
DELTA DRONE INTERNATIONAL LIMITED

ACN 618 678 701

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4.00pm (AEST)

DATE: 24 June 2021

PLACE: By Virtual Meeting Facility

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm AEST on Tuesday, 22 June 2021.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Shareholders of Delta Drone International Limited (the **Company**) will be held through the Virtual Meeting Facility on Thursday, 24 June 2021 commencing at 4.00pm AEST (the **Meeting**).

Through the Virtual Meeting Facility, Shareholders will be able to participate in the meeting by listening, asking questions and voting on the resolutions. Shareholders are strongly encouraged to cast their vote by proxy prior to the Meeting in accordance with the instructions set out on page 7 of this Notice to ensure their votes are counted. Further information on how to participate and vote during the Meeting via the Virtual Meeting Facility is set out on page 8 of this Notice.

The Explanatory Memorandum that accompanies this Notice provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

Should circumstances further change between the date of this Notice of Meeting and the proposed time of the Meeting, the Directors will further update Shareholders with the proposed next steps.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2020."

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

Voting exclusion statement:

To the extent required by section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties.

However, a person (the **Voter**) may cast a vote as a proxy if the vote is not cast on behalf of such a member or their Closely Related Parties and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (b) the Voter is the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chairman to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – EDEN ATTIAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Eden Attias, being a Director of the Company, who retires by rotation in accordance with clause 14.2 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – STEPHEN GORENSTEIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Stephen Gorenstein, being a Director of the Company, who retires by rotation in accordance with clause 14.2 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – CHRISTIAN VIGUIE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Christian Viguie, being a Director of the Company, who retires in accordance with clause 14.4 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company in accordance with ASX Listing Rule 14.4 and clauses 14.3 and 14.4 of the Company’s Constitution.”

6. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – NICHOLAS CLERC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Nicholas Clerc, being a Director of the Company, who retires in accordance with clause 14.4 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company in accordance with ASX Listing Rule 14.4 and clauses 14.3 and 14.4 of the Company’s Constitution.”

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the

capacity of a holder of ordinary securities) or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote in that way; or
- (b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) it is cast 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 7 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

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

“That, for the purposes of ASX Listing Rule 7.2, Exception 13(b) and for all other purposes, approval is given for the Company to issue securities under the Delta Drone Employee Incentive Plan as an exception to ASX Listing Rule 7.1, as set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a person who is eligible to participate in the Employee Incentive Plan or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote in that way; or
- (b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) it is cast 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 8 – PARTICIPATION OF CHRISTOPHER CLARK AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 6,000,000 Performance Rights to Christopher Clark under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of a person who is eligible to participate in the Employee Incentive Plan or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- (c) it is cast 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 9 – PARTICIPATION OF EDEN ATTIAS AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 6,000,000 Performance Rights to Eden Attias under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of a person who is eligible to participate in the Employee Incentive Plan or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- (c) it is cast 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:

- (i) 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
- (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

11. RESOLUTION 10 – PARTICIPATION OF CHRIS SINGLETON AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Performance Rights to Chris Singleton under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of a person who is eligible to participate in the Employee Incentive Plan or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- (c) it is cast 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

12. RESOLUTION 11 – PARTICIPATION OF STEPHEN GORENSTEIN AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Performance Rights to Stephen Gorenstein under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of a person who is eligible to participate in the Employee Incentive Plan or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- (c) it is cast 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

13. RESOLUTION 12 – PARTICIPATION OF DAN ARAZI AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,000,000 Performance Rights to Dan Arazi under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 12 by or on behalf of a person who is eligible to participate in the Employee Incentive Plan or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- (c) it is cast 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Dated: 19 May 2021

By order of the Board



Stephen Buckley, Company Secretary

How to vote

The Company has decided to hold the Meeting as a virtual meeting. You may vote by proxy or via the Virtual Meeting Facility.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return it:

- In person at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000;
- By post to Automic, GPO Box 5193, Sydney NSW 2001;
- By facsimile to +61 (0)2 8583 3040;
- By scan and email to meetings@automicgroup.com.au; or
- By following the directions on the Proxy Form.

All proxy forms must be received by the Company not later than **4pm AEST on Tuesday, 22 June 2021**.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

In addition:

- if a proxy is given by a body corporate, a Proxy Form must be executed in writing under the common seal of the corporation or otherwise in accordance with section 127 of the Corporations Act or signed by an attorney;
- if a proxy is given by a natural person, a Proxy Form must be executed under the hand of that person or that person's attorney;
- to be effective, the Proxy Form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding the Meeting or any adjourned Meeting; and
- if a Shareholder appoints the Chairman as the Shareholder's proxy and does not specify how the Chairman is to vote, the Chairman will vote, as proxy for that Shareholder, in favour of or against each resolution as set out in the Explanatory Statement;
- a Shareholder that is a body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the Meeting. (the appointment may be a standing one); and
- any Proxy Form received after this deadline will be treated as invalid.

