

MAGNACHIP SEMICONDUCTOR CORPORATION

CORPORATE GOVERNANCE GUIDELINES

Effective August 20, 2020

Role of Board and Management

The Board of Directors (the “Board”) of MagnaChip Semiconductor Corporation (the “Company”), which is elected by the stockholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders. The Board selects the senior management team, which is charged with the conduct of the Company’s business. Having selected the senior management team, the Board acts as an advisor and counselor to senior management and ultimately monitors its performance.

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. Directors are expected to devote the time necessary to appropriately discharge their responsibilities and to prepare for and, to the extent practicable, attend and participate in all meetings of the Board and of committees on which they serve. In fulfilling these responsibilities, directors may reasonably rely on the honesty and integrity of the Company’s senior management and expert legal, accounting, financial and other advisors.

Director Qualifications

Consistent with the charter of the Nominating and Corporate Governance Committee of the Board (the “Nominating Committee”), the Nominating Committee will evaluate and recommend to the Board director nominees for each election of directors.

In fulfilling its responsibilities, the Nominating Committee considers the following factors in reviewing possible candidates for nomination as director:

- the appropriate size of the Company’s Board and its committees;
- the perceived needs of the Board for particular skills, background and business experience;
- the skills, background, reputation, and business experience of nominees compared to the skills, background, reputation, and business experience already possessed by other members of the Board;
- nominees’ independence from management;
- applicable regulatory and listing requirements, including independence requirements and legal considerations, such as antitrust compliance;
- the benefits of a constructive working relationship among directors; and
- the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

The Nominating Committee's goal is to assemble a Board that brings to the Company a variety of perspectives and skills derived from high quality business and professional experience. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the best interests of our stockholders. They must also have an inquisitive and objective perspective and mature judgment. Director candidates must have sufficient time available in the judgment of the Nominating Committee to perform all Board and committee responsibilities. Directors are expected to prepare for, attend and participate in all Board and applicable committee meetings.

Other than the foregoing, there are no stated minimum criteria for director nominees, although the Nominating Committee may also consider such other factors as it may deem, from time to time, are in the best interests of the Company and its stockholders. The Nominating Committee believes that it is preferable that at least one member of the Board should meet the criteria for an "audit committee financial expert" as defined by SEC rules. Under applicable listing requirements, at least a majority of the members of the Board must meet the definition of "independent director" subject to applicable phase-in exceptions under applicable laws and regulations. The Nominating Committee also believes it appropriate for one or more key members of the Company's management to participate as members of the Board. Directors are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings.

Director Independence

A majority of the directors shall satisfy the independence requirements of Section 10A of the Securities Exchange Act of 1934, as amended, the New York Stock Exchange (the "NYSE") and any other regulatory authority, subject to applicable phase-in exceptions under applicable laws and regulations. In making a determination regarding a director's independence, the Board shall consider all relevant facts and circumstances, including the director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and such other criteria as the Board may, in its discretion, determine relevant.

Limits on Director Outside Activities

Directors must be willing to devote sufficient time to carry out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Each director is expected to ensure that other existing and planned future commitments do not conflict with or materially interfere with the member's service as a director. Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict.

As a general policy, no director may serve on more than four (4) public company boards (including the Company's Board), subject to the waiver of such restriction by a majority of disinterested members of the Board. Directors should advise the Chairperson (as defined below) in advance of accepting an invitation to serve on the board of directors (or similar body) of another company. Additionally, the Chief Executive Officer (the "CEO") and other executive officers of the Company must seek the approval of the Board before accepting membership on other boards (or similar bodies), including corporate and charitable boards.

Retirement Age

The Board does not believe that a fixed retirement age for directors is appropriate.

Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

Significant Change in Occupation

Directors shall notify the Chairperson and the chair of the Nominating Committee of any significant change in his or her occupation (including retirement), employer, or status as a member of the board or officer of any other company or organization. The Board does not believe directors who retire or change their principal occupation, employer or business associations should necessarily leave the Board. However, promptly following any such event, the director shall offer to tender his or her resignation to the Nominating Committee, so that there is an opportunity for the Board, through the Nominating Committee, to review the continued appropriateness of Board membership under the new circumstances and recommend to the Board whether to accept or reject such offer of resignation.

Size of Board

There are currently seven (7) seats on the Board. The size of the Board is set from time to time by the Board in accordance with the Company's bylaws. The Board reviews from time to time the appropriate size of the Board. The Board will consider changing its size to accommodate outstanding candidates or to satisfy specific governance needs.

Chairperson

The Board may periodically appoint a Chairperson of the Board ("Chairperson"). (In the event that the Chairperson is a female, she will be referred to as "Chairwoman", and in the event that the Chairperson is a male, he will be referred to as "Chairman". Both independent and management directors, including the CEO, are eligible for appointment as the Chairperson. If the Board appoints a Chairperson, he or she shall perform such duties and possess such powers as are assigned to him or her by the Board and the Company's bylaws. Unless otherwise provided by the Board, he or she shall preside at all meetings of the Board. The Chairperson must be a director of the Company. The Board believes that the Chairperson should generally serve for a term of two (2) years, provided that the Board may modify such term or change the Chairperson at any time and from time to time at its discretion.

