

BUTLER NATIONAL CORPORATION CORPORATE GOVERNANCE GUIDELINES

1. Director Qualification Standards

While the selection of qualified directors is a complex process that requires consideration of many intangible factors, directors and candidates for director generally should, at a minimum, meet the following criteria:

(a) Directors and candidates should have high personal and professional ethics, integrity, values and character and be committed to representing the interests of Butler National Corporation (“Company”) and its stockholders;

(b) Directors and candidates should have experience and a successful track record at senior policy-making levels in business, government, technology, accounting, law and/or administration;

(c) Directors and candidates should have sufficient time to devote to the affairs of the Company and to enhance their knowledge of the Company’s business, operations and industry; and

(d) Directors and candidates should have expertise or a breadth of knowledge about issues affecting the Company that is useful to the Company and complementary to the background and experience of other directors.

When identifying candidates for director, the Company’s Board of Directors (“Board”) endeavors to search for highly qualified individuals who represent a variety of skills, experiences, and perspectives to include in the pool from which directors are chosen.

A director employed on a full-time basis may not serve on the board of directors of more than two (2) public companies (*i.e.*, not more than one board in addition to service on the Company’s Board) without prior approval of the Board. No director may serve on the board of directors of more than three (3) public companies (*i.e.*, not more than two boards in addition to service on the Company’s Board) without prior approval of the Board.

Directors are expected to advise the Chairman of the Board (the “Chairman”) and the Chairman of the Nominating and Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the Board of Directors of any public company.

No director shall serve as a director, officer or employee of a competitor of the Company.

The Chief Executive Officer and any other officer of the Company who is a director shall offer to resign from the Board when such individual ceases to be the Chief Executive Officer or other officer of the Company, and the Nominating and Governance Committee will make a recommendation to the Board whether to accept the resignation.

2. Director Responsibilities

Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. The Board and its committees, and their members, may rely in good faith on information, opinions, reports, or statements from officers or employees of the Company or its subsidiaries, or counsel, or public accountants, or other professionals. Directors should regularly attend meetings of the Board and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings.

The Board will schedule regular executive sessions where non-management directors meet without management participation. At each regular meeting of the Board of Directors, the Board will conduct an executive session where directors meet without the participation of management or the Executive Chairman.

The Board shall at all times maintain an Audit Committee, a Nominating and Governance Committee and a Compensation Committee that must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's Bylaws as the Board sees fit.

Except in unusual circumstances or as required by Board committee charters or as requested by senior management and except for the responsibilities of the Lead Independent Director under Section 5, directors are expected to follow the principle that senior management and the Chairman, as opposed to individual directors, provide the public voice of the Company. Directors receiving inquiries from institutional investors, the press or others should refer them to the Chairman, the Chief Executive Officer or other appropriate officer of the Company.

3. Retirement Policy and Director Refreshment

The Board believes it is desirable to continually review the composition and needs of the Board, ensuring a balance of tenure, skills, and experience. The Board values a mix of experienced and new directors. Therefore, directors will not be nominated for re-election after their 75th birthday unless the Board grants an exemption based on special circumstances. When determining whether to grant an exemption, the Board will evaluate the director's expertise, skills, experience, background, and ongoing contributions to the Board and the Company.

4. Executive Chairman of the Board

In accordance with the Company's Bylaws, the Board may designate a director to serve as Executive Chairman. The Executive Chairman is responsible for management of the Board's affairs, including ensuring that the Board is organized properly, functions effectively and fulfills its responsibilities. The Executive Chairman's powers and responsibilities, in addition to performing those set forth in the Company's Bylaws, include the following:

(a) Providing leadership in Board deliberations and decisions concerning matters that have a significant impact on the Company's business;

- (b) Providing support and advice to the Chief Executive Officer;
- (c) Promoting effective communication on developments occurring between Board meetings;
- (d) Preparing, in collaboration with the Chief Executive Officer and the Lead Independent Director, the meeting schedules and agendas of the Board;
- (e) Providing guidance to the Chief Executive Officer and to the Company on the Company's general strategic direction and objectives, and leads the processes for the Board's review and approval of strategic and financial plans developed by management and assessment of Company performance relative to objectives;
- (f) With the Lead Independent Director, providing advice and counsel to committee chairs with respect to agendas, information needs and subject matters under review relating to committee meetings;
- (g) With the Lead Independent Director, acting as a liaison between the directors and the Chief Executive Officer;
- (h) Participating in the identification and recruitment of potential directors;
- (i) Participating in efforts related to potential transactions such as mergers, acquisitions, divestitures, or spin-offs;
- (j) Supporting the Chief Executive Officer in representing the Company in interactions with stockholders and other investors and in communications with the media;
- (k) With the Lead Independent Director, providing input to the Compensation Committee regarding the Chief Executive Officer's performance and meeting, along with the Lead Independent Director, with the Chief Executive Officer to discuss the Board's evaluation;
- (l) With the Lead Independent Director, guiding the Board's planning for Chief Executive Officer succession; and
- (m) Performing or exercising such additional duties and powers as may be conferred upon the Executive Chairman by resolution of the Board or as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities.

