Independent Statement of Independent Directors

At Hanon Systems, the majority of directors are independent. Hanon Systems also complies with relevant laws to verify the independence of directors. The board and Independent Director Recommendation Committee examine the independence of the director candidate based on below criteria.

- The director has not been an officer or employee of the company for the past five years.
- No immediate family member of the director has not been an executive of the company or subsidiary for the past three years.
- The director was not employed of the company's external audit agency.
- The director was not an advisor or consultant to the company or its management.
- The director was not an executive or employee of a corporation whose total transaction performance with the company was more than 10% of the company's total assets or operating profits during the last three fiscal years.
- The director was not an executive or employee of a corporation that had a transaction contract more than 10% of total sales with the company during the most recent fiscal year.
- There is no interest in other matters decided by the Board of Directors.

In addition, when determining independence, the Board of Directors will comprehensively consider whether the director has a significant relationship with the company, including the domestic and international environment and the overall circumstances of the director and the company.