The duties and responsibilities of the Chairperson include the following: (a) presiding and facilitating discussions at meetings of the Board; (b) working with the Lead Director, if there is a Lead Director, and management in preparing Board meeting agendas and the need for special meetings; (c) receiving, distributing to the Board and arranging responses to communications from stockholders and the investment community; (d) meeting separately with each director at least annually; and (e) performing such other duties as requested by the Board or as provided in the Company's bylaws. The Chairperson shall be identified as the recipient of stockholder communications in the annual meeting proxy statement. The Chairperson shall be compensated for his or her services as to be determined by the Compensation Committee of the Board (the "Compensation Committee").

Presiding Director

The presiding director of the Board (the "Presiding Director") shall be the Chairperson, if present, or in such person's absence, the Lead Director (as defined below) if the Board has a Lead Director at such

time, or in such person or persons' absence, the Chair of the Audit Committee, or in such person's absence, the independent director present who has the most seniority on the Board. The Presiding Director shall preside at all meetings of the Board. The chair of the various Board committees shall take the lead on matters falling within their purview.

Lead Director

If the positions of Chairperson and CEO are held by the same person or the Chairperson is not otherwise an independent director, on an annual basis, the independent members of the Board will select a lead director from the independent directors ("Lead Director"). The length of service as Lead Director is subject to the Board's discretion, but will generally be a minimum of one (1) year, subject to the discretion of the Board to change the Lead Director at any time and from time to time. The Lead Director has the authority to call meetings of the independent directors.

If there is a Lead Director, the duties and responsibilities of the Lead Director include the following: (a) presiding at meetings if requested by the Chairperson or in the absence of the Chairperson, including presiding at executive sessions of the Board's non-employee directors and executive sessions of the independent directors of the Board; (b) working with the Chairperson and management in preparing Board meeting agendas and the need for special meetings; (c) facilitating communications between the Board and management and directors' ability to influence Board meeting agendas; (d) advising and consulting with the Chairperson and the CEO on matters related to governance and Board performance; (e) receiving, distributing to the Board and arranging responses to communications from stockholders and the investment community; (f) assisting in optimizing the effectiveness of the Board and its independence from management; (g) serving as liaison between the Chairperson and the independent directors; (h) meeting separately with each director at least annually; (i) evaluating the performance of the independent directors; and (j) performing such other duties as requested by the Board. If there is a Lead Director, the Lead Director shall be identified as the recipient of stockholder communications in the annual meeting proxy statement. The Lead Director shall be compensated for his or her services as to be determined by the Compensation Committee.

As a general matter, there shall be no Lead Director if the positions of Chairperson and CEO are not held by the same person and the Chairperson is an independent director. Notwithstanding the foregoing, even if the positions of Chairperson and CEO are not held by the same person or the Chairperson is an independent director, the Board, in its discretion, may appoint another independent director to be a Lead Director. In such case, the duties and responsibilities of the Lead Director will be as set forth in the immediately preceding paragraph, provided that any duty, responsibility or authority already assigned or otherwise delegated to the Chairperson shall take precedence in the Chairperson, and the Lead Director will at all times fully defer to the Chairperson with respect to all such duties and responsibilities.

Separation of Chairperson and CEO

The Board elects its Chairperson and appoints the Company's CEO according to its view of what is best for the Company at any given time. The Board does not believe there should be a fixed rule as to whether the offices of Chairperson and CEO should be vested in the same person or two (2) different people, or whether the Chairperson should be an employee of the Company or should be elected from among the non-employee directors. The needs of the Company and the individuals available to perform these roles may dictate different outcomes at different times, and the Board believes that retaining flexibility in these decisions is in the best interest of the Company.

Executive Sessions of Independent Directors

The independent directors of the Board will meet in executive session at least two (2) times each year in connection with regularly scheduled Board meetings and at any other time requested by any independent director. The Chairperson, to the extent independent, or the Lead Director, as applicable, will set the agenda, chair and supervise the conduct of the meetings of independent directors, and communicate the results of the meetings to the Board and CEO, as appropriate.

Agenda

The Chairperson or the Lead Director, as applicable, and the CEO will have primary responsibility for preparing the agenda for each Board meeting and arranging for it to be sent in advance of the Board meeting to the directors along with appropriate written information and background materials. Each Board committee, and each director, is encouraged to suggest items for inclusion on the agenda.

Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

Board Access to Management

The independent members of the Board shall have access to Company management and employees in order to obtain the information necessary to fulfill their duties. The Board may establish a process for such inquiries.

Retention of Advisors/Consultants

The Board and each committee of the Board shall have the authority to retain outside financial, legal or other advisors as they deem appropriate, and shall have the authority to obtain advice, reports or opinions from internal and external counsel and advisors, without consulting with or obtaining approval from any officer of the Company.

