

27 April 2026

ASX Announcement

ANNUAL GENERAL MEETING – LETTER TO SHAREHOLDERS

DroneShield Limited (ASX:DRO) (DroneShield or the Company) advises that its Annual General Meeting will be held at 10:00am (AEST) on Friday, 29 May 2026 at Level 34, 161 Castlereagh Street, Sydney, NSW 2000, Australia (**AGM** or **Meeting**). The Annual General Meeting will also be broadcast as a live webcast which can be viewed online via the Automic Platform. The webcast will not enable shareholders to vote, but shareholders will be able to view the proceedings live and ask questions.

The Notice of Meeting (**Notice**) is being made available to shareholders electronically and can be viewed and downloaded online at the following link: <https://www.droneshield.com/>. Alternatively, the Notice will also be available on the Company's ASX market announcements page (ASX: **DRO**).

In accordance with the *Corporations Act 2001*, the Company will only be dispatching physical copies of the Notice to shareholders who have elected to receive the Notice in physical form. For further information on your right to elect to receive documents from the Company electronically or physically, please refer to the Company's website at <https://www.droneshield.com/>.

The Notice is given based on circumstances as at the date of this letter. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.droneshield.com/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Questions prior to and at the AGM

Shareholders will have a reasonable opportunity at the Annual General Meeting to ask questions relating to the management of the Company and any items of business set out in the Notice of Meeting, as well as ask questions of the Auditor.

To assist with the efficient conduct of the AGM, shareholders are also invited to submit written questions in advance of the Meeting to the Company, including for the Auditor. Please send written questions to the Joint Company Secretaries, at investors@droneshield.com. All written questions must be received by 5:00pm (AEST) Friday, 22 May 2026.

During the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting. Shareholders attending the Meeting and wishing to vote on the day of the Meeting can find further instructions on how to do so in the Notice of Meeting. Alternatively, shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 10:00am (AEST) on Wednesday, 27 May 2026. **Proxy Forms received later than this time will be invalid.**

The Chairman intends to vote all available undirected proxies in favour of all resolutions.

This letter has been approved for release to the ASX by the Board.

On behalf of the Board, thank you for your continued support as a shareholder. We look forward to welcoming you to our AGM on Friday, 29 May 2026.

Paul Cenoz

Yours faithfully,
Paul Cenoz (General Counsel and Joint Company Secretary)

About DroneShield Limited

DroneShield (ASX:DRO) provides Artificial Intelligence based platforms for protection against advanced threats such as drones and autonomous systems. We offer solutions designed to suit a variety of terrestrial, maritime or airborne platforms. Our customers include military, intelligence community, Government, law enforcement, critical infrastructure, and airports.

To learn more about DroneShield click here: www.droneshield.com/about

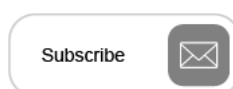
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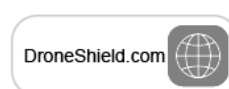
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Notice of Annual General Meeting

Explanatory Statement | Proxy Form



DRONESHIELD

DroneShield Limited
ACN 608 915 859

Notice is given that the Annual General Meeting of Shareholders of DroneShield Limited (ASX: DRO) will be held as follows:

Date	Friday, 29 May 2026
Time	10:00am (AEST)
Venue Location	Level 34, 161 Castlereagh Street, Sydney NSW 2000

The accompanying Explanatory Statement provides further details regarding the matters to be addressed at the Meeting. This Notice of Meeting comprises the Explanatory Statement and the Proxy Form.

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that those eligible to vote at the Annual General Meeting will be Shareholders registered as of 7:00pm (AEST) on Wednesday, 27 May 2026.

Definitions of terms and abbreviations used in this Notice of Meeting and the Explanatory Statement can be found in the Glossary.

DroneShield Limited – 2026 Annual General Meeting

Dear Shareholder,

Together with Chairman Peter James and the rest of the Board, I look forward to seeing you at DroneShield's Annual General Meeting on Friday, 29 May 2026 at 10am AEST.

Since DroneShield's Initial Public Offering (**IPO**) in June 2016 at 20 cents per Share and a market capitalisation of \$27m, the Company has gone from strength to strength. In September 2025 the Company entered the ASX 200, with a market capitalisation of approximately \$2.8 billion, which today sits at approximately \$3.5 billion.

