

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

KEITH THOMAS, RICHARD HAYES, HERB SMITH, and
OKLAHOMA POLICE PENSION & RETIREMENT
SYSTEM,

Plaintiffs,

v.

MAGNACHIP SEMICONDUCTOR CORP., SANG PARK,
TAE YOUNG HWANG, MARGARET SAKAI, R.
DOUGLAS NORBY, ILBOK LEE, NADER TAVAKOLI,
RANDAL KLEIN, MICHAEL ELKINS, AVENUE
CAPITAL MANAGEMENT II, L.P., BARCLAYS
CAPITAL INC., DEUTSCHE BANK SECURITIES INC.,
CITIGROUP GLOBAL MARKETS INC., UBS
SECURITIES LLC, and NEEDHAM & COMPANY, LLC,

Defendants.

CASE NO.: 3:14-CV-01160-JST

CLASS ACTION

Hon. Jon S. Tigar

**NOTICE OF PENDENCY AND PROPOSED
PARTIAL SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired the common stock (“MagnaChip Securities”) of MagnaChip Semiconductor Corp. (“MagnaChip”) between February 1, 2012 and February 12, 2015, including common stock purchased pursuant and/or traceable to MagnaChip’s February 6, 2013 follow-on public stock offering, you could get a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this notice. This is not a solicitation from a lawyer.

- If approved by the Court, the Settlement will provide \$23,500,000.00 (Twenty-Three Million Five Hundred Thousand Dollars and Zero Cents) in cash (the “Settlement Amount”) to pay claims of investors who purchased MagnaChip Securities between February 1, 2012 and February 12, 2015 (the “Settlement Class Period”), including common stock purchased pursuant and/or traceable to MagnaChip’s February 6, 2013 follow-on public stock offering.
- The Settlement represents an average recovery of \$0.81 per share of MagnaChip Securities for the 28,918,000 shares outstanding as of February 12, 2015, the end of the Settlement Class Period, less shares held by MagnaChip officers and directors and by non-settling defendant Avenue Capital. A share may have been traded more than once during the Settlement Class Period. This estimate solely reflects the average recovery per outstanding share of MagnaChip Securities. The indicated average recovery per share will be the total average recovery for all purchasers of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Settlement Class Members that file claims on the Settlement, the date(s) you purchased and sold MagnaChip Securities, and the total number and amount of claims filed.
- Lead Plaintiff’s Counsel (identified below) intends to ask the Court to award them and Plaintiffs’ Counsel Attorneys’ Fees in an amount not to exceed twenty-five percent (25%) of the Gross Settlement Fund, an award of Expenses of no more than \$235,000.00 and an Award to Lead Plaintiff not to exceed \$1,500.00. Collectively, the maximum

amount of Attorneys' Fees and Expenses are estimated to average \$0.21 per share of MagnaChip Securities. If approved by the Court, these amounts will be paid from the Gross Settlement Fund.

- The approximate recovery, after deduction of (i) Attorneys' Fees and Expenses approved by the Court, (ii) Taxes and Tax Expenses, (iii) Notice and Administration Expenses as authorized by the Stipulation and Agreement of Settlement dated February 5, 2016 (the "Stipulation"), (iv) any Award to Lead Plaintiff (identified below) approved by the Court, and (v) other fees and expenses authorized by the Court, is an average of \$0.59 per share of MagnaChip Securities (assumes \$300,000.00 in Notice and Administration Expenses). This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price, and the number and amount of claims filed.

The Settlement resolves the Action (as defined below) which concerned (among other things) Plaintiffs' claims that MagnaChip, certain of its officers and directors, and certain underwriters made false and misleading statements in violation of federal securities laws, based upon the allegations set forth in the Third Amended Complaint (the "Complaint"). The Complaint alleged, among other things, that MagnaChip engaged in illicit accounting practices, including improper revenue recognition. **The Settlement does not resolve Plaintiffs' claims against defendant Avenue Capital Management II, L.P. ("Avenue Capital"), which are ongoing at this time.**

Defendants MagnaChip, Sang Park, Tae Young Hwang, Margaret Sakai, R. Douglas Norby, Ilbok Lee, Nader Tavakoli, Randal Klein, and Michael Elkins (collectively, the "Settling Defendants") and defendants Barclays Capital Inc., Deutsche Bank Securities Inc., Citigroup Global Markets Inc., UBS Securities LLC and Needham & Company, LLC (collectively, the "Underwriter Defendants") deny all allegations of misconduct and liability.

- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN DECEMBER 21, 2016	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN OCTOBER 31, 2016	Get no payment.
OBJECT NO LATER THAN OCTOBER 31, 2016	Write to the Court about why you do not like the Settlement.
GO TO A HEARING ON NOVEMBER 21, 2016	Speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim and Release form, or any other questions by Settlement Class Members should be directed to:

MagnaChip Semiconductor Corp. Securities Litigation c/o Strategic Claims Services Claims Administrator P.O. Box 230 600 North Jackson Street – Suite 3 Media, PA 19063 Tel.: 1-866-274-4004 www.strategicclaims.net/MagnaChip	or	Michael J. Wernke POMERANTZ LLP 600 Third Avenue, 20th Floor New York, NY 10016 Tel.: 212-661-1100 Fax: 212-661-8665 mjwernke@pomlaw.com <i>Lead Plaintiff's Counsel</i>
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COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired MagnaChip Securities during the Settlement Class Period.

2. What is this lawsuit about?

The case is known as Thomas, et al. v. MagnaChip Semiconductor Corp., et al., Case No. 3:14-CV-01160-JST (N.D. Cal.) (the “Action”), and the Court in charge of the case is the United States District Court for the Northern District of California. By Order dated July 3, 2014, the Court appointed Keith Thomas as Lead Plaintiff, and Pomerantz LLP as Lead Plaintiff’s Counsel.

Among other things, the Action is about whether the Settling Defendants and the Underwriter Defendants violated the federal securities laws by allegedly making false and misleading statements to the investing public as set forth in the Complaint. The Complaint alleges that during the Settlement Class Period, the Settling Defendants engaged in illicit accounting practices, including recognizing revenue for sales that never occurred and products that never shipped.

The Action also alleges that non-settling defendant Avenue Capital was a controlling stockholder and major beneficiary of the accounting scheme by way of significant sales of MagnaChip Securities during the Settlement Class Period.

The “Complaint” was filed on June 26, 2015. On July 27, 2015, certain Defendants moved to dismiss the Complaint. Oral argument was heard before the Court on December 1, 2015. At the conclusion of the oral argument, the Court reserved decision on the motions. The motions remain pending at this time.

Following mediation efforts facilitated by a former United States District Court Judge, Layn R. Phillips, the Settling Parties entered into the Stipulation. The Settlement resolves all of the claims in the Action against the Settling Defendants and the Underwriter Defendants. **The Action continues against Avenue Capital.**

3. Why is this a class action?

In a class action, one or more persons and/or entities, called lead plaintiff(s) and/or class representatives, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known as class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a Settlement?

Lead Plaintiff and Named Plaintiffs (collectively, “Plaintiffs”) and the Settling Defendants and Underwriter Defendants do not agree regarding the merits of Plaintiffs’ allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail at trial on each claim. The issues on which the Plaintiffs and the Settling Defendants and Underwriter Defendants disagree include: (1) whether MagnaChip and its officers/directors made false and misleading statements; (2) whether MagnaChip and its officers/directors made these statements knowingly; (3) whether the statements were the cause of the Settlement Class Members’ alleged damages; and (4) the amount of damages, if any, suffered by the Settlement Class Members.

This matter has not gone to trial, and the Court has not decided in favor of any party involved in this Action. Instead, Plaintiffs and the Settling Defendants have agreed to settle the Action. The Settlement was facilitated through mediation efforts conducted by Hon. Layn R. Phillips, a former federal court judge. Plaintiffs and Settlement Class Counsel believe the settlement is best for all Settlement Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Settling Defendants. Even if Plaintiffs win at trial, and also withstand the Settling Defendants’ inevitable challenges on appeal, Plaintiffs might not be able to collect some, or all, of the judgment, given MagnaChip’s present financial condition.

5. How do I know if I am part of the Settlement Class?

To be a Settlement Class Member, you must have purchased or otherwise acquired MagnaChip Securities between February 1, 2012 and February 12, 2015, including common stock purchased pursuant and/or traceable to MagnaChip’s February 6, 2013 follow-on public stock offering.

