section 409A, and in no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Executive as a result of Section 409A or any damages for failing to comply with Section 409A.

(b)Separation from Service under Section 409A. To the extent Section 409A is applicable, notwithstanding anything herein to the contrary: (i) no amount shall be payable pursuant to Section 5(a) or 5(b) unless the termination of the Executive's engagement constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations; (ii) if the Executive is deemed at the time of the Executive's separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent that delayed commencement of any portion of the termination benefits to which the Executive is entitled under this Agreement (after taking into account all exclusions applicable to such termination benefits under Section 409A), including any portion of the additional compensation awarded pursuant to Section 5(a) or 5(b), is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of the Executive's termination benefits shall not be provided to the Executive prior to the earlier of (A) the expiration of the six-month period measured from the date of the Executive's "separation from service" with the Company (as such term is defined in the Department of Treasury Regulations issued under Section 409A) and (B) the date of the Executive's death; provided that, upon the earlier of such dates, all payments deferred pursuant to this clause (ii) shall be paid to the Executive in a lump sum, and any remaining payments due under this Agreement shall be paid as otherwise provided herein; (iii) the determination of whether the Executive is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of the Executive's separation from service shall be made by the Company in accordance with the terms of Section 409A of the Code and applicable guidance thereunder (including Section 1.409A-1(i) of the Department of Treasury Regulations and any successor provision thereto); (iv) for purposes of Section 409A of the Code, the Executive's right to receive installment payments pursuant to Section 5 shall be treated as a right to receive a series of separate and distinct payments; (v) if the sixty day period following the Date of Termination ends in the calendar year following the year that includes the Date of Termination, then payment of any amount that is conditioned upon the execution of the Release and is subject to Section 409A shall not be paid until the first day of the calendar year following the year that includes the Date of Termination, regardless of when the Release is signed; and (vi) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" under Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

12. Assignment and Successors. The Company may assign its rights and obligations under this Agreement to any entity, including any successor to all or substantially all the assets of the Company, by merger or otherwise, and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. The Executive may not assign the Executive's rights or obligations under this Agreement to any individual or entity. This Agreement shall be binding upon and inure to the benefit of the

Company and the Executive and their respective successors, assigns, personnel, legal representatives, executors, administrators, heirs, distributees, devisees and legatees, as applicable. In the event of the Executive's death following a termination of the Executive's engagement, all unpaid amounts otherwise due to the Executive (including under Section 5) shall be paid to the Executive's estate.

13. Governing Law. This Agreement shall be governed, construed, interpreted, and enforced in accordance with the substantive laws of the State of Delaware, without reference to the principles of conflicts of law of Delaware or any other jurisdiction, and where applicable, the laws of the United States.

14. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Notices. Any notice, request, claim, demand, document, and other communication hereunder to any party hereto shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by telex, telecopy, email or sent by nationally recognized overnight courier or certified or registered mail, postage prepaid, to the following address (or at any other address as any party hereto shall have specified by notice in writing to the other party hereto):

(a) If to the Company, to it at its current executive offices, Attn: Chairman of the Board.

(b) If to the Executive, at the Executive's most recent address on the payroll records of the Company.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

17. Entire Agreement. The terms of this Agreement (together with the Indemnification Agreement between Parent and the Executive, any pre-invention assignment agreements with the Company and any other agreements and instruments contemplated hereby or referred to herein) are intended by the parties hereto to be the final expression of their agreement with respect to the Executive's engagement with the Company and to supersede any and all prior agreements (including the Prior Agreement), communications expressing the Company's offer to the Executive, severance agreements and similar agreements, plans, provisions, understandings or arrangements, whether written or oral, and all such prior agreements, plans, provisions, understandings or arrangements shall be null and void in their entirety and of no further force or effect as of the Effective Date. The parties hereto further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding to vary the terms of this Agreement.

18. Amendments; Waivers. This Agreement may not be modified, amended or terminated except by an instrument in writing signed by the Executive and a duly authorized officer of the Company that expressly identifies the amended provision of this Agreement. By an instrument in writing similarly executed and similarly identifying the waived compliance, the Executive or a duly authorized officer of the Company may waive

compliance by the other party or parties with any provision of this Agreement that such other party was or is obligated to comply with or perform; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure to comply or perform. No failure to exercise and no delay in exercising any right, remedy or power hereunder shall preclude any other or further exercise of any other right, remedy or power provided herein or by law or in equity.

19. No Inconsistent Actions. The parties hereto shall not voluntarily undertake or fail to undertake any action or course of action inconsistent with the provisions or essential intent of this Agreement. Furthermore, it is the intent of the parties hereto to act in a fair and reasonable manner with respect to the interpretation and application of the provisions of this Agreement.

20. Construction. This Agreement shall be deemed drafted equally by both of the parties hereto. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary: (a) the plural includes the singular, and the singular includes the plural; (b) “and” and “or” can each be used both conjunctively and disjunctively; (c) “any,” “all,” “each,” or “every” means “any and all,” and “each and every”; (d) “includes” and “including” are each “without limitation”; and (e) “herein,” “hereof,” “hereunder,” and other similar compounds of the word “here” refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection.

21. Dispute Resolution. The parties agree that any suit, action or proceeding brought by or against such party in connection with this Agreement shall be brought exclusively in the United States District Court for the District of Delaware to the extent that federal jurisdiction exists, and in the Delaware Chancery Court to the extent that federal jurisdiction does not exist. Each party expressly and irrevocably consents and submits to the jurisdiction and venue of each such court in connection with any such legal proceeding, including to enforce any settlement, order or award, and such party agrees to accept service of process by the other party or any of its agents in connection with any such proceeding. EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS RIGHTS OR OBLIGATIONS HEREUNDER.

22. Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision were never a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

23. Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local, and foreign withholding and other taxes and

charges that the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

24. Clawback.

(a) To the extent required by applicable law (including Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of any securities exchange or inter-dealer quotation service on which equity of the Company or Parent is listed or quoted, or if so required pursuant to a written policy adopted by the Company or Parent, payments under this Agreement or in respect of Company or Parent equity incentive awards shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement and all agreements governing the terms of Company or Parent incentive equity compensation).

(b) The Executive acknowledges that the Executive is or may become subject to the Magnachip Semiconductor Corporation Compensation Recovery Policy (as such policy may be amended and/or restated, the “Clawback Policy”). The Executive understands that if the Executive is or becomes subject to the Clawback Policy, the Company and/or the Board shall be entitled to recover all Erroneously Awarded Compensation (as defined in the Clawback Policy) from the Executive pursuant to such means as the Company and/or the Board may elect. The Executive agrees that the Executive shall take all required action to enable such recovery. The Executive understands that such recovery may be sought and occur after the Executive’s engagement or service with the Company terminates. The Executive further agrees that the Executive is not entitled to indemnification for any Erroneously Awarded Compensation or for any claim or losses arising out of or in any way related to Erroneously Awarded Compensation recovered pursuant to the Clawback Policy and, to the extent any agreement or organizational document purports to provide otherwise, the Executive hereby irrevocably agrees to forego such indemnification. The Executive acknowledges and agrees that the Executive has received and has had an opportunity to review the Clawback Policy. Any action by the Company to recover Erroneously Awarded Compensation under the Clawback Policy from the Executive shall not, whether alone or in combination with any other action, event or condition, be deemed (i) a condition for Good Reason or serve as a basis for a claim of constructive termination under any benefits or compensation arrangement applicable to the Executive, or (ii) to constitute a breach of a contract or other arrangement to which the Executive is a party. This Section 4 is a material term of this Agreement.

25. Other Benefit Plans. No payment under this Agreement shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company except as expressly required otherwise by law or the terms of such plan.

26. Executive’s Representations. The Executive represents, warrants and covenants that (i) that the Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on the Executive’s own judgment, (ii) Executive has the full right, authority and capacity to enter into this Agreement and perform Executive’s obligations hereunder, (iii) Executive is not bound by any agreement that conflicts with or prevents or restricts the full performance of

Executive's duties and obligations to the Company hereunder during or after the Term, (iv) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Executive is subject, and (v) the Executive shall keep all terms of this Agreement confidential, except with respect to disclosure to the Executive's spouse, accountants or attorneys, each of whom shall agree to keep all terms of this Agreement confidential.

27. Equity Ownership. The Executive will be subject to such stock ownership guidelines and holding requirements as may be implemented by the Board from time to time.

[signature page follows]

The parties have executed this Agreement as of the date first written above.

MAGNACHIP SEMICONDUCTOR, LTD.

By: /s/ Camillo Martino
Name: Camillo Martino
Title: Representative Director

**MAGNACHIP SEMICONDUCTOR
CORPORATION**

By: /s/ Camillo Martino
Name: Camillo Martino
Title: Chairman of the Board

EXECUTIVE

/s/ Chae Lee
Chae Lee

EXHIBIT A-1

Time-Based Restricted Stock Units Award Agreement

MAGNACHIP SEMICONDUCTOR CORPORATION RESTRICTED STOCK UNITS AGREEMENT

Magnachip Semiconductor Corporation (the “*Company*”) has granted to the Participant named in the Notice of Grant of Restricted Stock Units (the “*Grant Notice*”) to which this Restricted Stock Units Agreement (this “*Agreement*”) is attached an Award consisting of Restricted Stock Units subject to the terms and conditions set forth in the Grant Notice and this Agreement. The appendix attached hereto (the “*Appendix*”) and the terms and conditions for the Participant’s country set forth therein are incorporated by reference into this Agreement. The Participant shall be entitled to Dividend Equivalent Rights with respect to the Award.

The Award has been granted pursuant to and shall in all respects be subject to the terms conditions of the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan (the “*Plan*”), as amended from time to time, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the “*Plan Prospectus*”), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

(a) “*Dividend Equivalent Units*” mean additional Restricted Stock Units credited pursuant to Section 4.3.

(b) “*Units*” mean the Restricted Stock Units originally granted pursuant to the Award and the Dividend Equivalent Units credited pursuant to the Award, as both shall be adjusted from time to time pursuant to Section 9.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. CERTAIN CONDITIONS OF THE AWARD.

2.1 **Compliance with Local Law.** The Participant agrees that the Participant will not acquire shares pursuant to the Award, or transfer, assign, sell or otherwise deal in such shares except in compliance with Local Law.

2.2 **Service Conditions.** By accepting the Award, the Participant acknowledges and agrees that:

(a) Any notice period mandated under Local Law shall not be treated as Service for the purpose of determining the vesting of the Award; and the Participant's right to receive shares in settlement of the Award after termination of Service, if any, will be measured by the date of termination of the Participant's active Service and will not be extended by any notice period mandated under Local Law. Subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(b) Notwithstanding anything to the contrary in the Grant Notice, if the Participant's employment or service is terminated by the Participating Company to which the Participant renders Service (the "***Service Recipient***") without Cause or if the Participant resigns for Good Reason, in each case not in connection with a CIC Qualified Termination (as each capitalized term is defined in the Participant's employment, consulting or other service contract, which remains in effect at the time such term requires application, with the Participating Company) and prior to full settlement of the Award, the Participant will remain eligible to vest with respect to a pro rata portion of the next tranche of the Units scheduled to vest pursuant to the Grant Notice applicable to such Award. The pro rata portion will be determined by multiplying the number of shares underlying such tranche of the Award by a fraction, (x) the numerator of which is the number of full months (without any rounding) from the Prior Vesting Date (as defined below) to the date of such termination and (y) the denominator of which is the number of full months from the Prior Vesting Date to the next vesting date. All Awards in excess of the pro rata portion thereof that remains outstanding in accordance with the immediately preceding sentence shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. "***Prior Vesting Date***" means (1) the vesting date immediately preceding the date of such termination or (2) if no such vesting date exists, then the date that is 364 days prior to the next vesting date.

(c) If the Participant incurs a CIC Qualified Termination, all unvested Units shall fully vest on the date of such termination.

(d) The vesting of the Award shall cease upon, and no Units shall vest following, the termination of the Participant's Service for any reason other than as set forth in Section 2.2 (b) or (c). Further, all unvested Units shall be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

(e) The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement.

(f) The grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past.

(g) All decisions with respect to future Award grants, if any, will be at the sole discretion of the Company.

(h) The Participant's participation in the Plan shall not create a right to further Service with any Participating Company and shall not interfere with the ability of any Participating Company to terminate the Participant's Service at any time, with or without Cause, insofar as permitted under Local Law.

- (i) The Participant is voluntarily participating in the Plan.
- (j) The Award and resulting shares, if any, are an extraordinary item that does not constitute compensation of any kind for Service of any kind rendered to any Participating Company, and which is outside the scope of the Participant's employment, consulting or other service contract, if any.
- (k) The Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.
- (l) In the event that the Participant does not provide Service to the Participating Company, the Award grant will not be interpreted to form an employment, consulting or other service contract or relationship with the Participating Company.
- (m) The future value of the underlying shares is unknown and cannot be predicted with certainty. If the Participant obtains shares upon settlement of the Award, the value of those shares may increase or decrease.
- (n) In consideration of the grant of an Award, no claim or entitlement to compensation or damages arises from termination of the Award or diminution in value of the Award or shares acquired upon settlement of the Award resulting from termination of the Participant's Service (for any reason whether or not in breach of Local Law), and the Participant irrevocably releases the Company and each other Participating Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such a claim.
- (o) Neither the Company nor Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award, or any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any shares acquired upon settlement.