Board and Committee Evaluation

The Board and each committee will perform an annual self-evaluation. Each December or such other time as may be established by the Board, the directors will be requested to provide their assessments of the effectiveness of the Board and the committees on which they serve to the Nominating Committee. The individual assessments will be summarized by the Nominating Committee and reported for discussion to the full Board and the committees. The Nominating Committee should also report its assessment of the Board's compliance with the principles set forth in these guidelines as well as identification of areas in which the Board or committees could improve performance.

Director Nomination Process

The Nominating Committee will review annually the results of the evaluation of the Board and its committees, and the needs of the Board for various skills, experience, expected contributions and other characteristics in determining the director candidates to be nominated at the annual meeting. The Nominating Committee will evaluate candidates for directors proposed by directors, stockholders or

management in light of the committee's views of the current needs of the Board for certain skills, experience or other characteristics, the candidate's background, skills, experience, other characteristics and expected contributions and the qualification standards established from time to time by the Nominating Committee. If the Nominating Committee believes that the Board requires additional candidates for nomination, the committee will engage, as appropriate, a third party search firm to assist in identifying qualified candidates. All directors and nominees will submit a completed form of directors' and officers' questionnaire as part of the nominating process. The process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Nominating Committee.

Communications by Stockholders with Directors

Stockholders and other interested parties may communicate with any and all Company directors, including the Chairperson or the Lead Director, as applicable, by transmitting correspondence by mail, facsimile, addressed as follows:

Chairperson of the Board
or Lead Director
or Board of Directors
or individual director
MagnaChip Semiconductor Corporation
c/o MagnaChip Semiconductor, Ltd.
Corporate Secretary
501, Teheran-ro, Gangnam-gu,
Seoul, Republic of Korea 06168
Facsimile: +82 (2) 6903-5093

The Corporate Secretary shall maintain a log of such communications and transmit as soon as practicable such communications to the identified director addressee(s), unless there are safety or security concerns that mitigate against further transmission of the communication or the communication contains commercial matters not related to the stockholder's stock ownership, as determined by the Corporate Secretary in consultation with the General Counsel. The Board or individual directors so addressed shall be advised of any communication withheld for safety or security reasons as soon as practicable.

Communications with Investors

The Board believes that senior management (including the CEO) and authorized employees generally speak for the Company. An individual director should not communicate in his or her capacity as a director of the Company with any Investor (as defined below) without the prior approval of the Board. Generally, if a director receives any substantive communication from an Investor regarding the Company (including any matter relating to corporate governance, management, compensation, operations or financials, or any offer or proposal relating a transaction involving the Company), such director should promptly inform the Board of such communication and should not respond in a substantive manner to such incoming communication without the prior approval of the Board. For the purposes of this paragraph, "Investor" means and includes any current or potential investor of the Company, any third party interested in acquiring the Company or any of its businesses or material assets, or any third party whose company, business or material assets the Company would be interested in acquiring.

Director Attendance at Annual Meetings Policy

The Company will make every effort to schedule its annual meeting of stockholders at a time and date to maximize attendance by directors taking into account the directors' schedules. The Company believes that annual meetings provide an opportunity for stockholders to communicate with directors. All directors shall make every effort to attend the Company's annual meeting of stockholders.

Director Compensation

On an annual basis, the Compensation Committee shall review the compensation for non-employee directors. The Compensation Committee shall be responsible for recommending to the full Board changes in the compensation for non-employee directors, and shall be guided by the following goals:

- directors should be fairly compensated for the work required in discharge of their duties;
- compensation should align the directors' interests with the long-term interests of stockholders; and
- the compensation policy should be easy for stockholders to understand.

Stock Ownership Guidelines

In order to align directors' and officers' interests and objectives with that of stockholders and further promote the Company's longstanding commitment to sound corporate governance, the Company has established guidelines for Company stock ownership and retention in its Executive Officer and Director Stock Ownership Policy, effective as of July 12, 2018, as amended or restated from time to time.

Director Education and Orientation

The Nominating Committee shall develop and maintain an orientation program for new directors that shall include meetings with senior management and visits to the Company's facilities. Incumbent directors shall also be invited to attend the orientation program. All directors will comply with any continuing education requirements of the NYSE. The Company will provide or arrange for continuing education programs for the directors on an annual basis.

Committees

The Board will at all times have an Audit Committee, a Compensation Committee, and a Nominating Committee. All members of these committees will be independent directors under the criteria established by the NYSE. The Board may from time to time establish additional committees as necessary or appropriate. Committee members will be appointed by the Board upon the recommendation of the Nominating Committee. Consideration should be given to rotating committee members periodically, but rotation should not be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes of the committees as well as qualifications for committee membership. The charters shall be posted on the Company's website.

The chair of each committee, in consultation with the committee members and senior management, will determine the frequency and length of the committee meetings consistent with any

requirements set forth in the committee's charter. The chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

CEO Evaluation

The Compensation Committee conducts a review at least annually of the performance of the CEO. The Compensation Committee shall establish the evaluation process and determine the specific criteria on which the performance of the CEO is evaluated.

Succession Planning

The Board shall plan for the succession of the CEO. The CEO shall annually provide the Board with an assessment of senior officers and evaluations of such senior officers as potential successors. The CEO shall also provide the Board with recommendations of potential successors to senior officers.