Personal Representative

To vote by personal representative, please forward the authority under which the personal representative has been appointed (or a certified copy of the authority) to the address set out above for the return of Proxy Forms so that it is received no later than **4pm AEST on Tuesday, 22 June 2021**.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that

company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting. An appointment of corporate representative form can be obtained by via the Company's share registry website – www.automic.com.au.

Voting online via the Virtual Meeting Facility

In order to provide shareholders with an opportunity to participate in the Meeting, the Company has decided to hold the Meeting as a virtual meeting via an online meeting platform powered by the Company's share registry, Automic Group (**Virtual Meeting Facility**).

All Resolutions considered at the Meeting will be decided by poll based on proxy votes received prior to the commencement of the Meeting and votes cast via the Virtual Meeting Facility during the Meeting.

Whilst live voting will be available during the Meeting, Shareholders are strongly encouraged to submit their votes by proxy to ensure that their votes are counted. Instructions on how to submit votes by proxy are contained within the "voting by proxy" section above.

The Company invites shareholders to attend and participate in the Meeting through the Virtual Meeting Facility. To watch, listen and vote online at the Meeting, Shareholders can attend the Meeting at the date and time set out in this Notice, being 4:00pm on 24 June 2021 by following the instructions below:

To access the virtual meeting:

1. Open your internet browser and go to investor.automic.com.au.
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "**Register**" when this appears. Alternatively, click on "**Meetings**" on the left hand menu bar to access registration.
4. Click on "**Register**" and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting.
6. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen.
7. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot amend your vote after it has been submitted.**

Further information and support on how to use the platform is available on the Share Registry website – www.automic.com.au. It is recommended that you register to use the registry website well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the registry by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (overseas).

You may still attend the Meeting and vote even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance at the Meeting via the Virtual Meeting Facility will not revoke your proxy appointment unless you actually vote at the Meeting via the Virtual Meeting Facility for which the proxy is proposed to be used, in which case, the proxy's appointment will be deemed to be revoked with respect to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6189 1155.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Shareholders should read this statement and the Notice in full before deciding how to vote on the Resolutions set out in the Notice. All resolutions to be considered at the Meeting will be decided by poll based on both proxy votes received prior to the commencement of the Meeting and votes cast via the online voting facility during the Meeting. Shareholders are encouraged to cast their vote by proxy prior to the Meeting in accordance with the instructions set out on page 7 of this Notice.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

There is no requirement for shareholders to vote on these statements and reports. Shareholders will be given a reasonable opportunity to raise questions and make comments on these reports and on the management of the Company at the Meeting.

Representatives of the Company's auditor will be present for discussion purposes on matters of relevance to the audit.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.dlti.com.au/resource/financials/

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the company's remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out a company's remuneration arrangements for its directors and senior management. The remuneration report is part of the directors' report contained in the annual financial report of a company for a financial year.

The Chairman of the meeting must allow a reasonable opportunity for shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

The Remuneration Report for the financial year ended 31 December 2019 did not receive a vote of more than 25% against its adoption at the Company's 2020 annual general meeting held on 28 July 2020. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

2.1 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1. The Board encourages Shareholders to apply the same level of diligence to voting on this Resolution as for the binding Resolutions. The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution 1.

3. RESOLUTION 2 - RE-ELECTION OF EDEN ATTIAS

3.1 General

Pursuant to the clause 14.2 of the Company's Constitution, at the Company's annual general meeting in every year, one-third of the Directors for the time being shall retire from office. A retiring director may stand for re-election.

For this reason, Eden Attias retires by way of rotation and, being eligible, offers himself for re-election as a Director.

3.2 Election of Eden Attias

Mr Attias, who has served as a Director since 13 June 2018, retires by rotation and seeks re-election.

(a) Qualifications and other material directorships

Mr Attias has extensive experience and knowledge in the development of the Company's existing products and markets. Prior to joining the Company in 2015, Israel nominated Mr Attias as its first Ministry of Defence attaché to Ottawa, Canada. In this role, Mr Attias spearheaded the defence relationship between the two nations and greatly enhanced cooperation for military and security organisations. Under his command, the office created new trade opportunities for firms and facilitated long lasting international cooperation between the military and defence industries in both countries.

Mr Attias has a distinguished military resume, having served in Israel's Air Force (**IAF**) as a pilot and as a leader in numerous positions for over 30 years, achieving the rank of Brigadier General. During his tenure, he oversaw the move of the IAF's airlift base in Lod to the Nevatim air base in the Negev. He then commanded the Nevatim airbase from 2008 to 2011.

Mr Attias holds a Bachelor of Computer Science and Philosophy from Tel Aviv University and a Master in Public Administration from the University of Haifa.

(b) Independence

If elected the Board considers that Mr Attias will not be independent as he will be an executive Director.

3.3 Directors' Recommendation

The Directors support the re-election of Mr Attias and recommend that Shareholders vote in favour of this Resolution 2.

4. RESOLUTION 3 - RE-ELECTION OF STEPHEN GORENSTEIN

4.1 General

Pursuant to the clause 14.2 of the Company's Constitution, at the Company's annual general meeting in every year, one-third of the Directors for the time being shall retire

from office. A retiring director may stand for re-election an election of Directors must take place.