6. Is anyone excluded from participating in the Settlement Class?

Yes. Excluded from the Class are all Defendants, MagnaChip’s officers and directors during the Settlement Class Period, and all such excluded person’s immediate families, legal representatives, heirs, parents, wholly-owned subsidiaries, successors, and assigns. Also excluded are those persons who file valid and timely requests for exclusion.

7. What does the Settlement provide?

a. What is the Gross Settlement Fund?

The proposed Settlement will create a Gross Settlement Fund in the amount of \$23,500,000.00 (Twenty-Three Million Five Hundred Thousand Dollars and Zero Cents), plus all interest earned thereon. The Settlement is subject to Court approval. Also, subject to the Court’s approval, a portion of the Gross Settlement Fund will be used to pay Settlement Class Counsel’s Attorneys’ Fees and Expenses and any Award to Lead Plaintiff. A portion of the Gross Settlement Fund also will be used to pay (i) Taxes and Tax Expenses in respect of the Gross Settlement Fund; (ii) Notice and Administration Expenses as authorized by the Stipulation; and (iii) other fees and expenses authorized by the Court. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the “Net Settlement Fund”) will be distributed to Settlement Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on, among other things: (i) the number of claims filed; (ii) the dates you purchased and sold MagnaChip Securities; (iii) the prices of your purchases and sales; (iv) the amount of Notice and Administration Expenses; and (v) the amount of Attorneys’ Fees and Expenses awarded to Plaintiffs’ Counsel by the Court and the amount of any Award to Lead Plaintiff approved by the Court.

c. Additional benefits of the Settlement

As part of the Settlement, MagnaChip will also produce to Lead Plaintiff’s Counsel copies of the documents MagnaChip has produced to the United States Securities and Exchange Commission (“SEC”) along with English translations of those documents that MagnaChip has produced. MagnaChip also will use its best efforts to obtain from the Settling Defendants, to the extent necessary, consents to the disclosure to Lead Plaintiff’s Counsel of

any documents that are produced to the SEC in the future by the Settling Defendants, or that are responsive to reasonable document demands served by Lead Plaintiff's Counsel in the future, to the extent that disclosure of such documents would not comply with the Korean Personal Information Protection Act absent such consent. Lead Plaintiff's Counsel intend to use such documents in any continued prosecution of claims against Avenue Capital.

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged fraud, as opposed to losses caused by market- or industry-wide factors, or Company-specific factors unrelated to the alleged fraud. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. A Recognized Loss will be calculated for each MagnaChip Security purchased or otherwise acquired during the Settlement Class Period,¹ including MagnaChip common stock acquired in one of the Company's follow-on public stock offerings completed during the Settlement Class Period.² The calculation of Recognized Loss will depend upon several factors, including when the MagnaChip Securities were purchased or otherwise acquired during the Settlement Class Period; in what amounts; whether those securities were sold; and if sold, when they were sold and for what amounts. The Recognized Loss is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that the prices of MagnaChip Securities were artificially inflated throughout the Settlement Class Period. The estimated alleged artificial inflation in the prices of MagnaChip Securities during the Settlement Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the prices of MagnaChip Securities during the Settlement Class Period is based on certain misrepresentations alleged by Lead Plaintiff and the price change in the security, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Lead Plaintiff.

Federal securities laws allow investors to recover for losses caused by disclosures which corrected the defendants' previous misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, MagnaChip Securities purchased or otherwise acquired during the Settlement Class Period must have been held during a period of time in which its price declined due to the disclosure of information which corrected an allegedly misleading statement or omission. Lead Plaintiff and Lead Plaintiff's Counsel have determined that such price declines occurred on: January 28, 2014; March 12, 2014; March 31, 2014; May 21, 2014; August 13, 2014; November 13, 2014; and February 13, 2015 (the "Corrective Disclosure Dates"). Accordingly, if a MagnaChip Security was sold before January 28, 2014 (the earliest Corrective Disclosure Date), the Recognized Loss for that security is \$0.00, and any loss suffered is not compensable under the federal securities laws. Likewise, if a MagnaChip Security was purchased/acquired and subsequently sold between two Corrective Disclosure Dates, the Recognized Loss for that security is \$0.00.

¹ During the Settlement Class Period, MagnaChip common stock was listed on the New York Stock Exchange (NYSE) under the ticker symbol "MX."

