



June 29, 2021

The Nasdaq Stock Market  
Listing Qualifications  
805 King Farm Blvd.  
Rockville, MD 20850  
USA

**Re: Draganfly Inc. – Home Country Accommodations**

Dear Sir/Madam:

We are Canadian counsel to Draganfly Inc. (the “**Company**”) and are writing in connection with the Company's listing on The Nasdaq Capital Market (“**Nasdaq**”) under the symbol “DPRO”.

We are advised that, pursuant to Nasdaq Listing Rule 5615(a)(3), the Company, as a “foreign private issuer”, may opt to follow its home country practice in lieu of complying with the requirements of the Rule 5600 Series of the Nasdaq Listing Rules, the requirement to disclose third party director and nominee compensation set forth in Nasdaq Listing Rule 5250(b)(3), and the requirement to distribute annual and interim reports set forth in Nasdaq Listing Rule 5250(d); provided, however, that we are advised that the Company will be required to (i) comply with the Notification of Noncompliance requirement (Nasdaq Listing Rule 5625), (ii) comply with the Voting Rights requirement (Nasdaq Listing Rule 5640), (iii) have an audit committee that satisfies Nasdaq Listing Rule 5605(c)(3), and (iv) ensure that such audit committee's members meet the independence requirement in Nasdaq Listing Rule 5605(c)(2)(A)(ii) (collectively, the “**Home Country Accommodations**”). Except as provided in the foregoing Home Country Accommodations, we are advised that the Company will comply with the requirements of the Rule 5000 Series of the Nasdaq Listing Rules.

**Quorum Requirement**

We are advised that, pursuant to Nasdaq Listing Rule 5615(a)(3), the Company, as a “foreign private issuer”, is opting to follow its home country practice in lieu of complying with the quorum requirement of Nasdaq Listing Rule 5620(c) (the “**Nasdaq Quorum Requirement**”). In this regard, we understand that Nasdaq requires that we advise as to the quorum requirements applicable to meetings of the shareholders of the Company under its governing law.

The Company is a corporation existing under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). Section 172(1) of the BCBCA provides that:

“The quorum for the transaction of business at a meeting of shareholders of a company is (a) the quorum established by the memorandum or articles, (b) if no quorum is established by the memorandum or articles, 2 shareholders entitled to vote at the meeting whether present personally or by proxy, or (c) if the number of shareholders entitled to vote at the meeting is less than the quorum applicable to the company under paragraph (a) or (b), all of the shareholders entitled to vote at the meeting whether present personally or by proxy.”



As permitted by Section 172(1) of the BCBCA, the Company's Articles set out the quorum for shareholder meetings at a threshold that is lower than the minimum of 33 1/3 % of the outstanding shares of the Company's common voting stock set out in the Nasdaq Quorum Requirement.

Section 11.3 of the Company's Articles provides that:

“Subject to the special rights and restrictions attached to the shares of any class or series of shares, and Articles 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.” (the “**Home Country Quorum**”)

The foregoing Home Country Quorum is effective and legally enforceable as a result of Section 172(1) of the BCBCA and is not prohibited by any other applicable Canadian law.

### **Majority Independent Board**

We are advised that, pursuant to Nasdaq Listing Rule 5615(a)(3), the Company, as a “foreign private issuer”, is opting to follow its home country practice in lieu of complying with the majority independent Board requirement in Nasdaq Rule 5605(b)(1) (the “**Nasdaq Majority Independent Board Requirement**”). In this regard, we understand that Nasdaq requires that we advise as to the independence requirement applicable to the board of directors of the Company under its governing law.

Under Canadian securities laws, National Policy 58-201 - Corporate Governance Guidelines (“**NP 58-201**”) only recommends that a majority of the directors of a reporting issuer be “independent” and there is no legal requirement that a majority of the Company's Board be comprised of “independent” directors. As well, Canadian Securities Exchange (“**CSE**”) Policy 4 - Corporate Governance and Miscellaneous Provisions (“**CSE Policy 4**”) does not require that a majority of the directors be “independent” (collectively, the “**Home Country Board Independence**”).

The foregoing Home Country Board Independence is effective and legally enforceable as a result of NP 58-201 and CSE Policy 4 and is not prohibited by any other applicable Canadian law.

### **Independent Compensation Committee**

We are advised that, pursuant to Nasdaq Listing Rule 5615(a)(3), the Company, as a “foreign private issuer”, is opting to follow its home country practice in lieu of complying with the fully independent compensation committee requirement in Nasdaq Rule 5605(d)(2) (the “**Nasdaq Independent Compensation Committee Requirement**”). In this regard, we understand that Nasdaq requires that we advise as to the independence requirement applicable to the compensation committee of board of directors of the Company under its governing law.

Under NP 58-201 the board of a reporting issuer should appoint a compensation committee composed entirely of “independent” directors but it is not a legal requirement to do so. As well,



CSE Policy 4 does not require that a compensation committee be composed entirely of independent directors (collectively, the “**Home Country Compensation Committee Independence**”).

The foregoing Home Country Compensation Committee Independence is effective and legally enforceable as a result of NP 58-201 and CSE Policy 4 and is not prohibited by any other applicable Canadian law.

We further understand that, as a result of following the Home Country Quorum, the Home Country Board Independence, and the Home Country Compensation Committee Independence, and to the extent that the Company determines to follow any additional Home Country Accommodations, the Company shall disclose in its annual reports filed with the United States Securities and Exchange Commission or on its website each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements.

Please do not hesitate to contact us should you have any questions or require any clarification.

Yours truly,  
DLA Piper (Canada) LLP