For this reason, Stephen Gorenstein retires by way of rotation and, being eligible, offers himself for re-election as a Director.

4.2 Election of Stephen Gorenstein

Mr Gorenstein, who has served as a Director since 17 October 2019, retires by rotation and seeks re-election.

(a) Qualifications and other material directorships

Mr Gorenstein has over 17 years' experience in the capital markets including analyst roles at both Goldman Sachs and Merrill Lynch. He was formerly the Regional Head of Asia Pacific Metals and Mining at Bank of America Merrill Lynch. Mr Gorenstein has extensive networks in the Australian capital markets and is active in cross border transactions particularly sourcing high-quality technology companies from Israel looking to establish themselves in Australia. Mr Gorenstein is a director of Jindalee Partners.

(b) Independence

If elected the Board considers that Mr Gorenstein is an independent director.

4.3 Directors' Recommendation

The Directors support the re-election of Mr Gorenstein and recommend that Shareholders vote in favour of this Resolution 3.

5. RESOLUTION 4 - RE-ELECTION OF CHRISTIAN VIGUIE

5.1 General

Pursuant clauses 14.3 and 14.4 of the Company's Constitution, Christian Viguie, being eligible, offers himself for re-election as a Director.

5.2 Election of Christian Viguie

Mr Viguie, having been appointed by the Board as a Director on 8 April 2021, seeks re-election.

(a) Qualifications and other material directorships

Christian is Chairman and CEO of Delta Drone SA, Delta Drone's majority shareholder. A graduate of IEP Paris, Christian worked as a financial analyst before forming several financial reporting companies. He also served as Director General of the Unilog Group from 1998 to 2006, where he was responsible for relationships with the finance community.

(b) Independence

If elected the Board considers that Mr Viguie will not be an independent director.

5.3 Directors' Recommendation

The Directors support the re-election of Mr Viguie and recommend that Shareholders vote in favour of this Resolution 4.

6. RESOLUTION 5 - RE-ELECTION OF NICHOLAS CLERC

6.1 General

Pursuant clauses 14.3 and 14.4 of the Company's Constitution, Nicholas Clerc, being eligible, offers himself for re-election as a Director.

6.2 Election of Nicholas Clerc

Nicholas Clerc, having been appointed by the Board as a Director on 8 April 2021, seeks re-election.

(a) **Qualifications and other material directorships**

Nicolas has an Advanced Degree in Accounting and Management and 20 years' experience in accounting and audit firms including PriceWaterhouseCoopers and TEOREM. He joined the Delta Drone group in September 2017 as Group Administrative and Finance Director.

(b) **Independence**

If elected the Board considers that Mr Clerc will not be an independent director.

6.3 Directors' Recommendation

The Directors support the re-election of Mr Clerc and recommend that Shareholders vote in favour of this Resolution 5.

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under ASX Listing Rule 7.1A, however, an Eligible Entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10%.

An 'Eligible Entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is not included in the S&P/ASX 300 index and has a market capitalisation of \$300 million or less and is therefore an Eligible Entity for these purposes.

This Resolution 6 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in ASX Listing Rule 7.1A to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If this Resolution 6 is passed, the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

This Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

7.2 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the time and date of the Company's next Annual General Meeting, **(10% Placement Capacity Period)**.

(b) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in the section 7.2 (b)(i) of this Notice, the date on which the Equity Securities are issued.

(c) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration in which case the Company intends to use funds raised to accelerate its drones as a services strategy.

(d) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 3 May 2021.

The table below also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on issue (Variable 'A' in ASX Listing Rule 7.1A2) | Potential Dilution and Funds Raised | | | |
|---|-------------------------------------|--|--------------------------|--|
| | Issue Price (per Share) | \$0.014 (50% decrease in Issue Price) | \$0.028 (Issue Price) | \$0.042 (50% increase in Issue Price) |
| Variable A 502,004,932 | Shares issued – 10% voting dilution | 50,200,493 | 50,200,493 | 50,200,493 |
| | Funds raised | \$702,806.90 | \$1,405,613.80 | \$2,108,420.70 |
| (50% increase in Variable A) 753,007,398 | Shares issued – 10% voting dilution | 75,300,739 | 75,300,739 | 75,300,739 |
| | Funds raised | \$1,054,210.34 | \$2,108,420.69 | \$3,162,631.03 |
| (100% increase in Variable A) 1,004,009,864 | Shares issued – 10% voting dilution | 100,400,986 | 100,400,986 | 100,400,986 |
| | Funds raised | \$1,405,613.80 | \$2,811,227.60 | \$4,216,841.41 |

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Furthermore, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Equity Securities under ASX Listing Rule 7.1A.2**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 28 July 2020.