2.3 Data Privacy Consent.

(A) **THE PARTICIPANT HEREBY EXPLICITLY AND UNAMBIGUOUSLY CONSENTS TO THE COLLECTION, USE AND TRANSFER, IN ELECTRONIC OR OTHER FORM, OF THE PARTICIPANT'S PERSONAL DATA AS DESCRIBED IN THIS DOCUMENT BY AND AMONG THE MEMBERS OF THE PARTICIPATING COMPANY GROUP FOR THE EXCLUSIVE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN.**

(B) **THE PARTICIPANT UNDERSTANDS THAT THE PARTICIPATING COMPANY GROUP HOLDS CERTAIN PERSONAL INFORMATION ABOUT THE PARTICIPANT, INCLUDING, BUT NOT LIMITED TO, THE PARTICIPANT'S NAME, HOME ADDRESS AND TELEPHONE NUMBER, DATE OF BIRTH, SOCIAL SECURITY NUMBER OR OTHER IDENTIFICATION NUMBER, SALARY, NATIONALITY, JOB TITLE, ANY SHARES OR DIRECTORSHIPS HELD IN THE COMPANY, DETAILS OF ALL AWARDS OR ANY OTHER ENTITLEMENT TO SHARES AWARDED, CANCELED, EXERCISED, VESTED, UNVESTED OR**

OUTSTANDING IN THE PARTICIPANT'S FAVOR (COLLECTIVELY, "**DATA**"), FOR THE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PLAN. THE PARTICIPANT UNDERSTANDS THAT DATA MAY BE TRANSFERRED TO ANY THIRD PARTIES ASSISTING IN THE IMPLEMENTATION, ADMINISTRATION AND MANAGEMENT OF THE PLAN, THAT THESE RECIPIENTS MAY BE LOCATED IN THE PARTICIPANT'S COUNTRY OR ELSEWHERE, AND THAT THE RECIPIENT'S COUNTRY MAY HAVE DIFFERENT DATA PRIVACY LAWS AND PROTECTIONS THAN THE PARTICIPANT'S COUNTRY.

(C) THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY REQUEST A LIST WITH THE NAMES AND ADDRESSES OF ANY POTENTIAL RECIPIENTS OF THE DATA BY CONTACTING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT AUTHORIZES THE RECIPIENTS TO RECEIVE, POSSESS, USE, RETAIN AND TRANSFER THE DATA, IN ELECTRONIC OR OTHER FORM, FOR THE PURPOSES OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN, INCLUDING ANY REQUISITE TRANSFER OF SUCH DATA AS MAY BE REQUIRED TO A BROKER OR OTHER THIRD PARTY WITH WHOM THE PARTICIPANT MAY ELECT TO DEPOSIT ANY SHARES ACQUIRED UPON SETTLEMENT OF THE AWARD. THE PARTICIPANT UNDERSTANDS THAT DATA WILL BE HELD ONLY AS LONG AS IS NECESSARY TO IMPLEMENT, ADMINISTER AND MANAGE THE PARTICIPANT'S PARTICIPATION IN THE PLAN. THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY, AT ANY TIME, VIEW DATA, REQUEST ADDITIONAL INFORMATION ABOUT THE STORAGE AND PROCESSING OF DATA, REQUIRE ANY NECESSARY AMENDMENTS TO DATA OR REFUSE OR WITHDRAW THE CONSENTS HEREIN, IN ANY CASE WITHOUT COST, BY CONTACTING IN WRITING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT UNDERSTANDS, HOWEVER, THAT REFUSING OR WITHDRAWING THE PARTICIPANT'S CONSENT MAY AFFECT THE PARTICIPANT'S ABILITY TO PARTICIPATE IN THE PLAN. FOR MORE INFORMATION ON THE CONSEQUENCES OF THE PARTICIPANT'S REFUSAL TO CONSENT OR WITHDRAWAL OF CONSENT, THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY CONTACT THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE.

3. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation or election which is the responsibility of or which is allocated to the Company herein, provided that the Officer has actual authority with respect to such matter, right, obligation or election.

4. THE AWARD.

4.1 **Grant of Units.** The Company hereby grants to the Participant, subject to the provisions of this Agreement, the Total Number of the Restricted Stock Units set forth in the Grant Notice, subject to adjustment as provided in Section 4.3 and Section 9. Subject to the terms and conditions set forth in the Grant Notice, this Agreement and the

Plan, each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) share of Stock.

4.2 No Monetary Payment Required. The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units.

4.3 Dividend Equivalent Units. On the date that the Company pays a cash dividend to holders of Stock generally, the Participant shall be credited with a number of additional whole Dividend Equivalent Units determined by dividing (a) the product of (i) the dollar amount of the cash dividend paid per share of Stock on such date and (ii) the total number of Units and Dividend Equivalent Units previously credited to the Participant pursuant to the Award and which have not been settled or forfeited pursuant to Section 6 below as of such date, by (b) the Fair Market Value per share of Stock on such date. Any resulting fractional Dividend Equivalent Unit shall be rounded to the nearest whole number. Such additional Dividend Equivalent Units shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Units originally subject to the Award with respect to which they have been credited.

5. VESTING OF UNITS.

Units acquired pursuant to this Agreement shall become Vested Units as provided in the Grant Notice. Dividend Equivalent Units shall become Vested Units at the same time as the Units originally subject to the Award with respect to which they have been credited.

6. FORFEITURE OF UNITS.

In the event that the Participant's Service is terminated by the Service Recipient for Cause, insofar as permitted under Local Law the Participant shall forfeit, and the Company shall automatically reacquire, all Units (whether vested or unvested), and the Participant shall not be entitled to any payment therefor.

7. SETTLEMENT OF THE AWARD.

7.1 Issuance of Shares of Stock. Subject to the provisions of Section 7.3, as soon as reasonably practicable following the date upon which Units vest (such date, the "**Settlement Date**") (but in no event later than March 15th of the calendar year following the calendar year in which the Units vest), the Company shall issue to the Participant with respect to each such Vested Unit one (1) share of Stock. Shares of Stock issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 7.3, Section 7 or the Company's Securities Trading Policy or any stock ownership guidelines or holding period guidelines established by the Board from time to time.

7.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided

by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

7.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of United States federal, state law and Local Law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable United States federal, state or Local Law, or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, or the impracticability of doing so, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

7.4 Fractional Shares. The Company shall not be required to issue fractional shares upon the settlement of the Award.

8. TAX WITHHOLDING.

Regardless of any action the Company or the Service Recipient takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("***Tax-Related Items***"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due or deemed legally due by the Participant is and remains the Participant's responsibility and that the Company and the Service Recipient (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Units, including the grant and vesting of Units, subsequent delivery of shares or cash related to such Units or the subsequent sale of any shares acquired pursuant to such Units and receipt of any dividend equivalent payments (if any) and (ii) do not commit to structure the terms or any aspect of this grant of Units to reduce or eliminate the Participant's liability for Tax-Related Items.

The Participant shall satisfy Tax-Related Items by having the Company or the Service Recipient deduct from shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a Fair Market Value not in excess of the amount of such Tax-Related Items determined by the maximum applicable statutory withholding rates. Notwithstanding the foregoing, the Committee may instead, upon notice to the Participant, require the Participant to pay the Company or the Service Recipient in cash any amount of Tax-Related Items that the Company or the Service Recipient may be required to withhold as a result of the Participant's participation in the Plan or the Participant's receipt of Units (including, without limitation, by the Service Recipient withholding such amounts from the Participant's wages, which the Participant hereby authorizes). If the obligation for Tax-Related Items is satisfied by withholding a number of shares as described herein, the Participant understands that he or she will be deemed to have been issued the full number of shares subject to the settled Units, notwithstanding that a number of shares are held back solely for the purpose of paying Tax-Related Items due as a result of the settlement of the Units. Further, if the Participant is subject to tax in more than one jurisdiction, the

Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In the event that the amount of the withholding is greater than the amount of Tax-Related Items, the Company or the Service Recipient may refund the amount of the over-withholding to the Participant (with no entitlement to any Stock equivalent), or alternatively, the Company or the Service Recipient may require the Participant to seek a refund from the applicable tax authorities. In the event that the amount of the withholding is less than the amount of Tax-Related Items, the Participant may be required to pay the under-withheld Tax-Related Items to the Company and/or the Service Recipient or directly to the applicable tax authorities.

The Company may refuse to deliver the shares if the Participant fails to comply with the Participant's obligations in connection with Tax-Related Items.

The Participant acknowledges and understands that the Participant should consult a tax advisor regarding the Participant's tax obligations prior to such settlement or disposition.

9. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.**

Subject to any required action by the stockholders of the Company and the requirements of Section 409A, to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, or any other corporate transaction or event having an effect similar to any of the foregoing, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy, which shall be treated in accordance with Section 4.3) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. **RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.**

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or

other rights for which the record date is prior to the date the shares are issued, except as provided in Section 4.3 and Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment contract between the Service Recipient and the Participant, the Participant's employment is "at will" and is for no specified term unless otherwise required under applicable law. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of the Service Recipient or interfere in any way with any right of the applicable Service Recipient to terminate the Participant's Service at any time.

11. LEGENDS.

The Company may at any time place legends referencing any applicable United States federal, state or non-U.S. securities law, including Local Law, restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

12. MISCELLANEOUS PROVISIONS.

12.1 Termination or Amendment. The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as set forth in Section 9 or in connection with a Change in Control, no such termination or amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

12.2 Nontransferability of the Award. Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

12.3 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

12.4 Binding Effect. This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

12.5 Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or non-U.S. postal service, by registered or

certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include the Plan, the Grant Notice, this Agreement, the Plan Prospectus and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery.*** The Participant acknowledges that the Participant has read Section 12.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 12.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 12.5(a) or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 12.5(a).

12.6 Integrated Agreement. The Grant Notice (including its exhibits), this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

12.7 Country-Specific Terms and Conditions. Notwithstanding any other provision of this Agreement to the contrary, the Award shall be subject to the additional terms and conditions, if any, set forth in the Appendix to this Agreement which are applicable to the Participant's country, the provisions of which are incorporated in and constitute part of this Agreement. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions applicable to such country will apply to the Award to the extent the Company determines that the application of such terms and

conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan or this Agreement.

12.8 Applicable Law. This Agreement shall be governed by the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

12.9 Language. The Participant acknowledges that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the provisions in this Agreement and the Plan. Further, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

12.10 Insider Trading / Market Abuse Restrictions. The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the U.S. and the Participant's country of residence, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares or rights to shares (e.g., Units) or rights linked to the value of shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Securities Trading Policy. The Participant is responsible for ensuring compliance with any applicable restrictions.

12.11 Foreign Asset and Account Reporting and Exchange Control Requirements. Certain foreign asset and foreign account reporting requirements and exchange controls may affect the Participant's ability to acquire or hold shares under the Plan or cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker or within a certain time after receipt. The Participant is responsible for complying with any applicable regulations and should consult the Participant's personal legal and tax advisors.

12.12 Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

12.13 Counterparts. The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.14 **Clawback.** The Award will be subject to recoupment in accordance with the Company's Compensation Recovery or any other clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

APPENDIX

ADDITIONAL TERMS AND CONDITIONS OF MAGNACHIP SEMICONDUCTOR CORPORATION RESTRICTED STOCK UNITS AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and the Agreement.

TERMS AND CONDITIONS

This Appendix includes additional terms and conditions that govern the Units granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below. If the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the Company shall, in its discretion, determine to what extent the additional terms and conditions contained herein shall apply to the Participant.

NOTIFICATIONS

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because such information may be out-of-date when the Participant's Units vest and/or the Participant sells any shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation. As a result, the Company is not in a position to assure the Participant of any particular result. The Participant is therefore advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the notifications contained herein may not apply to the Participant in the same manner.

Below please find additional terms and conditions, as well as notifications, that apply to Korea and the United States.

KOREA

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

If the Participant receives and owns Stocks at the time of delivery through a foreign financial account (i.e., financial account outside of Korea) and the total balance of all accounts of the Participant exceed KRW500 million on any last day of each month during a year, the Participant is required to file a Foreign Financial Account Report in accordance with the Korean tax law.

UNITED STATES

Terms and Conditions for Participants subject to Tax in the United States

1. The following paragraph is inserted as a new Section 12.15 to the Agreement:

“**Section 409A of the U.S. Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A, so that the income inclusion provisions of Section 409A(a)(1) do not apply. This Agreement shall be administered in a manner consistent with this intent. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall any Participating Company or any of their respective Subsidiary Corporations or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A or otherwise. For purposes of this Agreement, “**Section 409A**” means Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.”

Notifications

There are no country-specific notifications.

EXHIBIT A-2

Performance Stock Units Award Agreement

**MAGNACHIP SEMICONDUCTOR CORPORATION
RESTRICTED STOCK UNITS AGREEMENT
(PERFORMANCE-BASED)**

Magnachip Semiconductor Corporation (the “*Company*”) has granted to the Participant named in the Notice of Grant of Performance-Based Restricted Stock Units (the “*Grant Notice*”) to which this Restricted Stock Units Agreement (this “*Agreement*”) is attached an Award consisting of Restricted Stock Units subject to the terms and conditions set forth in the Grant Notice and this Agreement. The appendix attached hereto (the “*Appendix*”) and the terms and conditions for the Participant’s country set forth therein are incorporated by reference into this Agreement. The Participant shall be entitled to Dividend Equivalent Rights with respect to the Award.

The Award has been granted pursuant to and shall in all respects be subject to the terms conditions of the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan (the “*Plan*”), as amended from time to time, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the “*Plan Prospectus*”), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

(a) “*Dividend Equivalent Units*” mean additional Restricted Stock Units credited pursuant to Section 4.3.

(b) “*Units*” mean the Restricted Stock Units originally granted pursuant to the Award and the Dividend Equivalent Units credited pursuant to the Award, as both shall be adjusted from time to time pursuant to Section 10.

1.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. CERTAIN CONDITIONS OF THE AWARD.

2.1 Compliance with Local Law. The Participant agrees that the Participant will not acquire shares pursuant to the Award, or transfer, assign, sell or otherwise deal in such shares except in compliance with Local Law.

2.2 Service Conditions. By accepting the Award, the Participant acknowledges and agrees that:

(a) Any notice period mandated under Local Law shall not be treated as Service for the purpose of determining the vesting of the Award; and the Participant's right to receive shares in settlement of the Award after termination of Service, if any, will be measured by the date of termination of the Participant's active Service and will not be extended by any notice period mandated under Local Law. Subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(b) The Units are subject to both a Time Condition and Performance Condition, both of which must be satisfied before the Units will be deemed vested and may be settled in accordance with this Agreement.

(c) The vesting of the Award shall cease upon, and no Units shall vest following, the termination of the Participant's Service for any reason other than as set forth in the Grant Notice. To the extent any Units are forfeited and cancelled pursuant to the terms of the Grant Notice or this Agreement, the Participant shall not be entitled to any compensation or other amount with respect thereto.