² There were three follow-on public stock offerings during the Settlement Class Period: (i) 7,000,000 million shares of MagnaChip common stock offered in May 2012 at a price of \$11.40 (the "May 2012 Offering"); (ii) 5,750,000 million shares of MagnaChip common stock offered in February 2013 at a price of \$14.50 (the "February 2013 Offering"); and (iii) 1,700,000 million shares of MagnaChip common stock offered in September 2013 at a price of \$21.20 (the "September 2013 Offering").

Table 1
Estimated Alleged Artificial Inflation in MagnaChip Securities^{3, 4}

From	To	Per-Share Price Inflation
February 1, 2012	January 27, 2014	\$11.71
January 28, 2014	March 11, 2014	\$10.22
March 12, 2014	March 30, 2014	\$9.70
March 31, 2014	May 20, 2014	\$8.97
May 21, 2014	August 12, 2014	\$8.43
August 13, 2014	November 12, 2014	\$7.83
November 13, 2014	February 12, 2015	\$7.52
February 13, 2015	Thereafter	\$0.00

MagnaChip common stock purchased directly from an underwriter or its agent in the February 6, 2013 Offering is the only MagnaChip Security eligible for a claim under §11(e) of the Securities Act of 1933 (“Section 11”).⁵ For purposes of this Plan of Allocation, any purchase of MagnaChip common stock that took place on February 6, 2013 Offering at \$14.50 per share will be deemed eligible for treatment as a Section 11 claim. The Recognized Loss for such securities shall be *the maximum of*: (i) the Recognized Loss amount calculated under §10(b) of the Securities Exchange Act of 1934 (“Section 10(b)”) as described below in “Calculation of Recognized Loss Per MagnaChip Security Under Section 10(b)”; or (ii) the Recognized Loss amount calculated under Section 11 as described below in “Calculation of Recognized Loss Per MagnaChip Security Under Section 11.” Section 11 provides for an affirmative defense of negative causation which prevents recovery for losses that Defendants prove are not attributable to misrepresentations and/or omissions alleged by Lead Plaintiff in the offering’s registration statement. Given Lead Plaintiff’s Counsel’s assessment of the relative risks of the Section 11 and Section 10(b) claims in this lawsuit (including the timeliness of the Section 11 claims), the Recognized Loss calculation under Section 11 assumes that the Company-specific declines in the price of MagnaChip Securities in response to corrective disclosure alleged by Lead Plaintiff are the only compensable losses.

The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of the Recognized Loss for MagnaChip Securities under Section 10(b). The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on MagnaChip Securities purchased/acquired during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such securities and the average price of the MagnaChip Securities during the 90-day look back period. The Recognized Loss on MagnaChip Securities purchased/acquired during the Settlement Class Period and sold during the 90-day look back period cannot exceed the difference between the purchase price paid for such securities and the rolling average price of the MagnaChip Securities during the portion of the 90-day look back period elapsed as of the date of sale.

In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero.

³ If the price inflation reflected in Table 1 exceeds the purchase price paid for a MagnaChip Security, then the price inflation shall be equal to the purchase price paid for such security, excluding all fees, taxes and commissions.

⁴ Any transactions in MagnaChip Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

⁵ The underwriters of the February 2013 Offering are: Barclays Capital Inc.; Deutsche Bank Securities Inc.; UBS Securities LLC.; Citigroup Global Markets Inc.; and Needham & Company, LLC.

Calculation of Recognized Loss Per MagnaChip Security Under Section 10(b):

For each MagnaChip Security purchased or otherwise acquired during the Settlement Class Period (i.e., February 1, 2012 through February 12, 2015, inclusive), the Recognized Loss per security under Section 10(b) shall be calculated as follows:

- i. For each MagnaChip Security purchased/acquired during the Settlement Class Period that was sold prior to January 28, 2014, the Recognized Loss per security is \$0.
- ii. For each MagnaChip Security purchased/acquired during the Settlement Class Period that was subsequently sold during the period January 28, 2014 through February 12, 2015, inclusive, the Recognized Loss per security is *the lesser of*:
 - a. the amount of per-security price inflation on the date of purchase/acquisition as appears in Table 1 above, *minus* the amount of per-security price inflation on the date of sale as appears in Table 1 above; or
 - b. the purchase/acquisition price *minus* the sale price.
- iii. For each MagnaChip Security purchased/acquired during the Settlement Class Period that was subsequently sold during the period February 13, 2015 through May 13, 2015, inclusive (the 90-Day Lookback Period), the Recognized Loss per security is *the lesser of*:
 - a. the amount of per-security price inflation on the date of purchase/acquisition as appears in Table 1 above; or
 - b. the purchase/acquisition price *minus* the sale price; or
 - c. the purchase/acquisition price *minus* the “90-Day Lookback Value” on the date of sale provided in Table 2 below.
- iv. For each MagnaChip Security purchased/acquired during the Settlement Class Period and still held as of the close of trading on May 13, 2015, the Recognized Loss per security is *the lesser of*:
 - a. the amount of per-security price inflation on the date of purchase/acquisition as appears in Table 1 above; or
 - b. the purchase/acquisition price *minus* the sale price; or
 - c. the purchase/acquisition price *minus* the average closing price for MagnaChip Securities during the 90-Day Lookback Period, which is \$5.60.

Table 2					
Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value
2/13/2015	\$7.52	3/17/2015	\$5.74	4/16/2015	\$5.64
2/17/2015	\$7.20	3/18/2015	\$5.72	4/17/2015	\$5.64
2/18/2015	\$7.01	3/19/2015	\$5.71	4/20/2015	\$5.64
2/19/2015	\$6.82	3/20/2015	\$5.70	4/21/2015	\$5.64
2/20/2015	\$6.63	3/23/2015	\$5.70	4/22/2015	\$5.64
2/23/2015	\$6.47	3/24/2015	\$5.70	4/23/2015	\$5.64
2/24/2015	\$6.33	3/25/2015	\$5.69	4/24/2015	\$5.64
2/25/2015	\$6.30	3/26/2015	\$5.68	4/27/2015	\$5.64
2/26/2015	\$6.24	3/27/2015	\$5.67	4/28/2015	\$5.64
2/27/2015	\$6.18	3/30/2015	\$5.67	4/29/2015	\$5.63
3/2/2015	\$6.15	3/31/2015	\$5.66	4/30/2015	\$5.63
3/3/2015	\$6.11	4/1/2015	\$5.66	5/1/2015	\$5.63
3/4/2015	\$6.07	4/2/2015	\$5.66	5/4/2015	\$5.62
3/5/2015	\$6.02	4/6/2015	\$5.66	5/5/2015	\$5.61
3/6/2015	\$5.97	4/7/2015	\$5.66	5/6/2015	\$5.60
3/9/2015	\$5.92	4/8/2015	\$5.66	5/7/2015	\$5.60
3/10/2015	\$5.88	4/9/2015	\$5.66	5/8/2015	\$5.59
3/11/2015	\$5.86	4/10/2015	\$5.65	5/11/2015	\$5.59
3/12/2015	\$5.83	4/13/2015	\$5.65	5/12/2015	\$5.59
3/13/2015	\$5.80	4/14/2015	\$5.64	5/13/2015	\$5.60
3/16/2015	\$5.77	4/15/2015	\$5.64		

Calculation of Recognized Loss Per MagnaChip Security Under Section 11:

For each MagnaChip Security purchased/acquired directly from an underwriter or its agent in the February 2013 Offering, the Recognized Loss per security under Section 11 shall be calculated as follows:

- i. For each MagnaChip Security that was sold prior to January 28, 2014, the Recognized Loss per security is \$0.
- ii. For each MagnaChip Security that was sold during the period January 28, 2014 through February 12, 2015, inclusive, the Recognized Loss per security is *the lesser of*:
 - a. \$11.71 *minus* the amount of per-security price inflation on the date of sale as appears in Table 1 above; or
 - b. \$14.50 (the offer price) *minus* the sale price.

- iii. For each MagnaChip Security that was sold during the period February 13, 2015 through April 20, 2015,⁶ inclusive, the Recognized Loss per security is *the lesser of*:
 - a. \$11.71; or
 - b. \$14.50 (the offer price) *minus* the sale price.
- iv. For each MagnaChip Security that was sold on or after April 21, 2015, the Recognized Loss per security is *the lesser of*:
 - a. \$14.50 (the offer price) *minus* the sale price; or
 - b. \$8.86.⁷
- v. For each MagnaChip Security still held as of the opening of trading on April 21, 2015 and not subsequently sold, the Recognized Loss per security is \$8.86.