From just 11 employees in 2017 to over 500 employees globally today, DroneShield has been a tremendous Australian success story. DroneShield's solutions protect the personnel, sites and critical infrastructure of governments, militaries and private entities worldwide, with end-users in over 70 countries. I am looking forward to becoming a Director on 1 May 2026, and am excited to be part of its next phase of growth and the immense opportunity ahead as DroneShield executes on its significant global sales pipeline.

I would like to take this opportunity to thank Peter James and Oleg Vornik, who have been with the Company since 2016 and 2015 respectively. Make no mistake about it, Oleg and Peter have both been critical to building the global business that DroneShield is today. Over a 10 plus year journey, Peter and Oleg have created substantial Shareholder wealth, growing DroneShield from a small start-up to an ASX 200 Company.

Peter was appointed to DroneShield's board in April 2016, prior to the Company's IPO. After 10 years of service on DroneShield's Board as its Chairman, Peter recently advised the Board of his decision to retire from the Board and not to stand for re-election at this year's AGM. Therefore, his tenure as Chairman will end at the conclusion of the AGM.

Oleg joined DroneShield in 2015 as its first employee and was initially paid \$100 a day, given the Company had little money and no sales. Oleg was DroneShield's CFO during its IPO and was appointed CEO & Managing Director in January 2017. Oleg has lived and breathed DroneShield, taking its negligible revenue on formation to over \$216m today with employees in 10 countries.

On behalf of the Company's Shareholders and the Board, I want to acknowledge and thank Oleg and Peter for their tremendous contribution to DroneShield and wish them both the very best for their future endeavours. I am grateful for their support through the transition. I look forward to working with Angus Bean as CEO & Managing Director, and seeing the Company's momentum continue. As I've got to learn about the Company and its operations, I have been impressed by the team and the international opportunities it is unlocking from its Australian base.

I will be joining DroneShield at an important time and look forward to what lies ahead. Over the past year, the Board undertook a governance review conducted by Herbert Smith Freehills Kramer. All recommendations of the governance review have been implemented, including an enhanced Trading Policy and Disclosure Policy, along with the introduction of a mandatory Minimum Shareholding Policy. These changes ensure DroneShield's corporate governance framework aligns with market best practice and the expectations of an ASX 200 company.

Reflecting DroneShield's status as a complex and global organisation, the Board is currently undertaking a renewal process. The Directors are seeking to expand the Board, bringing additional skills and experience that will support DroneShield's ongoing growth and governance requirements. I look forward to announcing future appointments in due course.

Over the past several weeks, I've spent time getting to know many of DroneShield's employees and their passion for the Company and its vision is electric. I believe a key reason for DroneShield's growth has been its incentive model which has delivered value to Shareholders by aligning staff outcomes and Shareholder outcomes. As Chairman, I look forward to working closely with DroneShield's executive team and continuing its track record of delivering shareholder value.

I encourage Shareholders to read DroneShield's Annual Report together with this Notice of Meeting and to lodge your proxy by the deadline.

Yours sincerely



Hamish McLennan
Independent Non-Executive Director and Chairman-Elect
From 1 May 2026

Meeting Information

Important Information for Shareholders about the Company's 2026 AGM

This Notice of Meeting (the **Notice**) is given based on circumstances as at Monday, 27 April 2026. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.droneshield.com/investor-relations. Shareholders are urged to monitor each for any changes leading up to the AGM date.

Venue and Voting Information

The Annual General Meeting to which this Notice of Meeting relates will be held at 10:00am (AEST) on Friday, 29 May 2026 at Level 34, 161 Castlereagh Street, Sydney NSW 2000.

The Company will also webcast the Meeting for Shareholders who are not able to attend in person, which can be viewed online via the Automic Platform.

The webcast will not enable Shareholders to vote, but Shareholders will be able to view the proceedings live and ask questions.

Shareholders who are not able to attend the Meeting but would like to vote or ask questions are encouraged to lodge their proxy vote (instructions detailed below) or submit a question in advance of the Meeting by email to the Joint Company Secretaries at investors@droneshield.com.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the location set out above.

Voting by proxy

A shareholder entitled to attend and vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

To vote by proxy, please use one of the methods outlined in the table below.

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By mail	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
In person	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy Form must be received not later than 10:00am (AEST) on Wednesday, 27 May 2026. Proxy Forms received later than this time will be invalid.