(d) The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement.

(e) The grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past.

(h) All decisions with respect to future Award grants, if any, will be at the sole discretion of the Company.

(f) The Participant's participation in the Plan shall not create a right to further Service with any Participating Company and shall not interfere with the ability of any Participating Company to terminate the Participant's Service at any time, with or without Cause (as defined in that certain Executive Service Agreement between the Participant and the Company, dated July 1, 2026), insofar as permitted under Local Law.

(g) The Participant is voluntarily participating in the Plan.

(h) The Award and resulting shares, if any, are an extraordinary item that does not constitute compensation of any kind for Service of any kind rendered to any Participating Company, and which is outside the scope of the Participant's employment, consulting or other service contract, if any.

(i) The Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(j) In the event that the Participant does not provide Service to the Participating Company, the Award grant will not be interpreted to form an employment, consulting or other service contract or relationship with the Participating Company.

(k) The future value of the underlying shares is unknown and cannot be predicted with certainty. If the Participant obtains shares upon settlement of the Award, the value of those shares may increase or decrease.

(l) In consideration of the grant of an Award, no claim or entitlement to compensation or damages arises from termination of the Award or diminution in value of the Award or shares acquired upon settlement of the Award resulting from termination of the Participant's Service (for any reason whether or not in breach of Local Law), and the Participant irrevocably releases the Company and each other Participating Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such a claim.

(m) Neither the Company nor Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award, or any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any shares acquired upon settlement.

2.3 Data Privacy Consent.

(A) **THE PARTICIPANT HEREBY EXPLICITLY AND UNAMBIGUOUSLY CONSENTS TO THE COLLECTION, USE AND TRANSFER, IN ELECTRONIC OR OTHER FORM, OF THE PARTICIPANT'S PERSONAL DATA AS DESCRIBED IN THIS DOCUMENT BY AND AMONG THE MEMBERS OF THE PARTICIPATING COMPANY GROUP FOR THE EXCLUSIVE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN.**

(B) **THE PARTICIPANT UNDERSTANDS THAT THE PARTICIPATING COMPANY GROUP HOLDS CERTAIN PERSONAL INFORMATION ABOUT THE PARTICIPANT, INCLUDING, BUT NOT LIMITED TO, THE PARTICIPANT'S NAME, HOME ADDRESS AND TELEPHONE NUMBER, DATE OF BIRTH, SOCIAL SECURITY NUMBER OR OTHER IDENTIFICATION NUMBER, SALARY, NATIONALITY, JOB TITLE, ANY SHARES OR DIRECTORSHIPS HELD IN THE COMPANY, DETAILS OF ALL AWARDS OR ANY OTHER ENTITLEMENT TO SHARES AWARDED, CANCELED, EXERCISED, VESTED, UNVESTED OR OUTSTANDING IN THE PARTICIPANT'S FAVOR (COLLECTIVELY, "DATA"), FOR THE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PLAN. THE PARTICIPANT UNDERSTANDS THAT DATA MAY BE TRANSFERRED TO ANY THIRD PARTIES ASSISTING IN THE IMPLEMENTATION, ADMINISTRATION AND MANAGEMENT OF THE PLAN, THAT THESE RECIPIENTS MAY BE LOCATED IN THE PARTICIPANT'S COUNTRY OR ELSEWHERE, AND THAT THE RECIPIENT'S COUNTRY MAY HAVE DIFFERENT DATA PRIVACY LAWS AND PROTECTIONS THAN THE PARTICIPANT'S COUNTRY.**

(C) **THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY REQUEST A LIST WITH THE NAMES AND ADDRESSES OF ANY POTENTIAL RECIPIENTS OF THE DATA BY CONTACTING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT AUTHORIZES THE RECIPIENTS TO RECEIVE, POSSESS, USE, RETAIN AND TRANSFER THE DATA, IN ELECTRONIC OR OTHER FORM, FOR THE PURPOSES OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN, INCLUDING ANY REQUISITE TRANSFER OF SUCH DATA AS MAY BE REQUIRED TO A BROKER OR OTHER THIRD PARTY WITH WHOM THE PARTICIPANT MAY ELECT TO DEPOSIT**

ANY SHARES ACQUIRED UPON SETTLEMENT OF THE AWARD. THE PARTICIPANT UNDERSTANDS THAT DATA WILL BE HELD ONLY AS LONG AS IS NECESSARY TO IMPLEMENT, ADMINISTER AND MANAGE THE PARTICIPANT'S PARTICIPATION IN THE PLAN. THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY, AT ANY TIME, VIEW DATA, REQUEST ADDITIONAL INFORMATION ABOUT THE STORAGE AND PROCESSING OF DATA, REQUIRE ANY NECESSARY AMENDMENTS TO DATA OR REFUSE OR WITHDRAW THE CONSENTS HEREIN, IN ANY CASE WITHOUT COST, BY CONTACTING IN WRITING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT UNDERSTANDS, HOWEVER, THAT REFUSING OR WITHDRAWING THE PARTICIPANT'S CONSENT MAY AFFECT THE PARTICIPANT'S ABILITY TO PARTICIPATE IN THE PLAN. FOR MORE INFORMATION ON THE CONSEQUENCES OF THE PARTICIPANT'S REFUSAL TO CONSENT OR WITHDRAWAL OF CONSENT, THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY CONTACT THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE.

3. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee, including the determinations regarding the achievement of the Performance Metrics set forth in the Grant Notice, shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation or election which is the responsibility of or which is allocated to the Company herein, provided that the Officer has actual authority with respect to such matter, right, obligation or election.

4. THE AWARD.

4.1 **Grant of Units.** The Company hereby grants to the Participant, subject to the provisions of this Agreement, the Total Number of the Units set forth in the Grant Notice, subject to adjustment as provided in Section 4.3 and Section 10. Subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) share of Stock.

4.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units.

4.3 **Dividend Equivalent Units.** On the date that the Company pays a cash dividend to holders of Stock generally, the Participant shall be credited with a number of additional whole Dividend Equivalent Units determined by dividing (a) the product of (i) the dollar amount of the cash dividend paid per share of Stock on such date and (ii) the total number of the Units and Dividend Equivalent Units previously credited to the Participant pursuant to the Award and which have not been settled or forfeited pursuant to Section 6 below as of such date, by (b) the Fair Market Value per share of Stock on such date. Any

resulting fractional Dividend Equivalent Unit shall be rounded to the nearest whole number. Such additional Dividend Equivalent Units shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Units originally subject to the Award with respect to which they have been credited.

5. **VESTING OF UNITS.**

Units acquired pursuant to this Agreement shall be eligible to vest as provided in the Grant Notice. Dividend Equivalent Units shall become vested Units at the same time as the Units originally subject to the Award with respect to which they have been credited.

6. **FORFEITURE OF UNITS.**

In the event that the Participant's Service is terminated by the Service Recipient for Cause, insofar as permitted under Local Law the Participant shall forfeit, and the Company shall automatically reacquire, all Units (whether vested or unvested), and the Participant shall not be entitled to any payment therefor.

7. **SETTLEMENT OF THE AWARD.**

7.1 Issuance of Shares of Stock. Subject to the provisions of Section 7.3, as soon as reasonably practicable following the date upon which Units satisfy the vesting conditions (such date, the "***Settlement Date***") (but in no event later than March 15th of the calendar year following the calendar year in which the Units vest), the Company shall issue to the Participant with respect to each such Vested Unit one (1) share of Stock. Shares of Stock issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 7.3, Section 7 or the Company's Securities Trading Policy or any stock ownership guidelines or holding period guidelines established by the Board from time to time.

7.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

7.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of United States federal, state law and Local Law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable United States federal, state or Local Law, or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, or the impracticality of doing so, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to

satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

7.4 Fractional Shares. The Company shall not be required to issue fractional shares upon the settlement of the Award.

8. TAX WITHHOLDING.

Regardless of any action the Company or the Service Recipient takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“***Tax-Related Items***”), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due or deemed legally due by the Participant is and remains the Participant’s responsibility and that the Company and the Service Recipient (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Units, including the grant and vesting of Units, subsequent delivery of shares or cash related to such Units or the subsequent sale of any shares acquired pursuant to such Units and receipt of any dividend equivalent payments (if any) and (ii) do not commit to structure the terms or any aspect of this grant of Units to reduce or eliminate the Participant’s liability for Tax-Related Items.

The Participant shall satisfy Tax-Related Items by having the Company or the Service Recipient deduct from shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a Fair Market Value not in excess of the amount of such Tax-Related Items determined by the maximum applicable statutory withholding rates. Notwithstanding the foregoing, the Committee may instead, upon notice to the Participant, require the Participant to pay the Company or the Service Recipient in cash any amount of Tax-Related Items that the Company or the Service Recipient may be required to withhold as a result of the Participant’s participation in the Plan or the Participant’s receipt of Units (including, without limitation, by the Service Recipient withholding such amounts from the Participant’s wages, which the Participant hereby authorizes). If the obligation for Tax-Related Items is satisfied by withholding a number of shares as described herein, the Participant understands that he or she will be deemed to have been issued the full number of shares subject to the settled Units, notwithstanding that a number of shares are held back solely for the purpose of paying Tax-Related Items due as a result of the settlement of the Units. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In the event that the amount of the withholding is greater than the amount of Tax-Related Items, the Company or the Service Recipient may refund the amount of the over-withholding to the Participant (with no entitlement to any Stock equivalent), or alternatively, the Company or the Service Recipient may require the Participant to seek a refund from the applicable tax authorities. In the event that the amount of the withholding is less than the amount of Tax-Related Items, the Participant may be required to pay the under-withheld Tax-Related Items to the Company and/or the Service Recipient or directly to the applicable tax authorities.

The Company may refuse to deliver the shares if the Participant fails to comply with the Participant’s obligations in connection with Tax-Related Items.

The Participant acknowledges and understands that the Participant should consult a tax advisor regarding the Participant's tax obligations prior to such settlement or disposition.

9. EFFECT OF CHANGE IN CONTROL.

In the event of a Change in Control during the Performance Period, the Units shall be treated as set forth in the Grant Notice and Section 11 of the Plan.

10. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Section 409A, to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, or any other corporate transaction or event having an effect similar to any of the foregoing, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy, which shall be treated in accordance with Section 4.3) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

11. RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 4.3 and Section 10. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment contract between the Service Recipient and the Participant, the Participant's employment is "at will" and is for no specified term unless otherwise required under applicable law. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of the Service Recipient or interfere in any way with any right of the applicable Service Recipient to terminate the Participant's Service at any time.

12. **LEGENDS.**

The Company may at any time place legends referencing any applicable United States federal, state or non-U.S. securities law, including Local Law, restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

13. **MISCELLANEOUS PROVISIONS.**

13.1 Termination or Amendment. The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as set forth in the Grant Notice in connection with a Change in Control or in Section 10, no such termination or amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

13.2 Nontransferability of the Award. Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.3 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.4 Binding Effect. This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.5 Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or non-U.S. postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include the Plan, the Grant Notice, this Agreement, the Plan Prospectus and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by

the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 13.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 13.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.5(a) or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.5(a).

13.6 Integrated Agreement. The Grant Notice (including its exhibits), this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

13.7 Country-Specific Terms and Conditions. Notwithstanding any other provision of this Agreement to the contrary, the Award shall be subject to the additional terms and conditions, if any, set forth in the Appendix to this Agreement which are applicable to the Participant's country, the provisions of which are incorporated in and constitute part of this Agreement. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions applicable to such country will apply to the Award to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan or this Agreement.

13.8 Applicable Law. This Agreement shall be governed by the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

13.9 Language. The Participant acknowledges that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the provisions in this Agreement and the Plan. Further, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13.10 Insider Trading / Market Abuse Restrictions. The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the U.S. and the Participant's country of residence, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares or rights to shares (e.g., Units) or rights linked to the value of shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Securities Trading Policy. The Participant is responsible for ensuring compliance with any applicable restrictions.

13.11 Foreign Asset and Account Reporting and Exchange Control Requirements. Certain foreign asset and foreign account reporting requirements and exchange controls may affect the Participant's ability to acquire or hold shares under the Plan or cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker or within a certain time after receipt. The Participant is responsible for complying with any applicable regulations and should consult the Participant's personal legal and tax advisors.

13.12 Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

13.13 Counterparts. The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.14 Clawback. The Award will be subject to recoupment in accordance with the Company's Compensation Recovery Policy or any other clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

APPENDIX

ADDITIONAL TERMS AND CONDITIONS OF MAGNACHIP SEMICONDUCTOR CORPORATION RESTRICTED STOCK UNITS AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and the Agreement.

TERMS AND CONDITIONS

This Appendix includes additional terms and conditions that govern the Units granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below. If the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the Company shall, in its discretion, determine to what extent the additional terms and conditions contained herein shall apply to the Participant.

NOTIFICATIONS

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because such information may be out-of-date when the Participant's Units vest and/or the Participant sells any shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation. As a result, the Company is not in a position to assure the Participant of any particular result. The Participant is therefore advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the notifications contained herein may not apply to the Participant in the same manner.

Below please find additional terms and conditions, as well as notifications, that apply to Korea and the United States.

KOREA

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

If the Participant receives and owns Stocks at the time of delivery through a foreign financial account (i.e., financial account outside of Korea) and the total balance of all accounts of the Participant exceed KRW500 million on any last day of each month during a year, the Participant is required to file a Foreign Financial Account Report in accordance with the Korean tax law.

UNITED STATES

Terms and Conditions for Participants subject to Tax in the United States

1. The following paragraph is inserted as a new Section 13.15 to the Agreement:

“**Section 409A of the U.S. Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A, so that the income inclusion provisions of Section 409A(a)(1) do not apply. This Agreement shall be administered in a manner consistent with this intent. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall any Participating Company or any of their respective Subsidiary Corporations or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A or otherwise. For purposes of this Agreement, “**Section 409A**” means Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.”

Notifications

There are no country-specific notifications.