The Company has not issued or agreed to issue Equity Securities under ASX Listing Rule 7.1A.2 in the 12 months preceding the Meeting.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.3**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must:

- (i) state in its announcement of the proposed issue under ASX Listing Rule 3.10.3 or in its application for quotation of the securities under ASX Listing Rule 2.7 that the securities are being issued under ASX Listing Rule 7.1A; and
- (ii) give to ASX immediately after the issue a list of names of the persons to whom the entity issued the equity securities and the number of equity securities issued to each. This list is not for release to the market.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

7.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

7.4 Directors Recommendation

The Directors consider the approval of the 10% Placement Capacity to be in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 6 to give effect to the approval.

8. RESOLUTION 7 – APPROVAL OF THE EMPLOYEE INCENTIVE PLAN

8.1 General

This Resolution 7 seeks shareholder approval for the proposed approval of the Employee Incentive Plan for the purposes of ASX Listing Rule 7.2, Exception 13(b).

8.2 ASX Listing Rule 7.1

Subject to certain exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its Shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under ASX Listing Rule 7.2, Exception 13(b), an issue of securities under an employee incentive scheme is excluded from the 15% capacity limit imposed by ASX Listing Rule 7.1 if the issue is made under an employee incentive scheme that was approved by the entity's Shareholders within 3 years before the date of issue.

If this Resolution 7 is passed, securities issued under the Employee Incentive Plan over the next 3 years from the date of the Meeting will be treated as having been made with the approval of Shareholders for the purposes of ASX Listing Rule 7.1 and will be excluded from the 15% capacity limit. If Resolution 7 is not passed, any securities issued under the Employee Incentive Plan that exceed the 15% limit in ASX Listing Rule 7.1 will require the approval of Shareholders, unless the issue falls within one of the exceptions in ASX Listing Rule 7.2.

8.3 Information required by ASX Listing Rule 7.2, Exception 13(b)

Pursuant to and in accordance with ASX Listing Rule 7.2, Exception 13(b), the following information is provided in relation to Resolution 7:

- (a) a summary of the terms of the Employee Incentive Plan is set out in Schedule 1 to this Notice of Meeting;
- (b) no securities have previously been issued under the Employee Incentive Plan;
- (c) the maximum number of securities proposed to be issued under the Employee Incentive Plan is 25,000,000; and
- (d) a voting exclusion statement is included in this Notice.

8.4 Directors' Recommendation

The Board recommends that Shareholders vote in favour of this Resolution 7. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

9. RESOLUTION 8 – PARTICIPATION OF CHRISTOPHER CLARK AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

9.1 General

This Resolution 8 seeks shareholder approval for the proposed issue of 6,000,000 of Performance Rights to Christopher Clark, a Director of the Company, on the terms and conditions set out below.

9.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities to a director of the entity under an employee incentive scheme. As the proposed issue of 6,000,000 Performance Rights involves an issue to Christopher Clark, a Director of the Company, under the Employee Incentive Plan, shareholder approval under ASX Listing Rule 10.14 is required.

If this Resolution 8 is passed, the Company will be able to proceed with the issue of 6,000,000 Performance Rights to Christopher Clark. Moreover, the issuance of 6,000,000 Performance Rights to Christopher Clark will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1 as those securities, once issued, will be excluded from calculating the 15% limit under ASX Listing Rule 7.1. This is because the Company will be entitled to rely on exception 14 of ASX Listing Rule 7.2 which states that approval pursuant to ASX Listing Rule 7.1 is not required if Shareholder approval is obtained under ASX Listing Rule 10.14.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of 6,000,000 Performance Rights to Christopher Clark and the Board of the Company will have to consider alternative arrangements to appropriately remunerate Mr Clark.

9.3 Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 8:

- (a) the Director is Christopher Clark;
- (b) Christopher Clark is a director for the purposes of ASX Listing Rule 10.14.1;
- (c) the number of Performance Rights to be issued to Christopher Clark is 6,000,000;
- (d) Christopher Clark's current total remuneration package is \$195,000 per annum ;
- (e) Christopher Clark has not previously been issued securities under the Employee Incentive Plan;
- (f) the material terms of the Performance Rights are set out in Schedule 2, noting that:
 - (i) 2,000,000 Performance Rights are subject to the DDG Milestones (in three equal tranches); and

- (ii) 4,000,000 Performance Rights are subject to the New Milestones (in three equal tranches);
- (g) the Performance Rights are being issued to Christopher Clark as a part of his remuneration package and as a performance incentive – the Board considers that Performance Rights are an appropriate form of incentive as they align remuneration with the long-term success of the Company, shareholder interests and current market practice;
- (h) the Performance Rights that are proposed to be issued to Christopher Clark have an aggregate estimated value of \$155,997¹;
- (i) the Performance Rights will be issued to the Director as soon as reasonably practicable following the Meeting and no later than 3 years after the date of this Meeting;
- (j) the Performance Rights will be issued for nil consideration;
- (k) a summary of the material terms of the Employee Incentive Plan are set out in Schedule 1;
- (l) details of any Performance Rights issued under the Employee Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (m) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Employee Incentive Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement is included in this Notice.