Questions prior to and at the AGM

Shareholders will have a reasonable opportunity at the Annual General Meeting to ask questions relating to the management of the Company and any items of business set out in this Notice of Meeting, as well as ask questions of the Auditor.

To assist with the efficient conduct of the AGM, Shareholders are also invited to submit written questions in advance of the meeting to the Company, including for the Auditor. Please send written questions to the Joint Company Secretaries, at investors@droneshield.com. All written questions must be received by 5:00pm (AEST) Friday, 22 May 2026.

During the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

Power of Attorney

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

BUSINESS OF THE MEETING

Financial Statements and Reports

"To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2025."

Note: This item is for discussion only and is not a Resolution.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the reports during consideration of this item.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following Resolution as an **Ordinary resolution**:

"That the Remuneration Report (as contained in the Company's Annual Financial Report) for the year ended 31 December 2025 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2: Election of Mr Hamish McLennan as Director

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"That Hamish McLennan be elected as a Director of the Company."

Resolution 3: Approval to Increase the Maximum Aggregate Amount of Non-Executive Director's Fees

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"That, for the purposes of clause 11.14 of the Company's constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of remuneration that may be paid to the Company's non-executive directors in any financial year is increased to \$1,700,000, with effect from 1 May 2026."

Resolution 4: Issue of Performance Options to Mr Angus Bean, Managing Director

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"That approval is given, for the purposes of ASX Listing Rule 10.11 and for all other purposes, for the Company to grant 290,375 Performance Options to Mr Angus Bean, Managing Director of the Company, (or his nominee) on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statements

Resolution Affected	Voting Exclusion Statement
Resolution 1: Adoption of Remuneration Report	The Company will disregard any votes cast on Resolution 1: - by or on behalf of a member of the Company's KMP, whose remuneration details are included in the Company's Remuneration Report for the year ended 31 December 2025, or their Closely Related Parties, regardless of the capacity in which the vote is cast; or - as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their Closely Related Parties, unless the vote is cast as proxy for a person entitled to vote on the Resolution: - in accordance with a direction on the Proxy Form; or - by the Chairman pursuant to an express authorisation to exercise the proxy even though the Resolution is connected with the remuneration of the KMP.
Resolution 3: Approval to Increase the Maximum Aggregate Amount of Non-Executive Director's Fees	The Company will disregard any votes cast on Resolution 3: - in favour of the Resolution by or on behalf of a Director of the Company or any of their Associates, regardless of the capacity in which the vote is cast; or - as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their Closely Related Parties, unless the vote is cast on the Resolution: - as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way; or - the Chairman as proxy for a person entitled to vote on the Resolution, pursuant to an express authorisation to exercise the proxy as the Chairman decides; or - by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolution 4: Issue of Performance Options to Angus Bean, Managing Director	The Company will disregard any votes cast on Resolution 4: - in favour of the Resolution, by or on behalf of Mr Bean (or his nominee), or any of his Associates, regardless of the capacity in which the vote is cast; or - as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their Closely Related Parties, unless the vote is cast on the Resolution: - as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way; or - the Chairman as proxy for a person who is entitled to vote on the Resolution, pursuant to an express authorisation to exercise the proxy as the Chairman decides; or - by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD

Paul Cenoz

Paul Cenoz

General Counsel and Joint Company Secretary

27 April 2026

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at Level 34, 161 Castlereagh Street, Sydney NSW 2000 on Friday, 29 May 2026 at 10:00am (AEST).

Financial Statements and Reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2025.

The Company is not required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Shareholders may view the Company's Annual Financial Report on its website at www.droneshield.com/investor-relations.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Auditor will be present at the Meeting. During the discussion of this item, the Auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Resolution 1: Adoption of Remuneration Report

The Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

The Board believes that DroneShield's Remuneration Report demonstrates a strong link between the Company's performance, shareholder returns, and executive compensation outcomes.

Voting Exclusion

A voting exclusion applies to this Resolution and is set out in the Voting Exclusion Statement.

Directors' Recommendation

The Board recommends a vote in favour of this Resolution.

Chairman's Intention

The Chairman intends to vote all undirected proxies in favour of this Resolution.

Resolution 2: Election of Mr Hamish McLennan as Director

The Company's Constitution provides that any Director appointed in addition to the existing Directors will hold office until the next following annual general meeting and is then eligible for election by Shareholders.

Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

As announced by the Company on 8 April 2026, Mr McLennan will be appointed as a Director of the Company effective from 1 May 2026, and will become Chairman following conclusion of the AGM.

Biography of Mr Hamish McLennan

Mr McLennan is an experienced media and marketing industry executive with strong focus on building companies and driving superior corporate governance. He was Executive Chairman and Chief Executive Officer of Ten Network Holdings until July 2015 and, before that, Executive Vice President, Office of the Chairman, at News Corp. Previously, Mr McLennan was Global Chairman and CEO of Young & Rubicam, part of WPP, one of the world's largest communications services group. Mr McLennan is Chairman of REA Group, ARN Media Ltd and a Director of Light and Wonder, Inc. Mr McLennan's appointment brings extensive global executive leadership and ASX-listed Board experience to DroneShield.

The Board believes that Shareholders will benefit from Mr McLennan's leadership experience across major private and public companies, mergers and acquisition, governance, marketing, media, and sales, as DroneShield continues its next phase of growth and capitalises on its significant global sales pipeline.

Mr McLennan's track record of leading high-profile organisations will make a valuable addition to the Board's range of skills and experiences.

The Board considers Mr McLennan to be an independent non-executive director.

Voting Exclusion

A voting exclusion does not apply to this Resolution.

Directors' Recommendation

Mr McLennan is not a Director as at the date of this Notice of Meeting, and makes no recommendation.

The other Directors recommend a vote in favour of this Resolution.

Chairman's Intention

The Chairman intends to vote all undirected proxies in favour of this Resolution.

Resolution 3: Approval to Increase the Maximum Aggregate Amount of Non-Executive Director's Fees

Shareholder approval is being sought to increase the maximum aggregate amount of fees available to be paid to non-executive directors (**Fee Pool**) by \$900,000 to \$1,700,000 with effect from 1 May 2026. In accordance with clause 11.14 of the Company's constitution and Listing Rule 10.17, the Company must not increase the total amount of non-executive directors' fees payable without Shareholder approval. The current Fee Pool of \$800,000 was approved by shareholders at the 2025 Annual General Meeting, which was prior to the entry of the Company into S&P/ASX200 in September 2025.

The Board considers the current Fee Pool is insufficient to increase the number of Directors and achieve the level of Board renewal that Shareholders expect for the governance requirements of an S&P/ASX 200 company with a global footprint like DroneShield.

The proposed increase in the Fee Pool will allow for directors to be paid committee fees (which is not currently the case), and also allow for adjustments in Board fees to reflect the complexity of DroneShield and the increasing workloads of Directors.

DroneShield is seeking shareholder approval to increase the Fee Pool to:

- continue to facilitate the Board renewal programme, with the recent appointment of Hamish McLennan (Chairman-Elect) and an intention to increase the size of the Board and appoint additional suitably qualified non-executive directors;
- ensure the Company can remunerate non-executive directors competitively and attract and retain high calibre non-executive directors, given the increased complexity of DroneShield and the increasing workloads of directors;
- accommodate proposed Board and committee fee arrangements for FY26 (as set out below), recognising that committee fees have not previously been paid to Directors; and
- support the appointment of non-executive directors with the skills and experience to enhance DroneShield's governance processes and support its next stage of growth.

As flagged in the Remuneration Report, the Board undertook a comprehensive independent benchmarking review of non-executive director fees for FY26. The review included consideration of the Company's size, complexity, market positioning and peer group remuneration fee levels and associated practices.

External remuneration consultant, PayIQ Executive Pay, reviewed Non-Executive Director fees against a peer group of 19 broadly comparable ASX-listed companies that operated in the Information Technology and Industrials sector. The companies were selected on the basis of operating in the same sectors as DroneShield and being of a similar size.

The 6-month market capitalisations of the peer group constituents ranged from \$986m to \$12.59bn. At the time of the benchmarking, DroneShield's 6-month average market capitalisation of \$2.94bn placed it at the 40th percentile of the peer group.

The benchmarking identified that DroneShield's current fee pool of \$800,000 is positioned below the peer group (P25: \$1,500,000). The proposed increase to \$1,700,000 per annum places it in line with its position within the peer group and below the median (P50: \$2,000,000).