5. Lead Independent Director

The independent directors on the Board shall annually elect one of the independent directors (other than the director serving as Chairman) to act in a lead capacity to perform certain functions (the "Lead Independent Director"). The Lead Independent Director's responsibilities are to:

- (a) Prepare jointly with the Chairman an appropriate schedule for Board and committee meetings;

(b) Provide the Chairman with input into agendas for the Board and committee meetings, with the understanding that agenda items requested on behalf of the directors will be included on the agenda;

(c) Advise the Chairman and the Chief Executive Officer as to the quality, quantity, and timeliness of the flow of information from management that is necessary for the directors to perform their duties effectively and responsibly, with the understanding that the directors will receive any information requested on their behalf by the Lead Independent Director;

(d) Chair all meetings of the Board at which the Chairman is not present;

(e) Coordinate, develop the agenda for, chair and moderate meetings of the independent directors and advise the Chairman on decisions made by the independent directors in executive sessions and ensure implementation;

(f) Act as a liaison between the independent directors, the Chairman, committees of the Board, and senior management;

(g) With the Chairman, provide input to the Board regarding the Chief Executive Officer's performance and meet, along with the Chairman, with the Chief Executive Officer to discuss the Board's evaluation;

(h) With the Chairman, guide the Board of Director's planning for Chief Executive Officer succession;

(i) Provide input to the Nominating and Governance Committee regarding the appointment of chairs and members of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee;

(j) With the Nominating and Governance Committee, lead the Board's annual self-evaluation process;

(k) Meet with senior management outside of Board meetings periodically as requested; and

(l) Perform or exercise such additional duties and powers as may be conferred upon the Lead Independent Director by resolution of the Board or as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities.

In addition, the Lead Independent Director has the authority to call meetings of independent directors. If requested by major shareholders, the Lead Independent Director shall make himself or herself reasonably available for direct communication.

6. Director Access to Management and Independent Advisors

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations. The Board and Board's

committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

7. Non-Employee Director Stock Ownership Requirements

The Board believes that non-employee directors should have a meaningful financial stake in the Company. In this regard, non-employee directors should, within three years of joining the Board, own shares of the Company's common stock valued at two times the then-current Board annual retainer for non-employee directors.

8. Management Evaluation and Succession

The Board (not including any members of management of the Company) will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of the Compensation Committee, and as set forth in its charter.

The Board will establish and review such formal or informal policies and procedures, consulting with the Chairman, the Lead Independent Director, the Chief Executive Officer and others, as it considers appropriate, regarding succession to the Chief Executive Officer and other executive officers in the event of emergency or retirement.

9. Annual Performance Evaluation of the Board and Committees

The Board, along with the Nominating and Governance Committee and each of the standing committees of the Board, shall perform annual self-evaluations of their overall respective performance. The Board, with the assistance of the Nominating and Governance Committee shall review these Corporate Governance Guidelines on an annual basis to determinate whether any changes are appropriate.

10. Stockholder Communications to the Board of Directors

Stockholders seeking to communicate with the Board should submit their written comments to the Secretary of the Company (the "Secretary"), Butler National Corporation, One Aero Plaza, New Century, Kansas 66031. The Secretary will forward such communication to the director or directors to whom it is addressed, except for, job inquiries, surveys, business solicitations, advertisements and other materials that the Secretary deems to be a security risk or for harassment purposes. The Secretary may also forward certain correspondence elsewhere within the Company for review and possible response. The Company reserves the right to verify ownership status before forwarding stockholder communications to its Board of Directors.

Stockholders also have an opportunity to communicate with the Board at the Company's Annual Meeting of Stockholders in accordance with the procedures specified for each such meeting. Absent unusual circumstances directors are expected to attend all Annual Meetings of Stockholders.

11. Election of Directors

Pursuant to the Company's Bylaws, if no Company stockholder provides the Company with a proposal to nominate one or more candidates to compete with the Board's nominees in a director election, a nominee must receive more votes cast for than against their election in order to be elected to the Board. However, in accordance with the Company's Bylaws, in contested elections, directors are elected by plurality voting.

Regarding an incumbent director, the Board expects such incumbent director to tender their resignation if they fail to receive the required number of votes for re-election. The Board shall only nominate for election as director candidates those director candidates who agree to promptly tender irrevocable resignations, following the annual meeting at which such director was elected, that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they will face election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Guideline.

If an incumbent director fails to receive the required vote for re-election, the Nominating and Governance Committee will promptly decide whether to accept such director's resignation and will submit such recommendation for immediate consideration by the Board. The Board expects the respective director to abstain from participating in any decision regarding their resignation. The Nominating and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

12. Frequency and Length of Meetings; Telephonic Attendance

The Chairman, and the committee chairperson, as appropriate, determine the frequency and length of meetings of the Board, and committees, respectively. The Lead Independent Director determines the frequency and timing of executive sessions of the non-management directors. The Audit Committee meets at least four times annually, the Compensation Committee meets as often as it deems necessary, and the Nominating and Governance Committee meets as often as it deems necessary. Telephonic or other remote attendance at in person Board meetings is allowed when authorized by the Chairman.

13. Amendment, Modification and Waiver

These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Nominating and Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934 and the rules promulgated thereunder.

Adopted: July 17, 2025