9.4 Directors' Recommendation

The Board (excluding Christopher Clark who declines to give a recommendation due to his material personal interest in the matter) recommends that Shareholders vote in favour of this Resolution 8. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

10. RESOLUTION 9 – PARTICIPATION OF EDEN ATTIAS AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

10.1 General

This Resolution 9 seeks shareholder approval for the proposed issue of 6,000,000 of Performance Rights to Eden Attias, a Director of the Company, on the terms and conditions set out below.

10.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities to a director of the entity under an employee incentive scheme. As the proposed issue of 6,000,000 Performance Rights involves an issue to Eden Attias, a Director of the Company, under the Employee Incentive Plan, shareholder approval under ASX Listing Rule 10.14 is required.

If this Resolution 9 is passed, the Company will be able to proceed with the issue of 6,000,000 Performance Rights to Eden Attias. Moreover, the issuance of 6,000,000 Performance Rights to Eden Attias will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1 as those securities, once issued, will be excluded from calculating the 15% limit under ASX Listing Rule 7.1. This

¹ This estimate is based on a price per Share of \$0.026, being the closing price of the Company's Shares on 16 April 2021.

is because the Company will be entitled to rely on exception 14 of ASX Listing Rule 7.2 which states that approval pursuant to ASX Listing Rule 7.1 is not required if Shareholder approval is obtained under ASX Listing Rule 10.14.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of 6,000,000 Performance Rights to Eden Attias and the Board of the Company will have to consider alternative arrangements to appropriately remunerate Mr Attias.

10.3 Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 9:

- (a) the Director is Eden Attias;
- (b) Eden Attias is a director for the purposes of ASX Listing Rule 10.14.1;
- (c) the number of Performance Rights to be issued to Eden Attias is 6,000,000;
- (d) Eden Attias' current total remuneration package is \$185,000;
- (e) Eden Attias has not previously been issued securities under the Employee Incentive Plan;
- (f) the material terms of the Performance Rights are set out in Schedule 3, noting the Performance Rights are subject to the New Milestones only (in three equal tranches);
- (g) the Performance Rights are being issued to Eden Attias as a part of his remuneration package and as a performance incentive – the Board considers that Performance Rights are an appropriate form of incentive as they align remuneration with the long-term success of the Company, shareholder interests and current market practice ;
- (h) the Performance Rights that are proposed to be issued to Eden Attias have an aggregate estimated value of \$156,000²;
- (i) the Performance Rights will be issued to the Director as soon as reasonably practicable following the Meeting and no later than 3 years after the date of this Meeting;
- (j) the Performance Rights will be issued for nil consideration;
- (k) a summary of the material terms of the Employee Incentive Plan are set out in Schedule 1;
- (l) details of any Performance Rights issued under the Employee Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (m) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Employee Incentive Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement is included in this Notice.

10.4 Directors' Recommendation

The Board (excluding Eden Attias who declines to give a recommendation due to his material personal interest in the matter) recommends that Shareholders vote in favour of this Resolution 9. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

² This estimate is based on a price per Share of \$0.026, being the closing price of the Company's Shares on 16 April 2021.

11. RESOLUTION 10 – PARTICIPATION OF CHRIS SINGLETON AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

11.1 General

This Resolution 10 seeks shareholder approval for the proposed issue of 1,000,000 of Performance Rights to Chris Singleton, a Director of the Company, on the terms and conditions set out below.

11.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities to a director of the entity under an employee incentive scheme. As the proposed issue of 1,000,000 Performance Rights involves an issue to Chris Singleton, a Director of the Company, under the Employee Incentive Plan, shareholder approval under ASX Listing Rule 10.14 is required.

If this Resolution 10 is passed, the Company will be able to proceed with the issue of 1,000,000 Performance Rights to Chris Singleton. Moreover, the issuance of 1,000,000 Performance Rights to Chris Singleton will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1 as those securities, once issued, will be excluded from calculating the 15% limit under ASX Listing Rule 7.1. This is because the Company will be entitled to rely on exception 14 of ASX Listing Rule 7.2 which states that approval pursuant to ASX Listing Rule 7.1 is not required if Shareholder approval is obtained under ASX Listing Rule 10.14.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of 1,000,000 Performance Rights to Chris Singleton and the Board of the Company will have to consider alternative arrangements to appropriately remunerate Mr Singleton.

11.3 Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 10:

- (a) the Director is Chris Singleton;
- (b) Chris Singleton is a director for the purposes of ASX Listing Rule 10.14.1;
- (c) the number of Performance Rights to be issued to Chris Singleton is 1,000,000;
- (d) Chris Singleton's current total remuneration package is \$40,000;
- (e) Chris Singleton has not previously been issued securities under the Employee Incentive Plan;
- (f) the material terms of the Performance Rights are set out in Schedule 3, noting the Performance Rights are subject to the New Milestones only (in three equal tranches);
- (g) the Performance Rights are being issued to Chris Singleton as a part of his remuneration package and as a performance incentive – the Board considers that Performance Rights are an appropriate form of incentive as they align remuneration with the long-term success of the Company, shareholder interests and current market practice;
- (h) the Performance Rights that are proposed to be issued to Chris Singleton have an aggregate estimated value of \$25,998³;
- (i) the Performance Rights will be issued to the Director as soon as reasonably practicable following and not later than 3 years after the date of this Meeting;
- (j) the Performance Rights will be issued for nil consideration;

³ This estimate is based on a price per Share of \$0.026, being the closing price of the Company's Shares on 16 April 2021.