The benchmarking further noted that fees of \$150,000 per annum currently paid to Non-Executive Directors was significantly below the median (P50: \$178,400) and that the fees of \$195,000 currently paid to the Chair were significantly below market (P50: \$382,978).

The benchmarking further noted that unlike its peers DroneShield did not pay directors committee fees, despite the increased workload and complexity of the role.

Following this review, the Board has determined to increase Board fees and commence paying committee fees as set out below:

Position	FY26 Fees
Board Chairman	\$400,000
Director	\$170,000
Chair of Audit & Risk Committee	\$30,000
Member of Audit & Risk Committee	\$18,000
Chair of the People, Culture and Remuneration Committee	\$30,000
Member of the People, Culture and Remuneration Committee	\$18,000

In addition, the Chairman-Elect will be eligible for a one-off appointment grant of 50,270 of DroneShield shares (**Share Grant**). The Company will purchase the Share Grant on market, as such, ASX Listing Rule 10.11 does not apply. The Share Grant was calculated by dividing \$200,000 by the volume weighted average price of DroneShield's shares traded on the ASX in the 5 trading days before 8 April 2026 (date of the announcement of appointment), rounded up to the nearest whole number. The Chairman-Elect will receive the Share Grant following the AGM, and the shares will be subject to a holding lock which prevents any trading until after the one year anniversary of the Chairman-Elect's appointment (i.e. 1 May 2027). In the event that the Chairman-Elect ceases to be a Director during that 12 month period, he will forfeit a pro-rata portion of the Share Grant for unserved time as a Director. Aside from the 12 month service period the Share Grant is not subject to any performance-related hurdles. The Share Grant arrangements are a one-off element within the Fee Pool, and was considered by the Board as a mechanism to attract and retain a Chairman of this calibre.

The Company does not issue options or equity to Directors with performance conditions attached. DroneShield's historical practice of Director compensation that included equity with performance conditions and/or options reflected DroneShield's earlier stage of growth and has been discontinued.

Additional information

If this Resolution is passed, the maximum aggregate amount of non-executive director fees will increase to \$1,700,000 per financial year. If this Resolution is not passed, the Fee Pool will remain at \$800,000 per annum, which will constrain the Company's ability to recruit and retain suitably qualified non-executive directors.

The following securities have been issued to non-executive directors in the three years preceding the date of this Meeting under Listing Rules 10.11:

Date of issue	Non-executive director	Terms and number of securities issued
19 January 2024	Mr Peter James	3,000,000 Performance Options following Shareholder approval at the General Meeting held on 15 January 2024
19 January 2024	Mr Jethro Marks	1,500,000 Performance Options following Shareholder approval at the General Meeting held on 15 January 2024
19 October 2023	Mr Peter James	Acquired 5,000,000 Fully Paid Ordinary Shares at nil consideration on exercise of Performance Options
19 October 2023	Mr Jethro Marks	Acquired 1,000,000 Fully Paid Ordinary Shares at nil consideration on exercise of Performance Options

Voting Exclusion

A voting exclusion applies to this Resolution and is set out in the Voting Exclusion Statements.

Directors' Recommendation

Given the nature of this Resolution, the Directors do not consider it appropriate to make a voting recommendation.

Chairman's Intention

The Chairman intends to vote all undirected proxies in favour of this Resolution.

Resolution 4: Issue of Performance Options to Angus Bean

The Company is seeking Shareholder approval for the proposed grant of 290,375 Performance Options to Angus Bean, Managing Director of the Company (or his nominee).

The proposed grant of 290,375 Performance Options represents Mr Bean's Long-Term Incentive (**LTI**). The LTI has a three-year Performance Period which commenced on 1 April 2026 and is a key feature of Mr Bean's compensation.

The LTI includes challenging, quantifiable performance hurdles which deliver strong alignment between Mr Bean's remuneration outcomes and DroneShield's performance.

During FY2025, the People, Culture and Remuneration Committee (the **Committee**) engaged independent remuneration consultant PayIQ Executive Pay to ensure Executive KMP remuneration remains market competitive.

Executive KMP remuneration was benchmarked to a combined ASX and global peer group of 27 broadly comparable companies with respect to size, sector/industry classification and nature of business operations/stage). Reflecting the global geographies that DroneShield operates in, the peer group comprised 19 ASX-listed companies and 8 international companies. The 6-month average market capitalisation of the peer group ranged from \$986m - \$20.98bn (DroneShield: P41) and the annual revenues ranged from \$11m - \$11.23bn (DroneShield: P27).