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of MagnaChip Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

Acquisition by Gift, Inheritance, or Operation of Law: If a Settlement Class Member acquired MagnaChip Securities during the Settlement Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that MagnaChip Securities were originally purchased prior to commencement of the Settlement Class Period, the Recognized Loss for that acquisition shall be deemed to be zero (\$0.00).

Notwithstanding any of the above, receipt of MagnaChip Securities during the Settlement Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of MagnaChip Securities.

The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order by trade date, first against MagnaChip Securities held as of the close of trading on January 31, 2012 (the last day before the Settlement Class Period begins) and then against the purchases of MagnaChip Securities during the Settlement Class Period.

The date of covering a “short sale” is deemed to be the date of purchase of shares. The date of a “short sale” is deemed to be the date of sale of shares. In accordance with the Plan of Allocation, however, the Recognized Loss on “short sales” is zero. In the event that a claimant has an opening short position in MagnaChip common stock, the earliest Settlement Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

With respect to MagnaChip common stock purchased or sold through the exercise of an option, the purchase/sale date of the stock shall be the exercise date of the option and the purchase/sale price of the stock shall be the exercise price of the option. Any Recognized Loss arising from purchases of MagnaChip common stock acquired during the Settlement Class

⁶ April 21, 2015 is the date of the first complaint filed in this action that states a claim under Section 11 for the February 2013 Offering.

⁷ \$8.86 represents the difference between the offer price (\$14.50) and the closing price of MagnaChip common stock on April 21, 2015 (\$5.64).

Period through the exercise of an option on MagnaChip common stock⁸ shall be computed as provided for other purchases of MagnaChip Securities in the Plan of Allocation.

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants (see the Plan of Allocation at pp. 7-13 for additional details). No distribution will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Settlement Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. The Settlement and the Final Judgment and Order of Dismissal with Prejudice dismissing this Action will nevertheless bind Settlement Class Members who do not submit a request for exclusion and/or submit an acceptable Proof of Claim.

Please contact the Claims Administrator or Lead Plaintiff's Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims-administration process, to decide the issue by submitting a written request.

The Settling Defendants, their respective counsel, and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiff and Lead Plaintiff's Counsel, likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Plaintiff's Counsel as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis*, and such remaining balance will then be distributed to a non-sectarian, not-for-profit organization identified by Lead Plaintiff's Counsel.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled "Proof of Claim and Release". This claim form is attached to this Notice. You may also obtain a claim form on the Internet at www.strategicclaims.net/MagnaChip. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than December 21, 2016, to:

MagnaChip Semiconductor Corp. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
P.O. Box 230
600 North Jackson Street – Suite 3
Media, PA 19063

⁸ Including (1) purchases of MagnaChip common stock as the result of the exercise of a call option, and (2) purchases of MagnaChip common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

The Claims Administrator will process your claim and determine whether you are an “Authorized Claimant.”

9. What am I giving up to get a payment or stay in the Settlement Class?

Unless you exclude yourself, you will remain in the Settlement Class. That means that if the Settlement is approved, you and all Settlement Class Members will release all “Released Claims” (and therefore agree never to sue, continue to sue, or be part of any other lawsuit) against the “Released Persons.”

- a. The Released Claims are any and all claims, rights, demands, obligations, damages, actions or causes of action, or liabilities whatsoever, of every nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common or foreign law or regulation, that arise out of or relate in any way to the purchase or sale of MagnaChip Securities during the Settlement Class Period and the acts, facts, statements, or omissions that were or could have been alleged or asserted by Plaintiffs or any member of the Settlement Class in the Action or in any other action in any court or forum, except that the following are expressly excluded from the definition of Released Claims: (i) all claims asserted in the Derivative Actions; (ii) all claims asserted against Avenue Capital in the Action; (iii) all claims brought or that might be brought against MagnaChip or any of the Defendants by the SEC, whether or not they arise out of or relate in any way to the purchase or sale of MagnaChip Securities during the Settlement Class Period; (iv) all claims of any Person who submits a request for exclusion from the Settlement, to the extent that the Court grants any such request; and (v) all claims to enforce any of the terms of this Stipulation.
- b. The Released Persons are (i) MagnaChip, Park, Hwang, Sakai, Norby, Lee, Tavakoli, Klein, Elkins, non-defendant Brian Mulhern, and the Underwriter Defendants; (ii) each of MagnaChip, Park, Hwang, Sakai, Norby, Lee, Tavakoli, Klein, Elkins, non-defendant Brian Mulhern, and the Underwriter Defendants’ respective present and former parents, subsidiaries, divisions, departments, and affiliates (and the predecessors, successors, administrators and assigns of each of the foregoing); and (iii) each of the respective stockholders, officers, directors, employees, agents, and any of their advisors, counsel, underwriters, representatives of the foregoing in (i) and (ii) in their capacities as such. With the exception of Elkins, Klein and non-defendant Brian Mulhern who are Released Persons individually, “Released Persons” specifically excludes Avenue Capital and its current, former, or future parents, subsidiaries, affiliates, partners, joint venturers, attorneys, trustees, insurers (and their respective businesses, affiliates, subsidiaries, parents and affiliated corporations, divisions, predecessors, shareholders, partners, joint venturers, principals, insurers, reinsurers, successors and assigns, and their respective past, present and future attorneys, accountants, and auditors), reinsurers, advisors, accountants, associates, funds affiliated with Avenue Capital, funds under Avenue Capital’s management, and/or any other individual or entity in which Avenue Capital has a controlling interest or which is related to or affiliated with any of Avenue Capital, and the current, former, and future legal representatives, heirs, successors-in-interest, or assigns of Avenue Capital.