- (k) a summary of the material terms of the Employee Incentive Plan are set out in Schedule 1;
- (l) details of any Performance Rights issued under the Employee Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (m) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Employee Incentive Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement is included in this Notice.

11.4 Directors' Recommendation

The Board (excluding Chris Singleton who declines to give a recommendation due to his material personal interest in the matter) recommends that Shareholders vote in favour of this Resolution 10. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

12. RESOLUTION 11 – PARTICIPATION OF STEPHEN GORENSTEIN AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

12.1 General

This Resolution 11 seeks shareholder approval for the proposed issue of 1,000,000 of Performance Rights to Stephen Gorenstein, a Director of the Company, on the terms and conditions set out below.

12.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities to a director of the entity under an employee incentive scheme. As the proposed issue of 1,000,000 Performance Rights involves an issue to Stephen Gorenstein, a Director of the Company, under the Employee Incentive Plan, shareholder approval under ASX Listing Rule 10.14 is required.

If this Resolution 11 is passed, the Company will be able to proceed with the issue of 1,000,000 Performance Rights to Stephen Gorenstein. Moreover, the issuance of 1,000,000 Performance Rights to Stephen Gorenstein will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1 as those securities, once issued, will be excluded from calculating the 15% limit under ASX Listing Rule 7.1. This is because the Company will be entitled to rely on exception 14 of ASX Listing Rule 7.2 which states that approval pursuant to ASX Listing Rule 7.1 is not required if Shareholder approval is obtained under ASX Listing Rule 10.14.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of 1,000,000 Performance Rights to Stephen Gorenstein and the Board of the Company will have to consider alternative arrangements to appropriately remunerate Mr Gorenstein.

12.3 Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 11:

- (a) the Director is Stephen Gorenstein;
- (b) Stephen Gorenstein is a director for the purposes of ASX Listing Rule 10.14.1;
- (c) the number of Performance Rights to be issued to Stephen Gorenstein is 1,000,000;
- (d) Stephen Gorenstein's current total remuneration package is \$40,000;

- (e) Stephen Gorenstein has not previously been issued securities under the Employee Incentive Plan;
- (f) the material terms of the Performance Rights are set out in Schedule 3, noting the Performance Rights are subject to the New Milestones only (in three equal tranches);
- (g) the Performance Rights are being issued to Stephen Gorenstein as a part of his remuneration package and as a performance incentive – the Board considers that Performance Rights are an appropriate form of incentive as they align remuneration with the long-term success of the Company, shareholder interests and current market practice;
- (h) the Performance Rights that are proposed to be issued to Chris Singleton have an aggregate estimated value of \$25,998⁴;
- (i) the Performance Right will be issued to the Director as soon as reasonably practicable following and not later than 3 years after the date of this Meeting;
- (j) the Performance Rights will be issued for nil consideration;
- (k) a summary of the material terms of the Employee Incentive Plan are set out in Schedule 1;
- (l) details of any Performance Rights issued under the Employee Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (m) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Employee Incentive Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement is included in this Notice.

12.4 Directors' Recommendation

The Board (excluding Stephen Gorenstein who declines to give a recommendation due to his material personal interest in the matter) recommends that Shareholders vote in favour of this Resolution 11. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

13. RESOLUTION 12 – PARTICIPATION OF DAN ARAZI AS A DIRECTOR IN AN ISSUE OF PERFORMANCE RIGHTS

13.1 General

This Resolution 12 seeks shareholder approval for the proposed issue of 1,000,000 of Performance Rights to Dan Arazi, a Director of the Company, on the terms and conditions set out below.

13.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities to a director of the entity under an employee incentive scheme. As the proposed issue of 1,000,000 Performance Rights involves an issue to Dan Arazi, a Director of the Company, under the Employee Incentive Plan, shareholder approval under ASX Listing Rule 10.14 is required.

If this Resolution 12 is passed, the Company will be able to proceed with the issue of 1,000,000 Performance Rights to Dan Arazi. Moreover, the issuance of 1,000,000

⁴ This estimate is based on a price per Share of \$0.026, being the closing price of the Company's Shares on 16 April 2021.

Performance Rights to Dan Arazi will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1 as those securities, once issued, will be excluded from calculating the 15% limit under ASX Listing Rule 7.1. This is because the Company will be entitled to rely on exception 14 of ASX Listing Rule 7.2 which states that approval pursuant to ASX Listing Rule 7.1 is not required if Shareholder approval is obtained under ASX Listing Rule 10.14.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of 1,000,000 Performance Rights to Dan Arazi and the Board of the Company will have to consider alternative arrangements to appropriately remunerate Mr Arazi.