Following consideration of the benchmarking, and to ensure the CEO and Managing Director's compensation remained in line with market, the Board resolved to increase the maximum LTI opportunity of up to 200% of fixed annual remuneration, as performance options. Upon the resignation of former CEO and Managing Director, Mr Oleg Vornik on 8 April 2026, Mr Bean was appointed as CEO & Managing Director on the same remuneration package.

This resulted in Mr Bean's total maximum annual remuneration being set at \$3,400,000 which is in-line with the peer set (P25: \$3,523,000). Mr Bean's maximum annual remuneration from the date of his appointment as CEO

and Managing Director comprises fixed annual remuneration of \$850,000, a maximum short term incentive opportunity of \$850,000, and a maximum long term incentive opportunity of up to \$1,700,000. The Committee believes that setting 75% of Mr Bean's maximum annual remuneration to be "at risk" and contingent on the achievement of quantifiable performance measures to be in the best interests of shareholders. Each Performance Option is an entitlement to receive a fully paid ordinary share in the Company, subject to the satisfaction of performance hurdles and vesting conditions. A summary of the material terms of the Performance Options is set out in Annexure A.

The Company grants Performance Options because they create share price alignment between Mr Bean and Shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless Performance Options vest.

DroneShield's Minimum Shareholding Policy applies to Mr Bean, requiring him to hold shares with a value equal to 200% of his fixed remuneration within three years of his appointment as CEO and Managing Director.

The terms of the Performance Options have been updated from prior years to strengthen further alignment with Shareholders. Changes include:

- the introduction of three equally weighted, quantifiable performance hurdles; and
- a deferral mechanism, whereby following the achievement of any LTI performance hurdle, vesting of 50% of the Performance Options is conditional on continued employment for an additional 12 months to reinforce executive retention.

The Performance Options include three-equally weighted, quantifiable performance hurdles comprising \$300 million, \$400 million and \$500 million in revenue or customer cash receipts over a rolling 12 month period (as set out in Annexure A).

These hurdles (respectively) represent 39%, 85% and 131% growth on the 2025 financial year revenue. Achieving each of these challenging hurdles will require significant scaling and overcoming global challenges across all business functions with thoughtful strategic planning and execution. This includes, but is not limited to, conversion of sales pipeline opportunities into contracted revenue (or customer cash receipts), financial management, expanding operational capacity, enhancing human resources processes, complying with complex, highly regulatory requirements, managing market expansion, aligning with strategic goals, adopting appropriate technology, providing effective leadership, ensuring quality customer service and staying ahead of the competition.

The rationale for selecting revenue and cash receipts as the LTI measures is that it represents a quantitative assessment of performance, and the Board believes these metrics are the most appropriate for DroneShield as it continues its growth phase and captures market share.

The Board believes that each hurdle represents a challenging target that will either take time to achieve, or require strong business growth and performance, which should be incentivised. In light of this, and given the use of revenue and cash receipts as measures under the LTI, the Board believes it is appropriate to maintain a rolling 12-month period as the measurement methodology for revenue or cash receipts during the Performance Period.

Under the LTI, the Board believes that Mr Bean is incentivised with long-term equity-based compensation that promotes alignment with shareholder outcomes and business growth. The LTI targets revenue and cash receipts, which given the high gross profit margin of DroneShield's solutions will drive operating leverage as revenue grows.

In addition, as set out in Annexure A, once each of the respective rolling hurdles have been satisfied, only 50% of the relevant Performance Options will vest, and the vesting of the remaining 50% will be deferred for 12 months and subject to a continuous service condition.

Performance Hurdles and Vesting Conditions for Performance Options

The Performance Hurdles for the Performance Options will be as follows:

- for 1/3rd of the Performance Options, \$300 million of revenue from contracts with customers in accordance with the Australian Accounting Standards (**Revenue**) or \$300 million of customer cash receipts;
- for a further 1/3rd of the Performance Options, \$400 million of Revenue or \$400 million of customer cash receipts; and
- for a final 1/3rd of the Performance Options, \$500 million of Revenue or \$500 million of customer cash receipts,

in any rolling twelve (12) month period during the Performance Period, as verified by the Company's auditor (each a **Performance Hurdle**).

