

Butn Limited - CORPORATE GOVERNANCE STATEMENT

Note: Butn Limited was incorporated in September 2020 and listed on the ASX in July 2021, after the current reporting period ending 30 June 2021. Assessment of compliance with the Corporate Governance Principles and Recommendations 4th Edition for the current reporting period is as follows:

Principles and Recommendations	Status	Explanation
Principle 1: Lay solid foundations for management and oversight:		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Complying	<p>The Group's Board Charter outlines:</p> <p>(a) the board composition, roles and responsibilities of the board, directors and management; and</p> <p>(b) tasks delegated to the board, committees and management.</p> <p>The Board Charter is available on Butn's website under Investors, Corporate Governance section.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Complying	<p>(a) The Group has implemented appropriate guidelines and checks during the recruitment and appointment process which is detailed within the Nomination and Remuneration Committee Charter and the Board Charter. These involve amongst others background checks, role descriptions, candidate skill and capability assessments; and</p> <p>(b) All relevant material information is provided to security holders for director appointments or re-election.</p> <p>The Nomination and Remuneration Committee Charter is available on Butn's website under Investors, Corporate Governance section.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complying	The Group has written contracts with each director and senior executive which sets out the terms of their appointment.
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Complying	The Board Charter outlines the role, duties and responsibilities of the company secretary who is directly accountable to the board, through the chair.
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p>	Complying	<p>(a) The Group has adopted a Diversity Charter outlining the Group's diversity policy;</p> <p>(b) The Diversity Charter sets the foundation for setting diversity targets and strategies to meet them; and</p> <p>(c) In relation to the reporting period, the company only listed in July 2021, after the current reporting period with measurable objectives to be reported in FY22.</p> <p>The Diversity Charter is available on Butn's website under Investors, Corporate Governance section.</p>



<p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes).</p>		
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Complying</p>	<p>(a) The Board Charter details the processes for the evaluation of the board, directors and committees; and</p> <p>(b) In relation to the reporting period, the company only listed in July 2021, after the current reporting period with any performance evaluation to be reported in FY22.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Complying</p>	<p>(a) The Board Charter details the processes for the evaluation of senior executives’ performance. The reviews are conducted annually; and</p> <p>(b) Details of the reviews are included in the Company’s Remuneration Report of its Annual Report.</p>
<p>Principle 2: Structure the board to be effective and add value:</p>		
<p>Recommendation 2.1</p> <p>The board of a listed entity should have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or attendances of the members at those meetings.</p>	<p>Complying</p>	<p>The Group has a Nomination and Remuneration Committee which:</p> <p>(1) Includes three members, all of whom are independent directors;</p> <p>(2) Is chaired by Mike Hirst, an independent director;</p> <p>(3) Has a charter available on Butn’s website under Investors, Corporate Governance section;</p> <p>(4) The members of the committee are: Mike Hirst (chair) Suzanne Ewart Georg Chmiel</p> <p>(5) In relation to the reporting period, the company only listed in July 2021, after the current reporting period with meetings to be reported in FY22. Prior to this, matters were dealt with by the entire board.</p>



<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Complying</p>	<p>A profile of each director, detailing skills, experience and background is included in the Annual Report.</p> <table border="1" data-bbox="890 286 1423 506"> <thead> <tr> <th>Board skill</th> <th>Skill matrix*</th> </tr> </thead> <tbody> <tr> <td>Board of director experience</td> <td>Yes</td> </tr> <tr> <td>Industry experience</td> <td>Yes</td> </tr> <tr> <td>People management</td> <td>Yes</td> </tr> <tr> <td>Strategic planning</td> <td>Yes</td> </tr> <tr> <td>Financial performance management</td> <td>Yes</td> </tr> <tr> <td>Technology</td> <td>Yes</td> </tr> <tr> <td>Banking and Funding</td> <td>Yes</td> </tr> </tbody> </table> <p>*Yes indicates a majority of directors have a medium or above level of expertise in this area.</p>	Board skill	Skill matrix*	Board of director experience	Yes	Industry experience	Yes	People management	Yes	Strategic planning	Yes	Financial performance management	Yes	Technology	Yes	Banking and Funding	Yes
Board skill	Skill matrix*																	
Board of director experience	Yes																	
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<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Complying</p>	<p>(a) The details of the directors considered by the board to be independent are detailed in the Annual Report;</p> <p>(b) N/A or not material;</p> <p>(c) The length of service of each director is detailed within the Annual Report.</p>																
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors</p>	<p>Complying</p>	<p>A majority of the board is considered independent, with details provided in the Annual Report.</p>																
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Complying</p>	<p>The chair of the board is Suzanne Ewart, who is considered an independent non-executive director and is distinct from Butn's CEO.</p>																
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Complying</p>	<p>The Nomination and Remuneration Committee responsibilities include support for new director induction and ongoing development for directors to ensure they have the requisite skills and knowledge to perform their role as directors effectively.</p>																
<p>Principle 3: Instill a culture of acting lawfully, ethically and responsibly:</p>																		
<p>Recommendation 3.1</p> <p>A listed entity should articulate and disclose its values.</p>	<p>Complying</p>	<p>Butn's vision and values is disclosed on its website under Investors, Company Overview.</p>																
<p>Recommendation 3.2</p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>Complying</p>	<p>(a) The Code of Conduct is available on Butn's website under Investors, Corporate Governance section and applies to all employees, senior executives and directors; and</p> <p>(b) Any material breach is reported to the board.</p>																