13.3 Information required by ASX Listing Rule 10.15

Pursuant to the Employee Incentive Plan and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 12:

- (a) the Director is Dan Arazi;
- (b) Dan Arazi is a director for the purposes of ASX Listing Rule 10.14.1;
- (c) the number of Performance Rights to be issued to Dan Arazi is 1,000,000;
- (d) Dan Arazi's current total remuneration package is \$40,000;
- (e) Dan Arazi has not previously been issued securities under the Employee Incentive Plan;
- (f) the material terms of the Performance Rights are set out in Schedule 3, noting the Performance Rights are subject to the New Milestones only (in three equal tranches);
- (g) the Performance Rights are being issued to Dan Arazi as a part of his remuneration package and as a performance incentive – the Board considers that Performance Rights are an appropriate form of incentive as they align remuneration with the long-term success of the Company, shareholder interests and current market practice;
- (h) the Performance Rights that are proposed to be issued to Dan Arazi have an aggregate estimated value of \$25,998⁵;
- (i) the Performance Rights will be issued to the Director as soon as reasonably practicable following and not later than 3 years after the date of this Meeting;
- (j) the Performance Rights will be issued for nil consideration;
- (k) a summary of the material terms of the Employee Incentive Plan are set out in Schedule 1;
- (l) details of any Performance Rights issued under the Employee Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14;
- (m) any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Employee Incentive Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement is included in this Notice.

⁵ This estimate is based on a price per Share of \$0.026, being the closing price of the Company's Shares on 16 April 2021.

13.4 Directors' Recommendation

The Board (excluding Dan Arazi who declines to give a recommendation due to his material personal interest in the matter) recommends that Shareholders vote in favour of this Resolution 12. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

14. GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 3.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in the ASX Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the chair of the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Delta Drone International Limited (ACN 618 678 701).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

DDG Milestones means the performance milestones attaching to each of the Performance Rights as set out in Part A of Schedule 2.

Delta Drone South Africa or **DDSA** means Delta Drone South Africa and its current subsidiaries, Drone Safety and Legal, Rocketmine South Africa, Rocketmine Ghana and Rocketmine Australia.

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Employee Incentive Plan or the **Plan** means the employee incentive scheme, a summary of the terms of which is set out in Schedule 1.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Group means the Company and its Related Bodies Corporate from time to time.

Group Company means a member of the Group.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

New Milestones means the performance milestones attaching to each of the Performance Rights as set out in Part B of Schedule 2.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Performance Milestone means the performance milestones attaching to each Performance Right as set out in Schedule 2 (as applicable).

Performance Right means a performance right which entitles its holder, upon vesting and exercise of that performance right, to a fully paid ordinary share in the Company, subject to the holder satisfying specific Performance Milestones.

Proxy Form means the proxy form accompanying the Notice.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 31 December 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Share Registry means Automic Registry Services.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Virtual Meeting Facility means the online meeting platform powered by Automic Group.

SCHEDULE 1: EMPLOYEE INCENTIVE PLAN SUMMARY

A summary of the key terms of the Employee Incentive Plan is set out below:

- (a) **(Form of awards)** The Employee Incentive Plan provides for the issue of awards in the form of either options or performance rights to eligible participants.
- (b) **(Eligibility)** Participation in the Employee Incentive Plan will be offered to full time or permanent part-time employees and/or directors of a Group Company.
- (c) **(Terms and conditions)** The Board has the discretion to determine the terms on which options or performance rights under the Plan are issued, including:
 - (i) the number and type of awards to be received by an eligible participant;
 - (ii) whether the awards are satisfied by the delivery of cash on vesting;
 - (iii) in the case of awards that are options, the exercise price, exercise period and expiry date;
 - (iv) whether the awards must be or are able to be satisfied by the payment of cash on exercise or vesting (i.e. the Company paying the participant the market price for the Shares, rather than issuing or transferring the Shares to the participant); and
 - (v) any vesting conditions and/or performance criteria.
- (d) **(Lapse/early vesting)** Other than in special circumstances, awards granted under the Plan will lapse if the participant cease to be employed by a member of the Group before the vesting date. The special circumstances include death, permanent disablement, retirement or redundancy, and in those circumstances some or all of the awards may vest immediately or remain on issue as if the participant remained an employee.
- (e) **(Voting)** Awards granted under the Employee Incentive Plan do not carry any voting rights prior to vesting.
- (f) **(Change of control)** In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards granted under the Employee Incentive Plan vest or lapse.
- (g) **(Trustee)** The Company may appoint a trustee to acquire and hold Shares on behalf of participants, for transfers to future participants or otherwise for the purpose of the Employee Incentive Plan. At this stage, no trustee has been appointed.
- (h) **(Bonus issues and reorganisations of capital)** The Employee Incentive Plan provides for adjustments to be made to:
 - (i) the number of Shares which a participant would be entitled to receive on the exercise of options or vesting of performance rights; or
 - (ii) the exercise price (if any) of options,in the event of a bonus issue (other than an issue of Shares in lieu of dividends or by way of a dividend reinvestment) or a reorganisation of capital.