The above Performance Hurdles can be satisfied at the same time, for example if in one rolling 12 month period \$500 million of Revenue is achieved (and surpassing each of \$300 million and \$400 million in the process), the Performance Hurdle for all of the Options will be achieved.

Following satisfaction of a Performance Hurdle, the Options that are the subject of that Performance Hurdle will vest (and may then be exercised into Shares) as follows:

- one half (1/2) of the Performance Options will vest on the date that the relevant Performance Hurdle is satisfied, subject to the holder being an Eligible Participant on that date; and
- the remaining half (1/2) of the Performance Options vest on the 12 month anniversary of the date that the relevant Performance Hurdle is satisfied, subject to the holder being an Eligible Participant on that date.

Valuation of Performance Options

- The Performance Options are not proposed to be quoted on ASX, accordingly, they have no easily identifiable market value. However, as the Performance Options could be exercised/converted into Shares (subject to satisfaction of its terms), the Performance Options may have a present value at the date of their issue.
- The Company has sought an independent valuation of the Performance Options from Leadenhall Valuation Services Pty Ltd (**Valuations Expert**). The valuation was prepared in accordance with accounting standard AASB 2 Share-Based Payments and uses the BlackScholes Model, which is a commonly used and recognised model for valuing the Performance Options.
- The value of a Performance Options calculated by this model is a function of the relationship between a number of variables and inputs, which can be summarised as follows:

Valuation input	Assumption
Valuation date	7 April 2026
Spot price (closing price of the company's shares on valuation date)	\$3.99
Exercise price as noted in Performance Options terms	\$Nil
Life (years) ¹	N/A
Risk-free rate ¹	N/A
Volatility measure ¹	N/A
Dividend yield	0.0%
Assessed value	\$3.99

Valuation Expert's Note 1: Given there are no imminent plans for dividends and no exercise price, the option value will always equal the spot price at the valuation date. Adopting different assumptions for volatility, life and risk-free rate does not change the assessed value.

- Based on the inputs, the Performance Options have been valued as follows:

Recipient	Number of Performance Options	Total value
Mr Angus Bean	The number of Performance Options will be 290,375	\$1,158,596.25

Additional Information

The Company provides the following information in relation to resolution 4:

- (a) ASX Listing Rule 10.11 provides that unless an exception applies, the Company must not issue equity securities to certain persons, including a related party, without Shareholder approval. Mr Angus Bean is the Managing Director of the Company and is therefore a related party of the Company.
- (b) Mr Angus Bean's FY26 total remuneration package is:
 - fixed annual remuneration of \$850,000 per annum (exclusive of superannuation up to the statutory requirement);
 - short term incentive of up to \$850,000 subject to achievement against FY26 revenue targets; and
 - long term incentive of 290,375 Performance Options (which are the subject of this approval).
- (c) If Shareholder approval is obtained, the Performance Options will be issued to Mr Angus Bean (or his nominee) within one month of the AGM.
- (d) If Shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise the Managing Director.
- (e) The Performance Options will be offered for nil cash consideration and no exercise price is payable.
- (f) No funds will be raised by the issue of the Performance Options.
- (g) Subject to Shareholder approval being obtained, the Performance Options are being offered to Mr Bean as part of his appointment as CEO and Managing Director. Other than as already disclosed in this Explanatory Statement, there are no other material terms of the agreement.

Voting Exclusion

A voting exclusion applies to this Resolution and is set out in the Voting Exclusion Statements.

Directors' Recommendation

The Board (with Mr Bean abstaining) recommends that Shareholders vote in favour of this Resolution.

Chairman's Intention

The Chairman intends to vote all undirected proxies in favour of this Resolution.

Enquiries

Shareholders are asked to contact the Joint Company Secretaries on investors@dronesshield.com if they have any queries in respect of the matters set out in these documents.

Glossary

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2026 Annual Report to Shareholders for the period ended 31 December 2025 as lodged by the Company with ASX.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor means the auditor of the Company.

Auditor's Report means the auditor's report of HLB Mann Judd Assurance (NSW) Pty Ltd as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chairman means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company or DroneShield Limited means DroneShield Limited ACN 608 915 859.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the Explanatory Statement.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Performance Option means a performance option which, subject to its terms, could convert to a Share.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions (each a **Resolution**) set out in this Notice of Meeting, or any one of them, as the context requires.