EXHIBIT A-3

Stock Options Award Agreement

MAGNACHIP SEMICONDUCTOR CORPORATION
STOCK OPTION AGREEMENT
(For US Participant)

Magnachip Semiconductor Corporation (the “*Company*”) has granted to the Participant named in the Notice of Grant of Stock Option (the “*Grant Notice*”) to which this Stock Option Agreement (the “*Option Agreement*”) is attached an option (the “*Option*”) to purchase certain shares of Stock upon the terms and conditions set forth in the Grant Notice and this Option Agreement. The Option has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan (as amended from time to time, the “*Plan*”), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of, and represents that the Participant has read and is familiar with, the Grant Notice, this Option Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of shares issuable pursuant to the Option (the “*Plan Prospectus*”), (b) accepts the Option subject to all of the terms and conditions of the Grant Notice, this Option Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Option Agreement or the Plan.

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Option Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. TAX CONSEQUENCES.

1.1 Tax Status of Option. This Option is intended to have the tax status designated in the Grant Notice.

(a) ***Incentive Stock Option.*** If the Grant Notice so designates, this Option is intended to be an Incentive Stock Option within the meaning of Section 422(b) of the Code, but the Company does not represent or warrant that this Option qualifies as such. The Participant should consult with the Participant’s own tax advisor regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. (NOTE TO PARTICIPANT: If the Option is exercised more than three (3) months after the date on which you cease to be an Employee (other than by reason of your death or permanent and total disability as defined in Section 22(e)(3) of the Code), the Option will be treated as a Nonstatutory Stock Option and not as an Incentive Stock Option to the extent required by Section 422 of the Code.)

(b) **Nonstatutory Stock Option.** If the Grant Notice so designates, this Option is intended to be a Nonstatutory Stock Option and shall not be treated as an Incentive Stock Option within the meaning of Section 422(b) of the Code.

2.2 ISO Fair Market Value Limitation. If the Grant Notice designates this Option as an Incentive Stock Option, then to the extent that the Option (together with all Incentive Stock Options granted to the Participant under all stock option plans of the Participating Company Group, including the Plan) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portion of such options which exceeds such amount will be treated as Nonstatutory Stock Options. For purposes of this Section 2.2, options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of stock is determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 2.2, such different limitation shall be deemed incorporated herein effective as of the date required or permitted by such amendment to the Code. If the Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 2.2, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option. (NOTE TO PARTICIPANT: If the aggregate Exercise Price of the Option (that is, the Exercise Price multiplied by the Number of Option Shares) plus the aggregate exercise price of any other Incentive Stock Options you hold (whether granted pursuant to the Plan or any other stock option plan of the Participating Company Group) is greater than \$100,000, you should contact the Chief Financial Officer of the Company to ascertain whether the entire Option qualifies as an Incentive Stock Option.)

3. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Option Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Option shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Option, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Option or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Option. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has actual authority with respect to such matter, right, obligation, or election.

4. EXERCISE OF THE OPTION.

3.1 Right to Exercise. Except as otherwise provided herein, the Option shall be exercisable on and after the Initial Vesting Date and prior to the termination of the Option (as provided in Section 6) in an amount not to exceed the number of Vested Shares less the number of shares previously acquired upon exercise of the Option. In no event shall the Option be exercisable for more shares than the Number of Option Shares, as adjusted pursuant to Section 9.

4.1 Method of Exercise. Exercise of the Option shall be by means of electronic or written notice (the “**Exercise Notice**”) in a form authorized by the Company. An electronic Exercise Notice must be digitally signed or authenticated by the Participant in such manner as required by the notice and transmitted to the Company or an authorized representative of the Company (including a third-party administrator designated by the Company). In the event that the Participant is not authorized or is unable to provide an electronic Exercise Notice, the Option shall be exercised by a written Exercise Notice addressed to the Company, which shall be signed by the Participant and delivered in person, by certified or registered mail, return receipt requested, or by such other means as the Company may permit, to the Company, or an authorized representative of the Company (including a third-party administrator designated by the Company). Each Exercise Notice, whether electronic or written, must state the Participant’s election to exercise the Option, the number of whole shares of Stock for which the Option is being exercised and such other representations and agreements as to the Participant’s investment intent with respect to such shares as may be required pursuant to the provisions of this Option Agreement. Further, each Exercise Notice must be received by the Company prior to the termination of the Option as set forth in Section 6 and must be accompanied by full payment of the aggregate Exercise Price for the number of shares of Stock being purchased. The Option shall be deemed to be exercised upon receipt by the Company of such electronic or written Exercise Notice and the aggregate Exercise Price.

4.2 Payment of Exercise Price. Payment of the aggregate Exercise Price for the number of shares of Stock for which the Option is being exercised shall be made by one or more of the following methods: (i) in cash, by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Stock owned by the Participant having a value at the time of exercise equal to the total Exercise Price, (iii) subject to any conditions or limitations established by the Committee, by the withholding of Stock otherwise issuable upon exercise of an Option pursuant to a “net exercise” arrangement (it being understood that, solely for purposes of determining the number of treasury shares held by the Company, the Stock so withheld will not be treated as issued and acquired by the Company upon such exercise), (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Committee.

4.3 Tax Withholding.

(a) **In General.** At the time the Option is exercised, in whole or in part, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company Group, if any, which arise in connection with the Option. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company Group have been satisfied by the Participant.

(b) **Withholding in Shares.** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company’s tax withholding obligations upon exercise of the Option by deducting from the shares of Stock otherwise issuable to the Participant upon such exercise a number of whole shares having a fair market value, as determined by the Company as of the date of exercise, not in excess of the maximum amount permitted under the Plan.

4.4 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all shares acquired by the Participant pursuant to the exercise of the Option. Except as provided by the preceding sentence, a certificate for the shares as to which the Option is exercised shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

4.5 Restrictions on Grant of the Option and Issuance of Shares. The grant of the Option and the issuance of shares of Stock upon exercise of the Option shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (i) a registration statement under the Securities Act shall at the time of exercise of the Option be in effect with respect to the shares issuable upon exercise of the Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. **THE PARTICIPANT IS CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED.** ACCORDINGLY, THE PARTICIPANT MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of the Option, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

4.6 Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise of the Option.

5. NONTRANSFERABILITY OF THE OPTION.

During the lifetime of the Participant, the Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. The Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Following the death of the Participant, the Option, to the extent provided in Section 7, may be exercised by the Participant's legal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

6. TERMINATION OF THE OPTION.

The Option shall terminate and may no longer be exercised after the first to occur of (a) the close of business on the Option Expiration Date, (b) the close of business on the last date

for exercising the Option following termination of the Participant's Service as described in Section 7, or (c) a Change in Control to the extent provided in Section 8.

7. EFFECT OF TERMINATION OF SERVICE.

6.1 Option Exercisability. The Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period as determined below and thereafter shall terminate.

(a) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months after the Participant's termination of Service.

(c) **Termination for Cause.** Notwithstanding any other provision of this Option Agreement to the contrary, if the Participant's Service is terminated for Cause (as defined in that certain Executive Service Agreement between the Participant and the Company, dated July 1, 2026) or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(d) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for Vested Shares by the Participant on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

7.2 Extension if Exercise Prevented by Law. Notwithstanding the foregoing, other than termination of the Participant's Service for Cause, if the exercise of the Option within the applicable time periods set forth in Section 7.1 is prevented by the provisions of Section 4.6, the Option shall remain exercisable until the later of (a) thirty (30) days after the date such exercise first would no longer be prevented by such provisions, or (b) the end of the applicable time period under Section 7.1, but in any event no later than the Option Expiration Date.

8. EFFECT OF CHANGE IN CONTROL.

In the event of a Change in Control, the Option shall be treated in accordance with the terms of the Plan and any action taken by the Committee pursuant thereto. Without limiting the foregoing, the Committee may provide for assumption, substitution, acceleration, cash-out, cancellation or other treatment of the Option as permitted under Sections 11, 12 and 18(c) of the Plan.

9. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number, Exercise Price and kind of shares subject to the Option, in order to prevent dilution or enlargement of the Participant's rights under the Option. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number and the Exercise Price shall be rounded up to the nearest whole cent. In no event may the Exercise Price be decreased to an amount less than the par value, if any, of the stock subject to the Option. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.

The Participant shall have no rights as a stockholder with respect to any shares covered by the Option until the date of the issuance of the shares for which the Option has been exercised (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Option Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service as a Director, an Employee or Consultant, as the case may be, at any time.

11. NOTICE OF SALES UPON DISQUALIFYING DISPOSITION.

The Participant shall dispose of the shares acquired pursuant to the Option only in accordance with the provisions of this Option Agreement. In addition, if the Grant Notice designates this Option as an Incentive Stock Option, the Participant shall (a) promptly notify the Chief Financial Officer of the Company if the Participant disposes of any of the shares

acquired pursuant to the Option within one (1) year after the date the Participant exercises all or part of the Option or within two (2) years after the Date of Grant and (b) provide the Company with a description of the circumstances of such disposition. Until such time as the Participant disposes of such shares in a manner consistent with the provisions of this Option Agreement, unless otherwise expressly authorized by the Company, the Participant shall hold all shares acquired pursuant to the Option in the Participant's name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Participant to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

12. LEGENDS.

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock subject to the provisions of this Option Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to the Option in the possession of the Participant in order to carry out the provisions of this Section.

13. MISCELLANEOUS PROVISIONS.

13.1 Termination or Amendment. The Committee may terminate or amend the Plan or the Option at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may adversely affect the Option or any unexercised portion hereof without the consent of the Participant unless such termination or amendment is necessary to comply with any applicable law or government regulation. No amendment or addition to this Option Agreement shall be effective unless in writing.

13.2 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Option Agreement.

13.3 Binding Effect. This Option Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.4 Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Option Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in

the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include, the Plan, the Grant Notice, this Option Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice and Exercise Notice called for by Section 4.2 to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 13.4(a) of this Option Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice and Exercise Notice, as described in Section 13.4(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.4(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.4(a).

13.5 Integrated Agreement. The Grant Notice, this Option Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein, the provisions of the Grant Notice, the Option Agreement and the Plan shall survive any exercise of the Option and shall remain in full force and effect.

13.6 Applicable Law. This Option Agreement shall be governed by the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Option Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

13.7 Insider Trading / Market Abuse Restrictions. The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions,

including, but not limited to, the U.S. and the Participant's country of residence, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares or rights to shares or rights linked to the value of shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's securities trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions.

13.8 Foreign Asset and Account Reporting and Exchange Control Requirements. Certain foreign asset and foreign account reporting requirements and exchange controls may affect the Participant's ability to acquire or hold shares under the Plan or cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker or within a certain time after receipt. The Participant is responsible for complying with any applicable regulations and should consult the Participant's personal legal and tax advisors.

13.9 Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Option Agreement by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

13.10 Counterparts. The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.11 Clawback. The Option will be subject to recoupment in accordance with the Company's Compensation Recovery Policy or any other clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

EXHIBIT B

FORM OF RELEASE

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As used in this Release of Claims (this “Release”), the term “claims” will include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, proceedings, obligations, debts, accounts, attorneys’ fees, judgments, losses, and liabilities, of whatsoever kind or nature, in law, in equity or otherwise. Capitalized terms used but not defined in this Release will have the meanings given to them in the Executive Service Agreement (the “Service Agreement”), effective as of July 1, 2026, by and between Magnachip Semiconductor Corporation, a Delaware corporation (“Parent”), and Magnachip Semiconductor, Ltd., a wholly owned subsidiary of Parent (“MSK”), on the one hand, and Chae Lee.

For and in consideration of the payments and benefits under Section 5(b) of the Service Agreement, and other good and valuable consideration, I, for and on behalf of myself and my executors, heirs, administrators, representatives and assigns, hereby agree to release and forever discharge the Company, Parent and all of their respective predecessors, successors, and past, current, and future parent entities, affiliates, subsidiary entities, investors, directors, shareholders, members, officers, general or limited partners, employees, attorneys, agents, and representatives, and the benefit plans in which I am or have been a participant by virtue of my engagement with or service to the Company (collectively, the “Company Releasees”), from any and all claims that I have or may have had against the Company Releasees based on any events or circumstances arising or occurring on or prior to the date hereof and arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever my engagement with or service to the Company or the termination thereof, including any and all claims arising under national, federal, provincial, state or local laws relating to employment, including claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, intentional infliction of emotional distress or liability in tort, and claims of any kind that may be brought in any court or administrative agency, and any related claims for attorneys’ fees and costs, including claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000e et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866 and the Civil Rights Act of 1991, 42 U.S.C. Section 1981 et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 et seq. (the “ADEA”); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance Programs, 41 C.F.R. Section 60-1 et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and any similar national, provincial, state or local laws of the United States, the Republic of Korea or any other jurisdiction. I agree further that this Release may be pleaded as a full defense to any action, suit, arbitration or other proceeding covered by the terms hereof that is or may be initiated, prosecuted, or maintained by me or my descendants, dependents, heirs, executors, administrators or assigns. By signing this Release, I acknowledge that I intend to waive and release all rights known or unknown that I may have against the Company Releasees under these and any other laws.

I acknowledge and agree that, as of the date I execute this Release, I have not filed any claim against any of the Company Releasees before any local, state, federal or foreign court, arbitrator, mediator or arbitration or mediation panel (each individually, a “Proceeding”). I (i) acknowledge that I will not initiate or cause to be initiated on my behalf any Proceeding and will not participate in any Proceeding, in each case, except as required by law; and (ii) waive any right that I may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding or out of any action filed with any federal, state or local administrative or regulatory agency or authority (each, a “Government Agency”), except as provided below or where otherwise provided by law. Further, I understand that, by executing this Release, I will be limiting the availability of certain remedies that I may have against the Company and limiting also my ability to pursue certain claims against the Company Releasees.

By executing this Release, I specifically release all claims relating to my engagement with and service to the Company, and its termination, under ADEA, a federal statute that, among other things, prohibits discrimination on the basis of age in engagement and benefit plans.

Notwithstanding the generality of the foregoing, I do not release (i) claims to receive payments and benefits under Section 5(b) of the Service Agreement in accordance with the terms of the Service Agreement, (ii) claims for indemnification arising under any applicable indemnification obligation of the Company, (iii) any vested rights I may have under any qualified benefit plans, programs or policies of the Company, or (iv) claims that cannot be waived by law. Further, nothing in this Release shall prevent me from (a) initiating or causing to be initiated on my behalf any claim against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of my claims under the ADEA (but no other portion of such waiver); or (b) initiating or participating in an investigation or proceeding conducted by any Government Agency.