<p>Recommendation 3.3</p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Complying</p>	<p>(a) The Whistleblower Policy is available on Butn’s website under Investors, Corporate Governance section; and</p> <p>(b) Any material incidents are reported to the Audit and Risk Committee or the board of directors.</p>
<p>Recommendation 3.4</p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>Complying</p>	<p>(a) The Anti-Bribery and Corruption Policy is outlined in Butn’s Code of Conduct, which is available on Butn’s website under Investors, Corporate Governance; and</p> <p>(b) Any material breaches are reported to the Audit and Risk Committee (via the Whistleblower Policy) or the board of directors.</p>
<p>Principle 4: Safeguard the integrity of corporate reports</p>		
<p>Recommendation 4.1</p> <p>The board of a listed entity should have an audit committee which:</p> <p>(1) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board; and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>Complying</p>	<p>The Group has an Audit and Risk Committee which:</p> <p>(1) Includes three members, all of whom are non-executive independent directors;</p> <p>(2) Is chaired by Georg Chmiel, an independent director, who is not the chair of the board;</p> <p>(3) Has a charter available on Butn’s website under Investors, Corporate Governance section;</p> <p>(4) The qualifications and experience of the members of the committee detailed within the Annual Report; and</p> <p>(5) In relation to the reporting period, the company only listed in July 2021, after the current reporting period with meetings to be reported in FY22. Prior to this, matters were dealt with by the entire board.</p>
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Complying</p>	<p>The Company’s Audit and Risk Committee Charter requires the CEO and CFO (or each person who performs each of those roles) to provide a certification (declaration) that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Complying</p>	<p>Periodic reports to be released to the market undergo a series of internal management reviews including by the CFO and CEO and where relevant the board and / or third-party advisers.</p>



Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	Complying	The Group's Continuous Disclosure Policy is available on Butn's website under Investors, Corporate Governance section.
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Complying	The Group's Continuous Disclosure Policy requires copies of all material market announcements are received by the board promptly after they have been made.
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	Complying	The Continuous Disclosure Policy specifies the Group may hold briefing sessions, however, must not disclose any material information unless such information has already been announced to the ASX.
Principle 6: Respect the rights of security holders:		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Complying	The Group provides information on its governance and related policies, which is available on Butn's website under Investors, Corporate Governance section.
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Complying	The Group's Shareholder Communication Policy is available on Butn's website under Investors, Corporate Governance section. The policy provides the foundation and strategy for effective two-way communication within the investor community and shareholders with the aim to ensure all are kept informed of any major developments affecting the state of affairs of the Group.
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	Complying	The Group's Shareholder Communication Policy and the company's constitution provide guidance on facilitating and encouraging participation of security holders at meetings. Amongst other measures, this includes structuring shareholder meetings to allow for security holder participation, reserving time for security holders to speak and direct questions to the board as well as responding to email queries for those who may not be able to attend.
<p>Recommendation 6.4</p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Complying	The Group's Shareholder Communication Policy outlines that all substantive resolutions must be made by security holders by a poll.
<p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Complying	The Group's website contains a facility for shareholders to direct enquiries to the Company or to contact its registry.
Principle 7: Recognise and manage risk:		
<p>Recommendation 7.1</p> <p>The board of a listed entity should have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director; and disclose: (3) the charter of the committee; 	Complying	<p>The Group has an Audit and Risk Committee to oversee risk which:</p> <ol style="list-style-type: none"> (1) Includes three members, all of whom are independent directors; (2) Is chaired by Georg Chmiel, an independent director; (3) Has a charter available on Butn's website under Investors, Corporate Governance section;



<p>(4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>		<p>(4) The members of the committee are: Georg Chmiel (chair) Suzanne Ewart Mike Hirst (5) In relation to the reporting period, the company only listed in July 2021, after the current reporting period with meetings to be reported in FY22. Prior to this, matters were dealt with by the entire board.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Complying</p>	<p>(a) At least annually the Audit and Risk Committee will review the company’s risk management framework to ensure it continues to be sound and is operating with due regard to the set risk appetite; and (b) In relation to the reporting period, the company only listed in July 2021, after the current reporting period with a review to be reported in FY22.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Complying</p>	<p>(a) Butn does not have an internal audit function. (b) Butn’s Audit and Risk Committee is responsible for evaluating and continually improving the effectiveness of Butn’s governance, risk management and internal control processes, cognizant of the size, stage, and scope of the Company’s activities.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Complying</p>	<p>The Group has not identified any material environmental or social risk exposures.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The board of a listed entity should have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director; and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p>	<p>Complying</p>	<p>The Group has a Nomination and Remuneration Committee which:</p> <p>(1) Includes three members, all of whom are independent directors; (2) Is chaired by Mike Hirst, an independent director; (3) Has a charter available on Butn’s website under Investors, Corporate Governance section; (4) The members of the committee are: Mike Hirst (chair) Suzanne Ewart Georg Chmiel (5) In relation to the reporting period, the company only listed in July 2021, after the</p>



		current reporting period with meetings to be reported in FY22. Prior to this, matters were dealt with by the entire board.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complying	The Remuneration and Nomination Committee Charter details the remuneration framework, separating the practices for non-executive directors, executive directors and senior executives.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Complying	The Group has equity-based remuneration schemes which are disclosed in the Annual Report. (a) Butn has a Trading Policy which specifies trading restrictions, including limiting certain participants from using derivatives or similar instruments which limit the economic risks. (b) Butn Trading Policy is available on Butn's website under Investors, Corporate Governance section.

Additional Recommendations 9.1 – 9.3 do not apply to Butn Limited.