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Pty Ltd.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

Annexure A – Material Terms of Performance Options

A summary of the material terms of the Performance Options is set out below.

Entitlement	Each Performance Option entitles the holder to subscribe for one share upon exercise of the Performance Option.
Exercise Price	No consideration is payable upon the exercise of each Performance Option.
Performance Period	The performance period is the 36 month period (Performance Period) commencing on 1 April 2026.
Number of Performance Options	The number of Performance Options to be issued to Mr Bean will be 290,375.
Performance Hurdles	The performance hurdle for the Options is the Company achieving: (a) for 96,792 Options - \$300 million of revenue from contracts with customers in accordance with the Australian Accounting Standards (Revenue) or \$300 million of customer cash receipts; (b) for 96,792 - Options \$400 million of Revenue or \$400 million of customer cash receipts; and (c) for 96,791 - Options \$500 million of Revenue or \$500 million of customer cash receipts, in any rolling twelve (12) month period during the Performance Period, as verified by the Company's auditor (each a Performance Hurdle). The above Performance Hurdles can be satisfied at the same time, for example if in one rolling 12 month period \$500 million of Revenue is achieved, the Performance Hurdle for all of the Options will be achieved.
Service requirement and vesting	Following satisfaction of a Performance Hurdle, the Options that are the subject of that Performance Hurdle will vest (and may then be exercised into Shares) as follows: (a) one half (1/2) of the Options vest on the date that the relevant Performance Hurdle is satisfied, subject to you being an Eligible Participant on that date; and (b) the remaining half (1/2) of the Options vest on the 12 month anniversary of the date that the relevant Performance Hurdle is satisfied, subject to you being an Eligible Participant on that date. In the event of a fraction the number of Options that vest will be rounded to the nearest whole Option.
Expiry Date	Each Option will expire at 5:00 PM (AEST) on 30 June 2030. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Automatic Vesting	Subject to the Company complying with the ASX Listing Rules and the Corporations Act, each Option will automatically vest and become exercisable into Shares in the event of: (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or

	(c) a person acquiring voting power (as defined in section 610 of the Corporations Act) in over 50% of the Company's Shares, in circumstances where such person's voting power was lower than the 50% threshold prior to the date on which the Options were issued; or (d) a person or group of persons acquiring voting power (as defined in section 610 of the Corporations Act) in over 50% of the Shares as a result of an acquisition by the Company or a subsidiary, or a reverse merger with the Company or a subsidiary, or any similar transaction or event; or (e) the Company enters into agreements to sell businesses or assets which are owned by the Company at the date of issue of the Options (whether or not in the form of shares in a subsidiary company) the consideration for which businesses or assets represents more than 50% of the value of all of the businesses and assets owned by the Company at the date of issue of the Options (with reference to the Company's most recent audited financial statements) to a person, or a number of persons, none of which are in the Company's group, such a determination shall be notified to the holder in writing.
Timing of issue of Shares on exercise	Shortly after the Exercise Date, the Company will: (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Options specified in the Notice of Exercise; (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporation Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Options. If a notice delivered upon paragraph (b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than twenty (20) Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
Clawback	The Board has the discretion to lapse unvested Options and claw back vested shares or cash in certain circumstances (such as fraud, dishonesty, unlawful behaviour or serious misconduct).
Shares issued on Exercise	Shares issued on exercise of the Performance Options rank equally with the then issued shares of the Company.
Reconstruction of capital	If at any time the issued capital of the Company is reconstructed, all rights of the holder of Performance Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of reconstruction.
Participation in new issues	There are no participation rights or entitlements inherent in the Performance Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Options without exercising the Performance Options.

Change in exercise price	An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
Lapse of Options	If the employee ceases to be an Eligible Participant after a Performance Hurdle is satisfied but before the relevant Options have vested, the unvested Options will lapse.

Your proxy voting instruction must be received by **10:00am (AEST) on Wednesday, 27 May 2026**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

On a poll, the Chair of the Meeting will vote directed proxies as directed and may vote available undirected proxies as the Chair sees fit. If the Chair of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting your Proxy Form you are expressly authorising the Chair to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Forms together. If you require an additional Proxy Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: Where a company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001 (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise, this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

Lodging your Proxy Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Form.



BY MAIL:

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IN PERSON:

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