I understand that nothing in this Agreement will preclude, prohibit or restrict me from (i) communicating with, any federal, state or local administrative or regulatory agency or authority, including the Securities and Exchange Commission (the “SEC”); (ii) participating or cooperating in any investigation conducted by any governmental agency or authority; or (iii) filing a charge of discrimination with the EEOC or any other federal state or local administrative agency or regulatory authority.

Nothing in this Agreement, or any other agreement with the Company, prohibits or is intended in any manner to prohibit, me from (i) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including the Department of Justice, the SEC, the U.S. Congress and any governmental agency Inspector General, or (ii) making other disclosures that are protected under whistleblower provisions of federal law or regulation. This Agreement does not limit my right to receive an award (including a monetary reward) for information provided to the SEC or any other Government Agency pursuant to the whistleblower provisions of any applicable law or regulation. I do not need the prior authorization of anyone at the Company to make any such reports or disclosures, and I am not required to notify the Company that I have made such reports or disclosures.

Nothing in this Agreement or any other agreement or policy of the Company is intended to interfere with or restrain the immunity provided under 18 U.S.C. §1833(b). I cannot be held criminally or civilly liable under any federal or state trade secret law for the

disclosure of a trade secret that is made (i) (A) in confidence to federal, state or local government officials, directly or indirectly, or to an attorney, and (B) for the purpose of reporting or investigating a suspected violation of law; (ii) in a complaint or other document filed in a lawsuit or other proceeding, if filed under seal; or (iii) in connection with a lawsuit alleging retaliation for reporting a suspected violation of law, if filed under seal and does not disclose the trade secret, except pursuant to a court order.

I acknowledge that I have been given at least 21 days in which to consider this Release. I acknowledge further that the Company has advised me to consult with an attorney of my choice before signing this Release, and I have had sufficient time to consider the terms of this Release. I represent and acknowledge that if I execute this Release before 21 days have elapsed, I do so knowingly, voluntarily, and upon the advice and with the approval of my legal counsel (if any), and that I voluntarily waive any remaining consideration period.

I understand that after executing this Release, I have the right to revoke it within seven days after its execution. I understand that this Release will not become effective and enforceable unless the seven-day revocation period passes and I do not revoke the Release in writing. I understand that this Release may not be revoked after the seven-day revocation period has passed. I understand also that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven-day period.

This Release will become effective, irrevocable, and binding on the eighth day after its execution, so long as I have not timely revoked it as set forth above. I understand and acknowledge that I will not be entitled to payments or benefits under Section 5(b) of the Service_Agreement unless this Release is effective on or before the date that is sixty (60) days following the Date of Termination (as defined in the Service Agreement).

I hereby agree to waive any and all claims to re-engagement with the Company and affirmatively agree not to seek further engagement with the Company.

The provisions of this Release will be binding upon my heirs, executors, administrators, legal representatives, and assigns. If any provision of this Release will be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision will be of no force or effect. The illegality or unenforceability of such provision, however, will have no effect upon and will not impair the enforceability of any other provision of this Release.

This Release will be governed in accordance with the laws of the State of Delaware, without reference to the principles of conflicts of law. Any dispute or claim arising out of or relating to this Release or claim of breach hereof will be brought exclusively in the United States District Court for the District of Delaware to the extent that federal jurisdiction exists, and in the Delaware Chancery Court to the extent that federal jurisdiction does not exist. By execution of this Release, I am waiving any right to trial by jury in connection with any suit, action or proceeding under or in connection with this Release.

Chae Lee

Date

TERMINATION AGREEMENT

This Termination Agreement (this “Termination Agreement”) is entered into as of July 1, 2026 (the “Effective Date”), by and between Camillo Martino, on the one hand, and Magnachip Semiconductor, Ltd., a company established under the laws of the Republic of Korea (“MSK”), on the other hand. This Termination Agreement sets forth the terms and conditions of the termination of that certain Executive Service Agreement, dated as of September 30, 2025, together with those certain letter agreements dated September 30, 2025, November 24, 2025 and February 24, 2026, by and between the Mr. Martino and MSK (collectively, the “Executive Service Agreement”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Executive Service Agreement.

1. As of the Effective Date, the Executive Service Agreement shall terminate and be of no further force and effect, and, except as expressly set forth in this Termination Agreement, each Party shall have no further rights, obligations, liabilities, or responsibilities to the other arising out of or relating to the Executive Service Agreement; provided, however, that any unpaid cash compensation payable under the Executive Service Agreement shall become immediately due and payable as of the Effective Date; provided, further, that Mr. Martino shall cooperate with MSK and take all actions to effectuate the change of representative director of MSK, including executing any documents necessary in connection with his resignation.
2. Each Party, on behalf of itself and any person or entity claiming by, through or under it, hereby irrevocably, unconditionally and permanently waives, releases and forever discharges the other Party and, to the extent applicable, its affiliates, shareholders, directors, officers, employees and agents (collectively, “Representatives”) from any and all claims, demands, causes of action, liabilities and damages, whether known or unknown, accrued or unaccrued, solely to the extent arising out of or relating to the Executive Service Agreement. For the avoidance of doubt, nothing in this Section shall release, waive or otherwise affect any rights, obligations or liabilities arising under any agreement or arrangement other than the Executive Service Agreement.
3. Each Party further irrevocably waives any rights to, and covenants that it shall not, commence, maintain or participate in any arbitration, litigation or other legal proceeding asserting any claim released pursuant to this Termination Agreement.
4. The provisions of this Termination Agreement will be binding upon each Party’s heirs, executors, administrators, legal representatives and assigns. If any provision of this Termination Agreement will be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision will be of no force or effect. The illegality or unenforceability of such provision, however, will have no effect upon and will not impair the enforceability of any other provision of this Termination Agreement.
5. This Termination Agreement shall be governed by the laws of the State of Delaware, without regard to the conflicts of laws provisions thereof.

[signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Termination Agreement.

MAGNACHIP SEMICONDUCTOR, LTD.

By: /s/ Shinyoung Park
Name: Shinyoung Park
Title: Chief Financial Officer

/s/ Camillo Martino
Camillo Martino

TERMINATION AGREEMENT

This Termination Agreement (this “Termination Agreement”) is entered into as of July 1, 2026 (the “Effective Date”), by and between Camillo Martino (the “Consultant”), on the one hand, and Magnachip Semiconductor Corporation, a Delaware corporation (“Parent”), on the other hand. This Termination Agreement sets forth the terms and conditions of the termination of that certain Consulting Agreement, dated as of September 30, 2025, together with those certain letter agreements dated September 30, 2025, November 24, 2025 and February 24, 2026, by and between the Consultant and Parent (collectively, the “Consulting Agreement”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Consulting Agreement.

1. As of the Effective Date, the Consulting Agreement shall terminate and be of no further force and effect, and, except as expressly set forth in this Termination Agreement, each Party shall have no further rights, obligations, liabilities, or responsibilities to the other arising out of or relating to the Consulting Agreement; provided, however, that (i) any unpaid cash compensation payable under the Consulting Agreement shall become immediately due and payable as of the Effective Date, and (ii) all outstanding equity compensation granted pursuant to the Consulting Agreement (i.e., 105,484 RSUs) shall become fully vested as of the Effective Date.
2. Each Party, on behalf of itself and any person or entity claiming by, through or under it, hereby irrevocably, unconditionally and permanently waives, releases and forever discharges the other Party and, to the extent applicable, its affiliates, shareholders, directors, officers, employees and agents (collectively, “Representatives”) from any and all claims, demands, causes of action, liabilities and damages, whether known or unknown, accrued or unaccrued, solely to the extent arising out of or relating to the Consulting Agreement. For the avoidance of doubt, nothing in this Section shall release, waive or otherwise affect any rights, obligations or liabilities arising under any agreement or arrangement other than the Consulting Agreement.
3. Each Party further irrevocably waives any rights to, and covenants that it shall not, commence, maintain or participate in any arbitration, litigation or other legal proceeding asserting any claim released pursuant to this Termination Agreement.
4. The provisions of this Termination Agreement will be binding upon each Party’s heirs, executors, administrators, legal representatives and assigns. If any provision of this Termination Agreement will be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision will be of no force or effect. The illegality or unenforceability of such provision, however, will have no effect upon and will not impair the enforceability of any other provision of this Termination Agreement.
5. This Termination Agreement shall be governed by the laws of the State of Delaware, without regard to the conflicts of laws provisions thereof.

[signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Termination Agreement.

**MAGNACHIP SEMICONDUCTOR
CORPORATION**

By: /s/ Shinyoung Park
Name: Shinyoung Park
Title: Chief Financial Officer

CONSULTANT

/s/ Camillo Martino
Camillo Martino

August 7, 2026

Ms. Shinyoung Park
[Address redacted]

Re: Amendment to Employment Agreement

Dear Ms. Park,

This letter (this "Amendment") serves as a further amendment to your Amended and Restated Executive Service Agreement, dated April 28, 2025, as amended by that certain letter agreement dated April 28, 2025 (the "Employment Agreement"). Any capitalized term not otherwise defined in this Amendment shall have the meaning ascribed to such term in the Employment Agreement.

This Amendment sets forth the agreement among you, Magnachip Semiconductor Corporation ("Parent") and Magnachip Semiconductor, Ltd. (together with Parent, the "Company") regarding the reinstatement of your Annual Base Salary, as described below.

1. The Company has determined that it is appropriate to discontinue the temporary ten percent (10%) reduction of your Annual Base Salary from USD 360,000 (the "Original Base Salary") to USD 324,000 (the "Reduced Base Salary") implemented pursuant to the letter agreement dated April 28, 2025 and reinstate your Annual Base Salary notwithstanding the conditions set forth in the letter agreement dated April 28, 2025.
2. Accordingly, effective as of August 7, 2026, the temporary ten percent (10%) reduction of your Annual Base Salary from the Original Base Salary to Reduced Base Salary pursuant to the letter agreement dated April 28, 2025 shall cease, and your Annual Base Salary shall be reinstated to the Original Base Salary.

This Amendment and the Employment Agreement, as amended, contain the entire understanding among the parties on the subjects covered herein and supersede all prior agreements, arrangements and understandings, whether written or oral, regarding the subjects covered herein. Except as expressly set forth in this Amendment, all other terms and conditions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect.

Please indicate your agreement to the terms of this Amendment by signing and returning this letter to me by August 7, 2026.

Yours sincerely,

MAGNACHIP SEMICONDUCTOR CORPORATION

By: /s/ Chae Lee
Name: Chae Lee
Title: Chief Executive Officer

MAGNACHIP SEMICONDUCTOR, LTD.

By: /s/ Chae Lee
Name: Chae Lee
Title: Representative Director

I hereby confirm my receipt, understanding and agreement with the terms of this Amendment.

/s/ Shinyoung Park
Shinyoung Park

MAGNACHIP SEMICONDUCTOR CORPORATION
RESTRICTED STOCK UNITS AGREEMENT

Magnachip Semiconductor Corporation (the “*Company*”) has granted to the Participant named in the Notice of Grant of Restricted Stock Units (the “*Grant Notice*”) to which this Restricted Stock Units Agreement (this “*Agreement*”) is attached an Award consisting of Restricted Stock Units subject to the terms and conditions set forth in the Grant Notice and this Agreement. The appendix attached hereto (the “*Appendix*”) and the terms and conditions for the Participant’s country set forth therein are incorporated by reference into this Agreement. The Participant shall be entitled to Dividend Equivalent Rights with respect to the Award.

The Award has been granted pursuant to and shall in all respects be subject to the terms conditions of the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan (the “*Plan*”), as amended from time to time, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the “*Plan Prospectus*”), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

(a) “*Dividend Equivalent Units*” mean additional Restricted Stock Units credited pursuant to Section 4.3.

(b) “*Units*” mean the Restricted Stock Units originally granted pursuant to the Award and the Dividend Equivalent Units credited pursuant to the Award, as both shall be adjusted from time to time pursuant to Section 9.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. **CERTAIN CONDITIONS OF THE AWARD.**

2.1 **Compliance with Local Law.** The Participant agrees that the Participant will not acquire shares pursuant to the Award, or transfer, assign, sell or otherwise deal in such shares except in compliance with Local Law.

2.2 **Service Conditions.** By accepting the Award, the Participant acknowledges and agrees that:

(a) Any notice period mandated under Local Law shall not be treated as Service for the purpose of determining the vesting of the Award; and the Participant's right to receive shares in settlement of the Award after termination of Service, if any, will be measured by the date of termination of the Participant's active Service and will not be extended by any notice period mandated under Local Law. Subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(b) Notwithstanding anything to the contrary in the Grant Notice, if the Participant's employment or service is terminated by the Participating Company to which the Participant renders Service (the "**Service Recipient**") without Cause or if the Participant resigns for Good Reason, in each case not in connection with a CIC Qualified Termination (as each capitalized term is defined in the Participant's employment, consulting or other service contract, which remains in effect at the time such term requires application, with the Participating Company) and prior to full settlement of the Award, the Participant will remain eligible to vest with respect to a pro rata portion of the next tranche of the Units scheduled to vest pursuant to the Grant Notice applicable to such Award. The pro rata portion will be determined by multiplying the number of shares underlying such tranche of the Award by a fraction, (x) the numerator of which is the number of full months (without any rounding) from the Prior Vesting Date (as defined below) to the date of such termination and (y) the denominator of which is the number of full months from the Prior Vesting Date to the next vesting date. All Awards in excess of the pro rata portion thereof that remains outstanding in accordance with the immediately preceding sentence shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. "**Prior Vesting Date**" means (1) the vesting date immediately preceding the date of such termination or (2) if no such vesting date exists, then the date that is 364 days prior to the next vesting date.

(c) If the Participant incurs a CIC Qualified Termination, all unvested Units shall fully vest on the date of such termination.

(d) The vesting of the Award shall cease upon, and no Units shall vest following, the termination of the Participant's Service for any reason other than as set forth in Section 2.2 (b) or (c). Further, all unvested Units shall be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

(e) The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement.

(f) The grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past.

