

## Update on Governance Review

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**DroneShield Limited (ASX:DRO) (DroneShield or the Company)** refers to the independent review which has been undertaken in relation to the Company's continuous disclosure and securities trading policies and other areas, as described in the Company's ASX announcements dated 20 and 24 November 2025.

The review was overseen by Independent Directors Simone Haslinger and Richard Joffe. Herbert Smith Freehills Kramer was engaged to undertake the review.

Following completion of the review last week, the Board has undertaken immediate action as outlined below.

### Governance changes

The Board will establish a mandatory minimum shareholding policy (**MSP**) for all directors and members of senior management. Under the MSP, each director will be expected to hold ordinary shares in the Company equivalent in value to their annual base fee within 3 years from the establishment of the MSP, and the CEO will be expected to hold ordinary shares in the Company equivalent in value to 200% of their annual salary within 12 months from the establishment of the MSP.

DroneShield will also update its Securities Trading Policy and Continuous Disclosure Policy to align them with market practice and expectations of an ASX200 company. The market will be notified once these Policies have been updated.

The Board is initiating a search for a suitable candidate to be appointed as an additional independent non-executive director with ASX200 experience in the next 12 months. The market will be updated once an appointment is made.

### Review of remuneration structures

The Board is also undertaking a review of the director and executive remuneration framework, supported by PayIQ Executive Pay. The review will focus on aligning the Company's remuneration arrangements with the expectations for an ASX200 company and the dynamic industry in which the Company operates. It is intended that an update on this review will be provided in the Company's next Remuneration Report published in February 2026.

### Process improvements

The Company is continuing work announced previously to enhance the verification processes undertaken in respect of ASX announcements, and these processes have been reviewed by the Company's independent auditors.

Following the conclusion of the ERP implementation in January 2026, an appropriately qualified external adviser will undertake a broader review of the Company's financial reporting processes and internal controls.

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

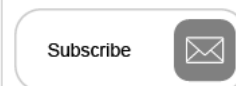
**Enquiries:**

Penny Berger  
Director of Investor Relations  
E: [investors@dronesield.com](mailto:investors@dronesield.com)  
P: +61 2 9995 7280

**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.dronesield.com/about](http://www.dronesield.com/about)

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