You do not release the Released Persons from any claim or action to enforce the Settlement.

Remaining in the Settlement Class also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to a “Release of Claims,” which will bar you from ever filing a lawsuit against any Released Person concerning a Released Claim. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of MagnaChip Securities during the Settlement Class Period.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue the Settling Defendants and the Underwriter Defendants on your own based on the legal claims raised in this Action, then you must take steps to get out of the Settlement. This is called excluding yourself from – or “opting out” of – the Settlement. To exclude yourself from the Settlement, you must mail a

letter stating you want to be excluded as a Settlement Class Member from Thomas, et al. v. MagnaChip Semiconductor Corp., et al., Case No. 3:14-CV-01160-JST (N.D. Cal.). Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of MagnaChip Securities. You must mail your exclusion request to the Claims Administrator at the address below so that it is received no later than October 31, 2016:

MagnaChip Semiconductor Corp. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
P.O. Box 230
600 North Jackson Street – Suite 3
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Action.

11. If I do not exclude myself, can I sue the Settling Defendants and the Underwriter Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue any of the Settling Defendants, Underwriter Defendants, or any of the Released Persons for the Released Claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Settlement Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed the law firm of Pomerantz LLP as Lead Plaintiff's Counsel, also referred to as "Settlement Class Counsel," to represent you and the Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Pomerantz LLP is provided below.

13. How will the lawyers be paid?

Plaintiffs' Counsel has not been paid any attorneys' fees to date. Plaintiffs' Counsel have prosecuted this action on a contingent fee basis and have paid for all of the expenses of the litigation themselves. Plaintiffs' Counsel have done so with the expectation that if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Gross Settlement Fund, as is customary in this type of litigation. Plaintiffs' Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Gross Settlement Fund. Therefore, Plaintiffs' Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed 25% of the value of the Gross Settlement Fund, and for an award of reasonable litigation expenses not to exceed \$235,000.00, and may also seek an Award to Lead Plaintiff not to exceed \$1,500.00. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Gross Settlement Fund.

14. How do I tell the Court that I do not like the Settlement, the Plan of Allocation, the Request For Attorneys' Fees and Expenses, or the Award to Lead Plaintiff?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, the Plan of Allocation, Lead Plaintiff's Counsel's motion for Attorneys' Fees and Expenses, or the request for an Award to Lead Plaintiff, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of Thomas, et al. v. MagnaChip Semiconductor Corp., et al., Case No. 3:14-CV-01160-JST (N.D. Cal.). Be sure to include your name, address, telephone number, signature, a list of your purchases and sales of MagnaChip Securities in order to show your membership in the Settlement Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to each of the three different places listed below. The Court will consider your views if your objections are received before October 31, 2016.

The Court

Clerk of the Court
United States District Court
Northern District of California
450 Golden Gate Avenue
San Francisco, CA 94102

Counsel for Lead Plaintiff and the Settlement Class

Marc I. Gross, Esq.
Michael J. Wernke, Esq.
Pomerantz LLP
600 Third Avenue
New York, NY 10016

MagnaChip's Counsel

Daniel J. Kramer, Esq.
Jacqueline P. Rubin, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064

15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on November 21, 2016 at 2:00 p.m., in Courtroom 9 at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102.