(g) All decisions with respect to future Award grants, if any, will be at the sole discretion of the Company.

(h) The Participant's participation in the Plan shall not create a right to further Service with any Participating Company and shall not interfere with the ability of any Participating Company to terminate the Participant's Service at any time, with or without Cause, insofar as permitted under Local Law.

(i) The Participant is voluntarily participating in the Plan.

(j) The Award and resulting shares, if any, are an extraordinary item that does not constitute compensation of any kind for Service of any kind rendered to any Participating Company, and which is outside the scope of the Participant's employment, consulting or other service contract, if any.

(k) The Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(l) In the event that the Participant does not provide Service to the Participating Company, the Award grant will not be interpreted to form an employment, consulting or other service contract or relationship with the Participating Company.

(m) The future value of the underlying shares is unknown and cannot be predicted with certainty. If the Participant obtains shares upon settlement of the Award, the value of those shares may increase or decrease.

(n) In consideration of the grant of an Award, no claim or entitlement to compensation or damages arises from termination of the Award or diminution in value of the Award or shares acquired upon settlement of the Award resulting from termination of the Participant's Service (for any reason whether or not in breach of Local Law), and the Participant irrevocably releases the Company and each other Participating Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such a claim.

(o) Neither the Company nor Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award, or any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any shares acquired upon settlement.

2.3 Data Privacy Consent.

(A) THE PARTICIPANT HEREBY EXPLICITLY AND UNAMBIGUOUSLY CONSENTS TO THE COLLECTION, USE AND TRANSFER, IN ELECTRONIC OR OTHER FORM, OF THE PARTICIPANT'S PERSONAL DATA AS DESCRIBED IN THIS DOCUMENT BY AND AMONG THE MEMBERS OF THE PARTICIPATING COMPANY GROUP FOR THE EXCLUSIVE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN.

(B) THE PARTICIPANT UNDERSTANDS THAT THE PARTICIPATING COMPANY GROUP HOLDS CERTAIN PERSONAL INFORMATION ABOUT THE PARTICIPANT, INCLUDING, BUT NOT LIMITED TO, THE PARTICIPANT'S NAME, HOME ADDRESS AND TELEPHONE NUMBER, DATE OF BIRTH, SOCIAL SECURITY NUMBER OR OTHER IDENTIFICATION NUMBER, SALARY, NATIONALITY, JOB TITLE, ANY SHARES OR DIRECTORSHIPS HELD IN THE COMPANY, DETAILS OF ALL AWARDS OR ANY OTHER ENTITLEMENT TO SHARES AWARDED, CANCELED, EXERCISED, VESTED, UNVESTED OR OUTSTANDING IN THE PARTICIPANT'S FAVOR (COLLECTIVELY, "*DATA*"), FOR THE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PLAN. THE PARTICIPANT UNDERSTANDS THAT DATA MAY BE TRANSFERRED TO ANY THIRD PARTIES ASSISTING IN THE IMPLEMENTATION, ADMINISTRATION AND MANAGEMENT OF THE PLAN, THAT THESE RECIPIENTS MAY BE LOCATED IN THE PARTICIPANT'S COUNTRY OR ELSEWHERE, AND THAT THE RECIPIENT'S COUNTRY MAY HAVE DIFFERENT DATA PRIVACY LAWS AND PROTECTIONS THAN THE PARTICIPANT'S COUNTRY.

(C) THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY REQUEST A LIST WITH THE NAMES AND ADDRESSES OF ANY POTENTIAL RECIPIENTS OF THE DATA BY CONTACTING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT AUTHORIZES THE RECIPIENTS TO RECEIVE, POSSESS, USE, RETAIN AND TRANSFER THE DATA, IN ELECTRONIC OR OTHER FORM, FOR THE PURPOSES OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN, INCLUDING ANY REQUISITE TRANSFER OF SUCH DATA AS MAY BE REQUIRED TO A BROKER OR OTHER THIRD PARTY WITH WHOM THE PARTICIPANT MAY ELECT TO DEPOSIT ANY SHARES ACQUIRED UPON SETTLEMENT OF THE AWARD. THE PARTICIPANT UNDERSTANDS THAT DATA WILL BE HELD ONLY AS LONG AS IS NECESSARY TO IMPLEMENT, ADMINISTER AND MANAGE THE PARTICIPANT'S PARTICIPATION IN THE PLAN. THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY, AT ANY TIME, VIEW DATA, REQUEST ADDITIONAL INFORMATION ABOUT THE STORAGE AND PROCESSING OF DATA, REQUIRE ANY NECESSARY AMENDMENTS TO DATA OR REFUSE OR WITHDRAW THE CONSENTS HEREIN, IN ANY CASE WITHOUT COST, BY CONTACTING IN WRITING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT UNDERSTANDS, HOWEVER, THAT REFUSING OR WITHDRAWING THE PARTICIPANT'S CONSENT MAY AFFECT THE PARTICIPANT'S ABILITY TO PARTICIPATE IN THE PLAN. FOR MORE INFORMATION ON THE CONSEQUENCES OF THE PARTICIPANT'S REFUSAL TO CONSENT OR WITHDRAWAL OF CONSENT, THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY CONTACT THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE.

3. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation or election which is the responsibility of or

which is allocated to the Company herein, provided that the Officer has actual authority with respect to such matter, right, obligation or election.

4. **THE AWARD.**

4.1 **Grant of Units.** The Company hereby grants to the Participant, subject to the provisions of this Agreement, the Total Number of the Restricted Stock Units set forth in the Grant Notice, subject to adjustment as provided in Section 4.3 and Section 9. Subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) share of Stock.

4.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units.

4.3 **Dividend Equivalent Units.** On the date that the Company pays a cash dividend to holders of Stock generally, the Participant shall be credited with a number of additional whole Dividend Equivalent Units determined by dividing (a) the product of (i) the dollar amount of the cash dividend paid per share of Stock on such date and (ii) the total number of Units and Dividend Equivalent Units previously credited to the Participant pursuant to the Award and which have not been settled or forfeited pursuant to Section 6 below as of such date, by (b) the Fair Market Value per share of Stock on such date. Any resulting fractional Dividend Equivalent Unit shall be rounded to the nearest whole number. Such additional Dividend Equivalent Units shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Units originally subject to the Award with respect to which they have been credited.

5. **VESTING OF UNITS.**

Units acquired pursuant to this Agreement shall become Vested Units as provided in the Grant Notice. Dividend Equivalent Units shall become Vested Units at the same time as the Units originally subject to the Award with respect to which they have been credited.

6. **FORFEITURE OF UNITS.**

In the event that the Participant's Service is terminated by the Service Recipient for Cause, insofar as permitted under Local Law the Participant shall forfeit, and the Company shall automatically reacquire, all Units (whether vested or unvested), and the Participant shall not be entitled to any payment therefor.

7. **SETTLEMENT OF THE AWARD.**

7.1 **Issuance of Shares of Stock.** Subject to the provisions of Section 7.3, as soon as reasonably practicable following the date upon which Units vest (such date, the "***Settlement Date***") (but in no event later than March 15th of the calendar year following the calendar year in which the Units vest), the Company shall issue to the Participant with respect to each such Vested Unit one (1) share of Stock. Shares of Stock issued in settlement of Units shall not be

subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 7.3, Section 7 or the Company's Securities Trading Policy or any stock ownership guidelines or holding period guidelines established by the Board from time to time.

7.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

7.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of United States federal, state law and Local Law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable United States federal, state or Local Law, or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, or the impracticality of doing so, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

7.4 Fractional Shares. The Company shall not be required to issue fractional shares upon the settlement of the Award.

8. TAX WITHHOLDING.

Regardless of any action the Company or the Service Recipient takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("***Tax-Related Items***"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due or deemed legally due by the Participant is and remains the Participant's responsibility and that the Company and the Service Recipient (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Units, including the grant and vesting of Units, subsequent delivery of shares or cash related to such Units or the subsequent sale of any shares acquired pursuant to such Units and receipt of any dividend equivalent payments (if any) and (ii) do not commit to structure the terms or any aspect of this grant of Units to reduce or eliminate the Participant's liability for Tax-Related Items.

The Participant shall satisfy Tax-Related Items by having the Company or the Service Recipient deduct from shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a Fair Market Value not in excess of the amount of such Tax-Related Items determined by the maximum applicable statutory withholding rates. Notwithstanding the foregoing, the Committee may instead, upon notice to the Participant, require the Participant to pay the Company or the Service Recipient in cash any amount of Tax-Related Items that the Company or the Service Recipient may be required to withhold as a result of the Participant's participation in the Plan or the Participant's receipt of Units (including, without limitation, by the Service Recipient withholding such amounts from the Participant's wages, which the Participant hereby authorizes). If the obligation for Tax-Related Items is satisfied by withholding a number of shares as described herein, the Participant understands that he or she will be deemed to have been issued the full number of shares subject to the settled Units, notwithstanding that a number of shares are held back solely for the purpose of paying Tax-Related Items due as a result of the settlement of the Units. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In the event that the amount of the withholding is greater than the amount of Tax-Related Items, the Company or the Service Recipient may refund the amount of the over-withholding to the Participant (with no entitlement to any Stock equivalent), or alternatively, the Company or the Service Recipient may require the Participant to seek a refund from the applicable tax authorities. In the event that the amount of the withholding is less than the amount of Tax-Related Items, the Participant may be required to pay the under-withheld Tax-Related Items to the Company and/or the Service Recipient or directly to the applicable tax authorities.

The Company may refuse to deliver the shares if the Participant fails to comply with the Participant's obligations in connection with Tax-Related Items.

The Participant acknowledges and understands that the Participant should consult a tax advisor regarding the Participant's tax obligations prior to such settlement or disposition.

9. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Section 409A, to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, or any other corporate transaction or event having an effect similar to any of the foregoing, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing,

conversion of any convertible securities of the Company shall not be treated as “effected without receipt of consideration by the Company.” Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company’s dividend policy, which shall be treated in accordance with Section 4.3) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 4.3 and Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment contract between the Service Recipient and the Participant, the Participant’s employment is “at will” and is for no specified term unless otherwise required under applicable law. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of the Service Recipient or interfere in any way with any right of the applicable Service Recipient to terminate the Participant’s Service at any time.

11. LEGENDS.

The Company may at any time place legends referencing any applicable United States federal, state or non-U.S. securities law, including Local Law, restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

12. MISCELLANEOUS PROVISIONS.

12.1 Termination or Amendment. The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as set forth in Section 9 or in connection with a Change in Control, no such termination or amendment may adversely affect the Participant’s rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

12.2 Nontransferability of the Award. Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant’s

beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

12.3 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

12.4 Binding Effect. This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

12.5 Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or non-U.S. postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include the Plan, the Grant Notice, this Agreement, the Plan Prospectus and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 12.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 12.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 12.5(a) or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of

such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 12.5(a).

12.6 Integrated Agreement. The Grant Notice (including its exhibits), this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

12.7 Country-Specific Terms and Conditions. Notwithstanding any other provision of this Agreement to the contrary, the Award shall be subject to the additional terms and conditions, if any, set forth in the Appendix to this Agreement which are applicable to the Participant's country, the provisions of which are incorporated in and constitute part of this Agreement. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions applicable to such country will apply to the Award to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan or this Agreement.

12.8 Applicable Law. This Agreement shall be governed by the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

12.9 Language. The Participant acknowledges that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the provisions in this Agreement and the Plan. Further, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

12.10 Insider Trading / Market Abuse Restrictions. The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the U.S. and the Participant's country of residence, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares or rights to shares (e.g., Units) or rights linked to the value of shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Securities Trading Policy. The Participant is responsible for ensuring compliance with any applicable restrictions.

12.11 **Foreign Asset and Account Reporting and Exchange Control**

Requirements. Certain foreign asset and foreign account reporting requirements and exchange controls may affect the Participant's ability to acquire or hold shares under the Plan or cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker or within a certain time after receipt. The Participant is responsible for complying with any applicable regulations and should consult the Participant's personal legal and tax advisors.

12.12 **Waiver.** The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

12.13 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.14 **Clawback.** The Award will be subject to recoupment in accordance with the Company's Compensation Recovery or any other clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

APPENDIX

ADDITIONAL TERMS AND CONDITIONS OF MAGNACHIP SEMICONDUCTOR CORPORATION RESTRICTED STOCK UNITS AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and the Agreement.

TERMS AND CONDITIONS

This Appendix includes additional terms and conditions that govern the Units granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below. If the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the Company shall, in its discretion, determine to what extent the additional terms and conditions contained herein shall apply to the Participant.

NOTIFICATIONS

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because such information may be out-of-date when the Participant's Units vest and/or the Participant sells any shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation. As a result, the Company is not in a position to assure the Participant of any particular result. The Participant is therefore advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the notifications contained herein may not apply to the Participant in the same manner.

Below please find additional terms and conditions, as well as notifications, that apply to Korea and the United States.

KOREA

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

If the Participant receives and owns Stocks at the time of delivery through a foreign financial account (i.e., financial account outside of Korea) and the total balance of all accounts of the Participant exceed KRW500 million on any last day of each month during a year, the Participant is required to file a Foreign Financial Account Report in accordance with the Korean tax law.

UNITED STATES

Terms and Conditions for Participants subject to Tax in the United States

1. The following paragraph is inserted as a new Section 12.15 to the Agreement:

“**Section 409A of the U.S. Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A, so that the income inclusion provisions of Section 409A(a)(1) do not apply. This Agreement shall be administered in a manner consistent with this intent. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall any Participating Company or any of their respective Subsidiary Corporations or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A or otherwise. For purposes of this Agreement, “**Section 409A**” means Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.”

Notifications

There are no country-specific notifications.

**MAGNACHIP SEMICONDUCTOR CORPORATION
RESTRICTED STOCK UNITS AGREEMENT
(PERFORMANCE-BASED)**

Magnachip Semiconductor Corporation (the “*Company*”) has granted to the Participant named in the Notice of Grant of Performance-Based Restricted Stock Units (the “*Grant Notice*”) to which this Restricted Stock Units Agreement (this “*Agreement*”) is attached an Award consisting of Restricted Stock Units subject to the terms and conditions set forth in the Grant Notice and this Agreement. The appendix attached hereto (the “*Appendix*”) and the terms and conditions for the Participant’s country set forth therein are incorporated by reference into this Agreement. The Participant shall be entitled to Dividend Equivalent Rights with respect to the Award.

