

# Business Continuity Plan



## Overview

Business Continuity Plan (BCP) is an integral and systematic approach for identifying Magnachip's exposure to internal and external critical risks to provide effective prevention and recovery and to ensure that Magnachip continues its critical business operations during times of unexpected crises, events or disasters.

Magnachip maintains a Business Continuity Management Plan with detailed processes for addressing unexpected situations that threaten the safety and security of our employees and assets and our ability to meet our obligations to customers, suppliers, shareholders and communities.

## Principles

### 1. Management Commitment

- Our management has ownership of the Business Continuity Management Plan, and reviews the Plan on a regular and as-needed basis.

### 2. Continuous Risk Assessment

- We assess and manage risks continuously, and we identify critical risks through business impact analyses.

### 3. Working Process

- We prepare recovery and damage mitigation plans in response to identified critical risks.
- We standardize operational processes and manuals related to BCP and keep them regularly updated.

### 4. Preparedness

- On a regular basis, we practice emergency drills, offer employee training and campaigns related to critical business continuity risks, and take preventive actions when needed.

## The Business Continuity Planning Process

Magnachip has established the following Business Continuity Management process:

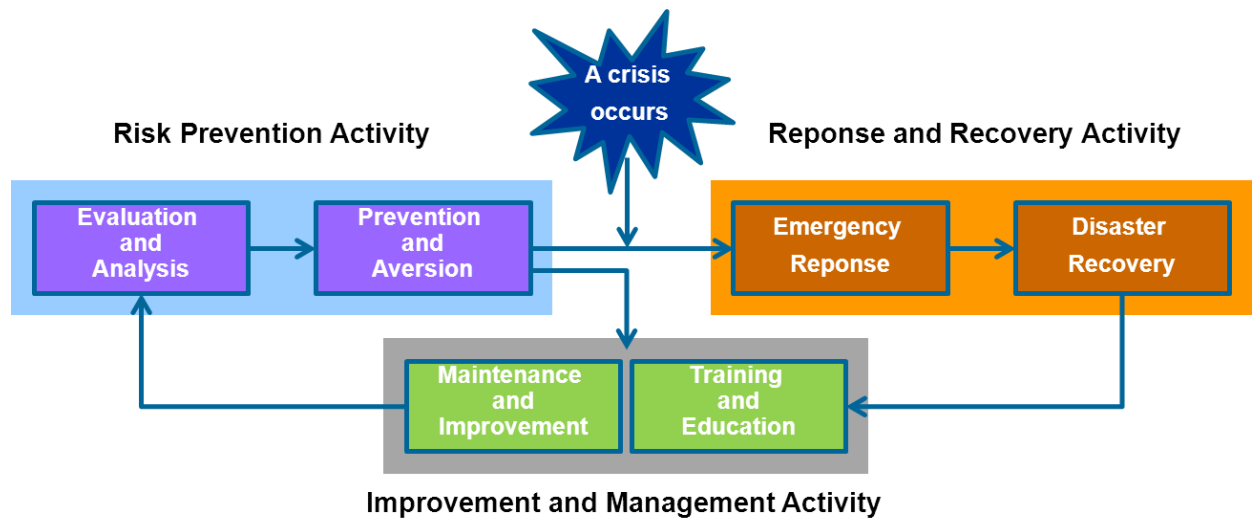
- Identify critical risks that impact business continuity;
- Assess the risks and effects, and then prioritize key risks;
- Prepare and implement business continuity plans, including manuals, working processes, guidelines and communication plans for the identified key risks; and
- Monitor and effect changes as required.

### 1. Definition

Business Continuity Plan (BCP) refers to the methodology to ensure business continuity in the event of disaster, which means not only the simple recovery such as data backup, but also includes maximizing

corporate value by setting up business environment which ensures continuous customer service and core business functions, and to this end, the Company's system should be evaluated and business processes should be identified, in addition to setting up a method to minimize business loss caused by disaster.

## 2. Business Continuity Model



## 3. Organization

Operation of the Company's business continuity shall be led by different departments depending on whether it is business as usual and crisis situation.

- Business as usual: ESH (environment/safety/health) team will present policy/roadmap/strategy, and set up/execute/manage/evaluate the plan to achieve the goal.
- Crisis situation: Management shall lead in forming/running emergency response organization, and in particular, form/operate support functions (HR & Corporate Service) for human rescue and a team for facility recovery.

## Our Commitment

Although Magnachip has established and developed a Business Continuity Management Plan, we cannot guarantee that our plan will operate perfectly given the unexpected and complicated business environment we face.

Magnachip is committed to making best efforts to operate its business continuously in the event of a crisis situation and to protect its customers, suppliers, shareholders and communities to the greatest extent possible.