At this hearing, the Court will consider (i) whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court; (ii) whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Complaint on the merits and with prejudice, and to determine whether the release by the Settlement Class of the Released Persons as set forth in the Stipulation, should be ordered, along with a permanent injunction barring efforts to bring any Released Claims extinguished by the Settlement; (iii) whether the proposed Plan of Allocation for the distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court; (iv) the application of Plaintiffs' Counsel for an award of Attorneys' Fees and Expenses, and for an Award to Lead Plaintiff; (v) Settlement Class Members' objections to the Settlement, whether submitted previously in writing or presented orally at the Settlement Hearing by Settlement Class Members (or by counsel on their behalf); and (vi) such other matters as the Court may deem appropriate.

17. Do I have to come to the hearing?

No. Settlement Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against any of the Released Persons about the Released Claims ever again.

19. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You can get a copy of the Stipulation by writing to the Claims Administrator, online at www.strategicclaims.net/MagnaChip or by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102-3489 between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

If you have questions about how to complete a Proof of Claim, you can call the Claims Administrator at 1-866-274-4004.

PLEASE DO NOT CALL OR WRITE TO THE COURT OR THE COURT CLERK'S OFFICE FOR INFORMATION OR ADVICE.

DATED: JULY 18, 2016.

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

PROOF OF CLAIM AND RELEASE

Deadline for Submission: December 21, 2016

IF YOU PURCHASED THE COMMON STOCK OF MAGNACHIP SEMICONDUCTOR CORP. (“MAGNACHIP”) BETWEEN FEBRUARY 1, 2012 AND FEBRUARY 12, 2015 (THE “SETTLEMENT CLASS PERIOD”), INCLUDING COMMON STOCK PURCHASED PURSUANT AND/OR TRACEABLE TO MAGNACHIP’S FEBRUARY 6, 2013 FOLLOW-ON PUBLIC STOCK OFFERING, YOU MAY BE A “SETTLEMENT CLASS MEMBER” AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE (“PROOF OF CLAIM”) AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN DECEMBER 21, 2016 TO STRATEGIC CLAIMS SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

MagnaChip Semiconductor Corp. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
P.O. Box 230
600 North Jackson Street – Suite 3
Media, PA 19063

YOUR FAILURE TO SUBMIT YOUR CLAIM BY DECEMBER 21, 2016 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL, AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT’S STATEMENT

1. I (we) purchased common stock in MagnaChip and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase MagnaChip common stock during the designated Settlement Class Period).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above and in the Notice of Pendency and Proposed Partial Settlement of Class Action (the “Notice”), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Settlement Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Settlement Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of MagnaChip common stock during the Settlement Class Period, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of MagnaChip common stock listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Persons" of all "Released Claims," as defined in the Notice.
8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-274-4004 or visit their website at www.strategicclaims.net/MagnaChip to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

I. CLAIMANT INFORMATION

Name		
Address		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Social Security Number (for individuals)	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.)

II. SCHEDULE OF TRANSACTIONS IN MAGNACHIP COMMON STOCK

Beginning Holdings:

A. State the total number of shares of MagnaChip common stock owned at the close of trading on January 31, 2012, long or short (*must be documented*).

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Purchases:

B. Separately list each and every open market purchase of MagnaChip common stock during the period from February 1, 2012 through May 13, 2015, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

Sales:

C. Separately list each and every sale of MagnaChip common stock during the period February 1, 2012 through May 13, 2015, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

D. State the total number of shares of MagnaChip common stock owned at the close of trading on May 13, 2015, long or short (*must be documented*).

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification Number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service (“I.R.S.”) requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals)	or	Taxpayer Identification Number (for estates, trusts, corporations, etc.)
_____		_____

IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

- Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN DECEMBER 21, 2016 AND MUST BE MAILED TO:

MagnaChip Semiconductor Corp. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
P.O. Box 230
600 North Jackson Street – Suite 3
Media, PA 19063

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by December 21, 2016 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

MagnaChip Semiconductor Corp. Securities Litigation
c/o Strategic Claims Services
600 N Jackson Street – Suite 3
Media, PA 19063

IMPORTANT LEGAL DOCUMENT – PLEASE FORWARD

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page 19. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.