The Award has been granted pursuant to and shall in all respects be subject to the terms conditions of the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan (the “*Plan*”), as amended from time to time, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the “*Plan Prospectus*”), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

(a) “*Dividend Equivalent Units*” mean additional Restricted Stock Units credited pursuant to Section 4.3.

(b) “*Units*” mean the Restricted Stock Units originally granted pursuant to the Award and the Dividend Equivalent Units credited pursuant to the Award, as both shall be adjusted from time to time pursuant to Section 10.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. **CERTAIN CONDITIONS OF THE AWARD.**

2.1 **Compliance with Local Law.** The Participant agrees that the Participant will not acquire shares pursuant to the Award, or transfer, assign, sell or otherwise deal in such shares except in compliance with Local Law.

2.2 **Service Conditions.** By accepting the Award, the Participant acknowledges and agrees that:

(a) Any notice period mandated under Local Law shall not be treated as Service for the purpose of determining the vesting of the Award; and the Participant's right to receive shares in settlement of the Award after termination of Service, if any, will be measured by the date of termination of the Participant's active Service and will not be extended by any notice period mandated under Local Law. Subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(b) The Units are subject to both a Time Condition and Performance Condition, both of which must be satisfied before the Units will be deemed vested and may be settled in accordance with this Agreement.

(c) The vesting of the Award shall cease upon, and no Units shall vest following, the termination of the Participant's Service for any reason other than as set forth in the Grant Notice. To the extent any Units are forfeited and cancelled pursuant to the terms of the Grant Notice or this Agreement, the Participant shall not be entitled to any compensation or other amount with respect thereto.

(d) The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement.

(e) The grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past.

(h) All decisions with respect to future Award grants, if any, will be at the sole discretion of the Company.

(f) The Participant's participation in the Plan shall not create a right to further Service with any Participating Company and shall not interfere with the ability of any Participating Company to terminate the Participant's Service at any time, with or without Cause (as defined in that certain Executive Service Agreement between the Participant and the Company, dated July 1, 2026), insofar as permitted under Local Law.

(g) The Participant is voluntarily participating in the Plan.

(h) The Award and resulting shares, if any, are an extraordinary item that does not constitute compensation of any kind for Service of any kind rendered to any Participating

Company, and which is outside the scope of the Participant's employment, consulting or other service contract, if any.

(i) The Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments.

(j) In the event that the Participant does not provide Service to the Participating Company, the Award grant will not be interpreted to form an employment, consulting or other service contract or relationship with the Participating Company.

(k) The future value of the underlying shares is unknown and cannot be predicted with certainty. If the Participant obtains shares upon settlement of the Award, the value of those shares may increase or decrease.

(l) In consideration of the grant of an Award, no claim or entitlement to compensation or damages arises from termination of the Award or diminution in value of the Award or shares acquired upon settlement of the Award resulting from termination of the Participant's Service (for any reason whether or not in breach of Local Law), and the Participant irrevocably releases the Company and each other Participating Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such a claim.

(m) Neither the Company nor Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award, or any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any shares acquired upon settlement.

2.3 Data Privacy Consent.

(A) THE PARTICIPANT HEREBY EXPLICITLY AND UNAMBIGUOUSLY CONSENTS TO THE COLLECTION, USE AND TRANSFER, IN ELECTRONIC OR OTHER FORM, OF THE PARTICIPANT'S PERSONAL DATA AS DESCRIBED IN THIS DOCUMENT BY AND AMONG THE MEMBERS OF THE PARTICIPATING COMPANY GROUP FOR THE EXCLUSIVE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN.

(B) THE PARTICIPANT UNDERSTANDS THAT THE PARTICIPATING COMPANY GROUP HOLDS CERTAIN PERSONAL INFORMATION ABOUT THE PARTICIPANT, INCLUDING, BUT NOT LIMITED TO, THE PARTICIPANT'S NAME, HOME ADDRESS AND TELEPHONE NUMBER, DATE OF BIRTH, SOCIAL SECURITY NUMBER OR OTHER IDENTIFICATION NUMBER, SALARY, NATIONALITY, JOB TITLE, ANY SHARES OR DIRECTORSHIPS HELD IN THE COMPANY, DETAILS OF ALL AWARDS OR ANY OTHER ENTITLEMENT TO SHARES AWARDED, CANCELED, EXERCISED, VESTED, UNVESTED OR OUTSTANDING IN THE PARTICIPANT'S FAVOR (COLLECTIVELY, "DATA"), FOR THE PURPOSE OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PLAN. THE PARTICIPANT UNDERSTANDS THAT DATA MAY BE TRANSFERRED TO ANY THIRD PARTIES

ASSISTING IN THE IMPLEMENTATION, ADMINISTRATION AND MANAGEMENT OF THE **PLAN**, THAT THESE RECIPIENTS MAY BE LOCATED IN THE **PARTICIPANT'S COUNTRY OR ELSEWHERE**, AND THAT THE RECIPIENT'S COUNTRY MAY HAVE DIFFERENT DATA PRIVACY LAWS AND PROTECTIONS THAN THE **PARTICIPANT'S COUNTRY**.

(C) **THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY REQUEST A LIST WITH THE NAMES AND ADDRESSES OF ANY POTENTIAL RECIPIENTS OF THE DATA BY CONTACTING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT AUTHORIZES THE RECIPIENTS TO RECEIVE, POSSESS, USE, RETAIN AND TRANSFER THE DATA, IN ELECTRONIC OR OTHER FORM, FOR THE PURPOSES OF IMPLEMENTING, ADMINISTERING AND MANAGING THE PARTICIPANT'S PARTICIPATION IN THE PLAN, INCLUDING ANY REQUISITE TRANSFER OF SUCH DATA AS MAY BE REQUIRED TO A BROKER OR OTHER THIRD PARTY WITH WHOM THE PARTICIPANT MAY ELECT TO DEPOSIT ANY SHARES ACQUIRED UPON SETTLEMENT OF THE AWARD. THE PARTICIPANT UNDERSTANDS THAT DATA WILL BE HELD ONLY AS LONG AS IS NECESSARY TO IMPLEMENT, ADMINISTER AND MANAGE THE PARTICIPANT'S PARTICIPATION IN THE PLAN. THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY, AT ANY TIME, VIEW DATA, REQUEST ADDITIONAL INFORMATION ABOUT THE STORAGE AND PROCESSING OF DATA, REQUIRE ANY NECESSARY AMENDMENTS TO DATA OR REFUSE OR WITHDRAW THE CONSENTS HEREIN, IN ANY CASE WITHOUT COST, BY CONTACTING IN WRITING THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE. THE PARTICIPANT UNDERSTANDS, HOWEVER, THAT REFUSING OR WITHDRAWING THE PARTICIPANT'S CONSENT MAY AFFECT THE PARTICIPANT'S ABILITY TO PARTICIPATE IN THE PLAN. FOR MORE INFORMATION ON THE CONSEQUENCES OF THE PARTICIPANT'S REFUSAL TO CONSENT OR WITHDRAWAL OF CONSENT, THE PARTICIPANT UNDERSTANDS THAT HE OR SHE MAY CONTACT THE PARTICIPANT'S LOCAL HUMAN RESOURCES REPRESENTATIVE.**

3. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee, including the determinations regarding the achievement of the Performance Metrics set forth in the Grant Notice, shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation or election which is the responsibility of or which is allocated to the Company herein, provided that the Officer has actual authority with respect to such matter, right, obligation or election.

4. THE AWARD.

4.1 Grant of Units. The Company hereby grants to the Participant, subject to the provisions of this Agreement, the Total Number of the Units set forth in the Grant Notice, subject to adjustment as provided in Section 4.3 and Section 10. Subject to the terms and

conditions set forth in the Grant Notice, this Agreement and the Plan, each Unit represents a right to receive on a date determined in accordance with the Grant Notice and this Agreement one (1) share of Stock.

4.2 No Monetary Payment Required. The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units.

4.3 Dividend Equivalent Units. On the date that the Company pays a cash dividend to holders of Stock generally, the Participant shall be credited with a number of additional whole Dividend Equivalent Units determined by dividing (a) the product of (i) the dollar amount of the cash dividend paid per share of Stock on such date and (ii) the total number of the Units and Dividend Equivalent Units previously credited to the Participant pursuant to the Award and which have not been settled or forfeited pursuant to Section 6 below as of such date, by (b) the Fair Market Value per share of Stock on such date. Any resulting fractional Dividend Equivalent Unit shall be rounded to the nearest whole number. Such additional Dividend Equivalent Units shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Units originally subject to the Award with respect to which they have been credited.

5. VESTING OF UNITS.

Units acquired pursuant to this Agreement shall be eligible to vest as provided in the Grant Notice. Dividend Equivalent Units shall become vested Units at the same time as the Units originally subject to the Award with respect to which they have been credited.

6. FORFEITURE OF UNITS.

In the event that the Participant's Service is terminated by the Service Recipient for Cause, insofar as permitted under Local Law the Participant shall forfeit, and the Company shall automatically reacquire, all Units (whether vested or unvested), and the Participant shall not be entitled to any payment therefor.

7. SETTLEMENT OF THE AWARD.

7.1 Issuance of Shares of Stock. Subject to the provisions of Section 7.3, as soon as reasonably practicable following the date upon which Units satisfy the vesting conditions (such date, the "***Settlement Date***") (but in no event later than March 15th of the calendar year following the calendar year in which the Units vest), the Company shall issue to the Participant with respect to each such Vested Unit one (1) share of Stock. Shares of Stock issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 7.3, Section 7 or the Company's Securities Trading Policy or any stock ownership guidelines or holding period guidelines established by the Board from time to time.

7.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including

any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

7.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of United States federal, state law and Local Law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable United States federal, state or Local Law, or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, or the impracticality of doing so, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

7.4 Fractional Shares. The Company shall not be required to issue fractional shares upon the settlement of the Award.

8. TAX WITHHOLDING.

Regardless of any action the Company or the Service Recipient takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("***Tax-Related Items***"), the Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due or deemed legally due by the Participant is and remains the Participant's responsibility and that the Company and the Service Recipient (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Units, including the grant and vesting of Units, subsequent delivery of shares or cash related to such Units or the subsequent sale of any shares acquired pursuant to such Units and receipt of any dividend equivalent payments (if any) and (ii) do not commit to structure the terms or any aspect of this grant of Units to reduce or eliminate the Participant's liability for Tax-Related Items.

The Participant shall satisfy Tax-Related Items by having the Company or the Service Recipient deduct from shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a Fair Market Value not in excess of the amount of such Tax-Related Items determined by the maximum applicable statutory withholding rates. Notwithstanding the foregoing, the Committee may instead, upon notice to the Participant, require the Participant to pay the Company or the Service Recipient in cash any amount of Tax-Related Items that the Company or the Service Recipient may be required to withhold as a result of the Participant's participation in the Plan or the Participant's receipt of Units (including,

without limitation, by the Service Recipient withholding such amounts from the Participant's wages, which the Participant hereby authorizes). If the obligation for Tax-Related Items is satisfied by withholding a number of shares as described herein, the Participant understands that he or she will be deemed to have been issued the full number of shares subject to the settled Units, notwithstanding that a number of shares are held back solely for the purpose of paying Tax-Related Items due as a result of the settlement of the Units. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In the event that the amount of the withholding is greater than the amount of Tax-Related Items, the Company or the Service Recipient may refund the amount of the over-withholding to the Participant (with no entitlement to any Stock equivalent), or alternatively, the Company or the Service Recipient may require the Participant to seek a refund from the applicable tax authorities. In the event that the amount of the withholding is less than the amount of Tax-Related Items, the Participant may be required to pay the under-withheld Tax-Related Items to the Company and/or the Service Recipient or directly to the applicable tax authorities.

The Company may refuse to deliver the shares if the Participant fails to comply with the Participant's obligations in connection with Tax-Related Items.

The Participant acknowledges and understands that the Participant should consult a tax advisor regarding the Participant's tax obligations prior to such settlement or disposition.

9. EFFECT OF CHANGE IN CONTROL.

In the event of a Change in Control during the Performance Period, the Units shall be treated as set forth in the Grant Notice and Section 11 of the Plan.

10. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Section 409A, to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, or any other corporate transaction or event having an effect similar to any of the foregoing, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the

Company's dividend policy, which shall be treated in accordance with Section 4.3) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

11. **RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.**

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 4.3 and Section 10. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment contract between the Service Recipient and the Participant, the Participant's employment is "at will" and is for no specified term unless otherwise required under applicable law. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of the Service Recipient or interfere in any way with any right of the applicable Service Recipient to terminate the Participant's Service at any time.

12. **LEGENDS.**

The Company may at any time place legends referencing any applicable United States federal, state or non-U.S. securities law, including Local Law, restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

13. **MISCELLANEOUS PROVISIONS.**

13.1 Termination or Amendment. The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as set forth in the Grant Notice in connection with a Change in Control or in Section 10, no such termination or amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

13.2 Nontransferability of the Award. Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with

respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.3 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.4 Binding Effect. This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.5 Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or non-U.S. postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include the Plan, the Grant Notice, this Agreement, the Plan Prospectus and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 13.5(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 13.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.5(a) or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail.

Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.5(a).

13.6 Integrated Agreement. The Grant Notice (including its exhibits), this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

13.7 Country-Specific Terms and Conditions. Notwithstanding any other provision of this Agreement to the contrary, the Award shall be subject to the additional terms and conditions, if any, set forth in the Appendix to this Agreement which are applicable to the Participant's country, the provisions of which are incorporated in and constitute part of this Agreement. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions applicable to such country will apply to the Award to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan or this Agreement.

13.8 Applicable Law. This Agreement shall be governed by the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

13.9 Language. The Participant acknowledges that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the provisions in this Agreement and the Plan. Further, if the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13.10 Insider Trading / Market Abuse Restrictions. The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the U.S. and the Participant's country of residence, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares or rights to shares (e.g., Units) or rights linked to the value of shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Securities Trading Policy. The Participant is responsible for ensuring compliance with any applicable restrictions.