- (i) **(Other terms)** The Employee Incentive Plan also contains customary and usual terms for dealing with administration, variation, acceleration and termination of the Plan and awards issued under the Plan.

SCHEDULE 2: PERFORMANCE MILESTONES

PART A: DDG MILESTONES

| Milestone | Description |
|----------------------------|--|
| <i>DDG Milestone 1</i> | DDSA achieving consolidated revenue (for the avoidance of doubt, only DDSA and excluding the Group) for any full financial year (being 1 January to 31 December) during the three-year term of the Performance Rights of not less than US\$3,200,000 (based on audited accounts having been prepared by an external auditor or other suitable expert). |
| <i>DDG Milestone 2</i> | If DDSA enters into at least two binding contracts with Australian-based mining companies (being companies that conduct mining, exploration or extraction services) for the provision of drone survey or mapping solutions services to those mining companies in Australia ("Services") and DDSA receives not less than US\$1,000,000 (based on audited accounts having been prepared by an external auditor or other suitable expert) of verified revenue in aggregate from such executed contracts received within the three-year term of the Performance Rights for its Services. |
| <i>DDG Milestone 3</i> | If during the three-year term of the Performance Rights, the Company announces to the ASX that DDSA has expanded the services of its business offering (being the provision of drone survey and mapping solutions) into a new geographic location outside of Australia, Israel, South Africa, Ghana and Namibia and achieved a revenue in that new geographic location of not less than US\$1,000,000 (based on audited accounts having been prepared by an external auditor or other suitable expert). |

Note: DDSA means Delta Drone South Africa and its current subsidiaries, Drone Safety and Legal, Rocketmine South Africa, Rocketmine Ghana and Rocketmine Australia.

PART B: NEW MILESTONES

| Milestone | Description |
|----------------------------|--|
| <i>New Milestone 1</i> | The Group achieving consolidated revenue of not less than AUD\$10,000,000 in a single financial year (being 1 January to 31 December) (based on audited accounts having been prepared by an external auditor or other suitable expert). |
| <i>New Milestone 2</i> | The Group achieving total consolidated EBITDA of not less than AUD\$1,000,000 in a single financial year (being 1 January to 31 December) (based on audited accounts having been prepared by an external auditor or other suitable expert). |
| <i>New Milestone 3</i> | The Company achieving a total return on equity of not less than 10% in a single financial year (being 1 January to 31 December), where return on equity is equal to net profit as a percentage of total equity (based on audited accounts having been prepared by an external auditor or other suitable expert). |

SCHEDULE 3: PERFORMANCE RIGHTS MATERIAL TERMS

A summary of the key terms is set out below:

- (a) **(Entitlement)** Each Performance Right entitles its holder, upon vesting and exercise of that Performance Right, to a fully paid ordinary Share in the Company on a one-for-one basis.
- (b) **(Performance Milestones)** Each Performance Right is subject to specific Performance Milestones (as set out in Schedule 2), which must be satisfied in order for the Performance Right to vest.
- (c) **(No consideration)** The Performance Rights will be issued to each participant for no consideration and, subject to vesting, no consideration will be payable by a participant to exercise a Performance Right.
- (d) **(Lapse)** Unless the Board determines otherwise, a Performance Right will lapse:
 - (i) if the Performance Milestones have not been satisfied within 3 years of the date of issue of the Performance Right;
 - (ii) if the participant ceases to be an employee and/or a director (as applicable) of a Group Company, unless cessation of employment is due to a Good Leaver Event (including death, Permanent Disablement, Retirement and Redundancy); or
 - (iii) if the participant commits an act of fraud or gross misconduct in relation to the affairs of the Group or is in breach of their material duties or obligations to any Group Company.
- (e) **(Not transferrable)** The Performance Rights will not be transferrable and, consequently, will not be quoted on the ASX.
- (f) **(No additional rights)** The Performance Rights will not confer any:
 - (i) right to vote, except as otherwise required by law;
 - (ii) entitlement to dividends;
 - (iii) right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
 - (iv) right to participate in the surplus profits or assets of the Company upon winding up; and
 - (v) right to participate in new issues of securities (e.g. bonus issues or entitlement issues).
- (g) **(Change of control)** Performance Rights may vest on a change of control of the Company, notwithstanding that the relevant Performance Milestone has not been achieved.
- (h) **(Anti-dilution)** The terms of the Performance Rights will be adjusted for any reorganisation of the issued capital of the Company to ensure that there is no advantage or disadvantage to the participant.
- (i) **(Exercise Notice)** To exercise a Performance Right, the Participant must deliver a signed Notice of Exercise to the Board.

- (j) **(Taxation)** Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to any grants of Performance Rights under this Offer.

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEST) on Tuesday, 22 June 2021**, 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

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

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 Voting 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 Voting Forms together. If you require an additional Proxy Voting 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 Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

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 Voting 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://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

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 Voting Form.



BY MAIL:

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GPO Box 5193
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IN PERSON:

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Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

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