13.11 **Foreign Asset and Account Reporting and Exchange Control**

Requirements. Certain foreign asset and foreign account reporting requirements and exchange controls may affect the Participant's ability to acquire or hold shares under the Plan or cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker or within a certain time after receipt. The Participant is responsible for complying with any applicable regulations and should consult the Participant's personal legal and tax advisors.

13.12 **Waiver.** The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

13.13 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.14 **Clawback.** The Award will be subject to recoupment in accordance with the Company's Compensation Recovery Policy or any other clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

APPENDIX

ADDITIONAL TERMS AND CONDITIONS OF MAGNACHIP SEMICONDUCTOR CORPORATION RESTRICTED STOCK UNITS AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and the Agreement.

TERMS AND CONDITIONS

This Appendix includes additional terms and conditions that govern the Units granted to the Participant under the Plan if the Participant resides and/or works in one of the countries listed below. If the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the Company shall, in its discretion, determine to what extent the additional terms and conditions contained herein shall apply to the Participant.

NOTIFICATIONS

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2022. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of the Participant's participation in the Plan because such information may be out-of-date when the Participant's Units vest and/or the Participant sells any shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation. As a result, the Company is not in a position to assure the Participant of any particular result. The Participant is therefore advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident (or is deemed to be a citizen or resident for local law purposes) of a country other than the country in which the Participant is currently residing and/or working, or if the Participant relocates to another country after the grant of the Units, the notifications contained herein may not apply to the Participant in the same manner.

Below please find additional terms and conditions, as well as notifications, that apply to Korea and the United States.

KOREA

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

If the Participant receives and owns Stocks at the time of delivery through a foreign financial account (i.e., financial account outside of Korea) and the total balance of all accounts of the Participant exceed KRW500 million on any last day of each month during a year, the Participant is required to file a Foreign Financial Account Report in accordance with the Korean tax law.

UNITED STATES

Terms and Conditions for Participants subject to Tax in the United States

1. The following paragraph is inserted as a new Section 13.15 to the Agreement:

“**Section 409A of the U.S. Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A, so that the income inclusion provisions of Section 409A(a)(1) do not apply. This Agreement shall be administered in a manner consistent with this intent. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall any Participating Company or any of their respective Subsidiary Corporations or Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A or otherwise. For purposes of this Agreement, “**Section 409A**” means Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.”

Notifications

There are no country-specific notifications.

MAGNACHIP SEMICONDUCTOR CORPORATION
STOCK OPTION AGREEMENT
(For US Participant)

Magnachip Semiconductor Corporation (the “*Company*”) has granted to the Participant named in the Notice of Grant of Stock Option (the “*Grant Notice*”) to which this Stock Option Agreement (the “*Option Agreement*”) is attached an option (the “*Option*”) to purchase certain shares of Stock upon the terms and conditions set forth in the Grant Notice and this Option Agreement. The Option has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan (as amended from time to time, the “*Plan*”), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of, and represents that the Participant has read and is familiar with, the Grant Notice, this Option Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of shares issuable pursuant to the Option (the “*Plan Prospectus*”), (b) accepts the Option subject to all of the terms and conditions of the Grant Notice, this Option Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Grant Notice, this Option Agreement or the Plan.

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Option Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. TAX CONSEQUENCES.

2.1 Tax Status of Option. This Option is intended to have the tax status designated in the Grant Notice.

(a) ***Incentive Stock Option.*** If the Grant Notice so designates, this Option is intended to be an Incentive Stock Option within the meaning of Section 422(b) of the Code, but the Company does not represent or warrant that this Option qualifies as such. The Participant should consult with the Participant’s own tax advisor regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. (NOTE TO PARTICIPANT: If the Option is exercised more than three (3) months after the date on which you cease to be an Employee (other than by reason of your death or permanent and total disability as defined in Section 22(e)(3) of the Code), the Option will be treated as a Nonstatutory Stock Option and not as an Incentive Stock Option to the extent required by Section 422 of the Code.)

(b) **Nonstatutory Stock Option.** If the Grant Notice so designates, this Option is intended to be a Nonstatutory Stock Option and shall not be treated as an Incentive Stock Option within the meaning of Section 422(b) of the Code.

2.2 ISO Fair Market Value Limitation. If the Grant Notice designates this Option as an Incentive Stock Option, then to the extent that the Option (together with all Incentive Stock Options granted to the Participant under all stock option plans of the Participating Company Group, including the Plan) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portion of such options which exceeds such amount will be treated as Nonstatutory Stock Options. For purposes of this Section 2.2, options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of stock is determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a different limitation from that set forth in this Section 2.2, such different limitation shall be deemed incorporated herein effective as of the date required or permitted by such amendment to the Code. If the Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section 2.2, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion shall be issued upon the exercise of the Option. (NOTE TO PARTICIPANT: If the aggregate Exercise Price of the Option (that is, the Exercise Price multiplied by the Number of Option Shares) plus the aggregate exercise price of any other Incentive Stock Options you hold (whether granted pursuant to the Plan or any other stock option plan of the Participating Company Group) is greater than \$100,000, you should contact the Chief Financial Officer of the Company to ascertain whether the entire Option qualifies as an Incentive Stock Option.)

3. ADMINISTRATION.

All questions of interpretation concerning the Grant Notice, this Option Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Option shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Option, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Option or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Option. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has actual authority with respect to such matter, right, obligation, or election.

4. EXERCISE OF THE OPTION.

4.1 Right to Exercise. Except as otherwise provided herein, the Option shall be exercisable on and after the Initial Vesting Date and prior to the termination of the Option (as

provided in Section 6) in an amount not to exceed the number of Vested Shares less the number of shares previously acquired upon exercise of the Option. In no event shall the Option be exercisable for more shares than the Number of Option Shares, as adjusted pursuant to Section 9.

4.1 Method of Exercise. Exercise of the Option shall be by means of electronic or written notice (the “*Exercise Notice*”) in a form authorized by the Company. An electronic Exercise Notice must be digitally signed or authenticated by the Participant in such manner as required by the notice and transmitted to the Company or an authorized representative of the Company (including a third-party administrator designated by the Company). In the event that the Participant is not authorized or is unable to provide an electronic Exercise Notice, the Option shall be exercised by a written Exercise Notice addressed to the Company, which shall be signed by the Participant and delivered in person, by certified or registered mail, return receipt requested, or by such other means as the Company may permit, to the Company, or an authorized representative of the Company (including a third-party administrator designated by the Company). Each Exercise Notice, whether electronic or written, must state the Participant’s election to exercise the Option, the number of whole shares of Stock for which the Option is being exercised and such other representations and agreements as to the Participant’s investment intent with respect to such shares as may be required pursuant to the provisions of this Option Agreement. Further, each Exercise Notice must be received by the Company prior to the termination of the Option as set forth in Section 6 and must be accompanied by full payment of the aggregate Exercise Price for the number of shares of Stock being purchased. The Option shall be deemed to be exercised upon receipt by the Company of such electronic or written Exercise Notice and the aggregate Exercise Price.

4.2 Payment of Exercise Price. Payment of the aggregate Exercise Price for the number of shares of Stock for which the Option is being exercised shall be made by one or more of the following methods: (i) in cash, by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Stock owned by the Participant having a value at the time of exercise equal to the total Exercise Price, (iii) subject to any conditions or limitations established by the Committee, by the withholding of Stock otherwise issuable upon exercise of an Option pursuant to a “net exercise” arrangement (it being understood that, solely for purposes of determining the number of treasury shares held by the Company, the Stock so withheld will not be treated as issued and acquired by the Company upon such exercise), (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Committee.

4.3 Tax Withholding.

(a) ***In General.*** At the time the Option is exercised, in whole or in part, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company Group, if any, which arise in connection with the Option. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company Group have been satisfied by the Participant.

(b) ***Withholding in Shares.*** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations upon exercise of the Option by deducting from the shares of Stock otherwise issuable to the Participant upon such exercise a number of whole shares having a fair market value, as determined by the Company as of the date of exercise, not in excess of the maximum amount permitted under the Plan.

4.4 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all shares acquired by the Participant pursuant to the exercise of the Option. Except as provided by the preceding sentence, a certificate for the shares as to which the Option is exercised shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

4.5 Restrictions on Grant of the Option and Issuance of Shares. The grant of the Option and the issuance of shares of Stock upon exercise of the Option shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (i) a registration statement under the Securities Act shall at the time of exercise of the Option be in effect with respect to the shares issuable upon exercise of the Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. **THE PARTICIPANT IS CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE PARTICIPANT MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED.** The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of the Option, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

4.6 Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise of the Option.

5. NONTRANSFERABILITY OF THE OPTION.

During the lifetime of the Participant, the Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. The Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary,

except transfer by will or by the laws of descent and distribution. Following the death of the Participant, the Option, to the extent provided in Section 7, may be exercised by the Participant's legal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

6. TERMINATION OF THE OPTION.

The Option shall terminate and may no longer be exercised after the first to occur of (a) the close of business on the Option Expiration Date, (b) the close of business on the last date for exercising the Option following termination of the Participant's Service as described in Section 7, or (c) a Change in Control to the extent provided in Section 8.

7. EFFECT OF TERMINATION OF SERVICE.

7.1 Option Exercisability. The Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period as determined below and thereafter shall terminate.

(a) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months after the Participant's termination of Service.

(c) **Termination for Cause.** Notwithstanding any other provision of this Option Agreement to the contrary, if the Participant's Service is terminated for Cause (as defined in that certain Executive Service Agreement between the Participant and the Company, dated July 1, 2026) or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(d) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for Vested Shares by the Participant on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3)

months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

7.2 Extension if Exercise Prevented by Law. Notwithstanding the foregoing, other than termination of the Participant's Service for Cause, if the exercise of the Option within the applicable time periods set forth in Section 7.1 is prevented by the provisions of Section 4.6, the Option shall remain exercisable until the later of (a) thirty (30) days after the date such exercise first would no longer be prevented by such provisions, or (b) the end of the applicable time period under Section 7.1, but in any event no later than the Option Expiration Date.

8. EFFECT OF CHANGE IN CONTROL.

In the event of a Change in Control, the Option shall be treated in accordance with the terms of the Plan and any action taken by the Committee pursuant thereto. Without limiting the foregoing, the Committee may provide for assumption, substitution, acceleration, cash-out, cancellation or other treatment of the Option as permitted under Sections 11, 12 and 18(c) of the Plan.

9. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number, Exercise Price and kind of shares subject to the Option, in order to prevent dilution or enlargement of the Participant's rights under the Option. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number and the Exercise Price shall be rounded up to the nearest whole cent. In no event may the Exercise Price be decreased to an amount less than the par value, if any, of the stock subject to the Option. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.

The Participant shall have no rights as a stockholder with respect to any shares covered by the Option until the date of the issuance of the shares for which the Option has been exercised (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating

Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Option Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service as a Director, an Employee or Consultant, as the case may be, at any time.

11. NOTICE OF SALES UPON DISQUALIFYING DISPOSITION.

The Participant shall dispose of the shares acquired pursuant to the Option only in accordance with the provisions of this Option Agreement. In addition, if the Grant Notice designates this Option as an Incentive Stock Option, the Participant shall (a) promptly notify the Chief Financial Officer of the Company if the Participant disposes of any of the shares acquired pursuant to the Option within one (1) year after the date the Participant exercises all or part of the Option or within two (2) years after the Date of Grant and (b) provide the Company with a description of the circumstances of such disposition. Until such time as the Participant disposes of such shares in a manner consistent with the provisions of this Option Agreement, unless otherwise expressly authorized by the Company, the Participant shall hold all shares acquired pursuant to the Option in the Participant's name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Participant to notify the Company of any such transfer shall continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

12. LEGENDS.

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock subject to the provisions of this Option Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to the Option in the possession of the Participant in order to carry out the provisions of this Section.

13. MISCELLANEOUS PROVISIONS.

13.1 Termination or Amendment. The Committee may terminate or amend the Plan or the Option at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may adversely affect the Option or any unexercised portion hereof without the consent of the Participant unless such termination or amendment is necessary to comply with any applicable law or government regulation. No amendment or addition to this Option Agreement shall be effective unless in writing.

13.2Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Option Agreement.

13.3Binding Effect. This Option Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.4Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Option Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include, the Plan, the Grant Notice, this Option Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice and Exercise Notice called for by Section 4.2 to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 13.4(a) of this Option Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice and Exercise Notice, as described in Section 13.4(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.4(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.4(a).

13.5Integrated Agreement. The Grant Notice, this Option Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein, the provisions of the Grant Notice, the Option Agreement and the Plan shall survive any exercise of the Option and shall remain in full force and effect.

13.6Applicable Law. This Option Agreement shall be governed by the laws of the State of Delaware. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Option Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

13.7Insider Trading / Market Abuse Restrictions. The Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including, but not limited to, the U.S. and the Participant's country of residence, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of shares or rights to shares or rights linked to the value of shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's securities trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions.

13.8Foreign Asset and Account Reporting and Exchange Control Requirements. Certain foreign asset and foreign account reporting requirements and exchange controls may affect the Participant's ability to acquire or hold shares under the Plan or cash received from participating in the Plan in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker or within a certain time after receipt. The Participant is responsible for complying with any applicable regulations and should consult the Participant's personal legal and tax advisors.

13.9Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Option Agreement by the Participant shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant.

13.10Counterparts. The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.11 **Clawback.** The Option will be subject to recoupment in accordance with the Company's Compensation Recovery Policy or any other clawback or recoupment policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Chae Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Magnachip Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 10, 2026

/s/ Chae Lee

Chae Lee
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Shinyoung Park, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Magnachip Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 10, 2026

/s/ Shinyoung Park

Shinyoung Park

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Magnachip Semiconductor Corporation (the “**Company**”) hereby certifies, to such officer’s knowledge, that:

- (i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “**Report**”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: August 10, 2026

/s/ Chae Lee

Chae Lee
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Magnachip Semiconductor Corporation (the “**Company**”) hereby certifies, to such officer’s knowledge, that:

- (i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “**Report**”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: August 10, 2026

/s/ Shinyoung Park

Shinyoung Park
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
