

**BRAINCHIP HOLDINGS LIMITED
ACN 151 159 812**

NOTICE OF GENERAL MEETING

**The General Meeting of the Company will be held at the offices
of Ernst & Young, The EY Centre, Level 34, 200 George Street,
Sydney NSW 2000 on
Monday, 18 December 2017
at 9:00 am (AEDT).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

BRAINCHIP HOLDINGS LIMITED

ACN 151 159 812

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of BrainChip Holdings Limited (**Company**) will be held at the offices of Ernst & Young, The EY Centre, Level 34, 200 George Street, Sydney NSW 2000 on Monday, 18 December 2017 at 9:00 am (AEDT) (**Meeting**).

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

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 as Shareholders of the Company on Saturday, 16 December 2017 at 7.00pm (AEDT).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Resolution 1 - Approval for Company to acquire Relevant Interest in Shares

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

"That, for the purpose of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given to the Company for the acquisition by the Company of a Relevant Interest in the Voluntary Escrowed Shares as a result of the Company entering into voluntary escrow agreements as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who is a party to a voluntary escrow agreement, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

Directors' Recommendation

The Directors unanimously recommend that non-associated Shareholders vote in favour of Resolution 1.

2. Resolution 2 - Ratification of prior issues of securities

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of securities:

- (a) 119,380,063 Shares issued under Listing Rule 7.1; and
- (b) 8,000,000 Options issued under Listing Rule 7.1,

on the terms and conditions in the Explanatory Memorandum.

Voting Exclusion

The Company will disregard any votes cast on Resolutions 2(a) and 2(b) by any person (and any associate of such a person) who participated in the issue of the securities.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

Directors' Recommendation

The Directors unanimously recommend that eligible Shareholders vote in favour of Resolutions 2(a) and (2)(b).

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'N Dolmatoff', written in a cursive style.

Naomi Dolmatoff
Company Secretary
BrainChip Holdings Limited
Dated: 16 November 2017

BRAINCHIP HOLDINGS LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of Ernst & Young, The EY Centre, Level 34, 200 George Street, Sydney NSW 2000 on Monday, 18 December 2017 at 9:00 am (AEDT).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Background to Resolution
Section 4	Resolution 1 - Approval for the Company to acquire a Relevant Interest in Shares
Section 5	Resolution 2 - Ratification of prior issue of securities
Schedule 1	Definitions
Schedule 2	Material terms of Incentive Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

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

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon and within this Explanatory Memorandum. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 9:00 am (AEDT) on Saturday, 16 December 2017.

Proxies must be received before that time by one of the following methods:

- By post:** BrainChip Holdings Limited
c/o Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001 Australia
- By facsimile:** 1800 783 447 (within Australia)
+61 3 9473 2555 (from outside Australia)
- Online:** www.investorvote.com.au
For Intermediary Online subscribers only (custodians)
www.intermediaryonline.com

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The Chair intends to vote all available undirected proxies in favour of each Resolution.

3. Background to Resolution 1

On 22 September 2015, the Company's securities were reinstated to official quotation after completing the acquisition of BrainChip, Inc. and successfully re-complying with Chapters 1 and 2 of the ASX Listing Rules (**Transaction**). As part of the Transaction, BrainChip, Inc. shareholders received 353,605,500 Shares in consideration for the acquisition (**Consideration Shares**), among a total of approximately 391,583,209 Shares, 198,000,000 performance rights (split equally in 4 different classes) and 6,250,000 unquoted options issued as part of the Transaction. Full details of the various securities issued as part of the Transaction were set out in the Company's prospectus dated 18 August 2015.

In accordance with Chapter 9 of the ASX Listing Rules, at the time of the Company's reinstatement approximately 298,581,894 Shares, 13,500,000 Class A performance rights, 27,900,000 Class B performance rights, 27,900,000 Class C performance rights and 27,900,000 Class D performance rights (including any Shares issued upon conversion of the performance rights into Shares) were escrowed for a period of 24 months commencing on the date the Company's securities were reinstated to trading on the ASX.

On 11 September 2017, the Company announced that a total of 361,881,894 Shares (**Escrowed Shares**) were due to be released from escrow on 22 September 2017, with the Escrowed Shares subsequently being issued on that date. At the time of their release from escrow the Escrowed Shares represented approximately 43% of the Company's issued share capital.

The Board are aware of, and have given careful consideration to, the possibility that the market may negatively react to the release of the Escrowed Shares, given the securities represent a substantial volume of Company stock.

On 16 October 2017 the Company announced that it had entered into separate conditional voluntary escrow agreements with seven of its major shareholders, including Company director Mr Peter van der Made, former director Mr Robert Mitro and substantial shareholder and Chief Operating Officer Mr Anil Mankar (together, the **Escrowed Parties**), to re-escrow a total of approximately 403,241,351 Shares for a period of six months commencing on the date Shareholder approval is received for the conditional voluntary escrow agreements to become effective (**Voluntary Escrowed Shares**). As of the date of this Notice, the Voluntary Escrowed Shares represent approximately 41.6% of the Company's issued share capital.

Under the Corporations Act, by entering into the voluntary escrow agreements the Company is deemed to take a 'relevant interest' in itself. As the Voluntary Escrowed Shares represent more than 20% of the Company's issued share capital, in order for the voluntary escrow agreements to become effective and for the voluntary six-month escrow period to commence, the Company must obtain Shareholder approval.

4. Resolution 1 - Approval for the Company to acquire Relevant Interest in Shares

4.1 General

Resolution 1 seeks Shareholder approval for the purposes of item 7 section 611 of the Corporations Act for the Company to acquire a Relevant Interest in its own Shares as a result of entering into voluntary escrow agreements with the Escrowed Parties. As the voluntary escrow agreements will provide the Company with the ability to exercise a degree of control over the disposal of the Shares held by the Escrowed Parties, the Company will acquire a Relevant Interest in those Shares, representing up to a maximum of 41.6% of the Company's total issued capital.

4.2 Material terms of the voluntary escrow agreements

(a) Non-disposal of Voluntary Escrowed Shares

The voluntary escrow agreements provide that an Escrowed Party will not do any of the following during the 6 month restriction period:

- (i) dispose of, or agree or offer to dispose of, the Voluntary Escrowed Shares;
- (ii) create, or agree or offer to create, any security interest in the Voluntary Escrowed Shares; or
- (iii) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Voluntary Escrowed Shares.

The voluntary escrow restriction agreements do not affect the Escrowed Party's power to exercise, or control the exercise of, a right to vote attached to a Voluntary Escrowed Share.

(b) Holding Lock

The Voluntary Escrowed Shares will be subject to a holding lock which the Company may apply in order to prevent a transfer of the Voluntary Escrowed Shares by:

- (i) requesting the Share Registry to apply the holding lock; and
- (ii) refusing to register a paper-based transfer document in respect of the Voluntary Escrowed Shares.

(c) **Exceptions to voluntary escrow**

In the event that a takeover offer is made under Chapter 6 of the Corporations Act where holders of at least 50% of the bid class securities in the capital of the Company (excluding the Voluntary Escrowed Shares) have accepted the takeover offer, Escrowed Parties may transfer or sell the Voluntary Escrowed Shares.

The Voluntary Escrowed Shares may be cancelled during the Escrow Period by the Company or transferred as part of a scheme of arrangement under Part 5.1 of the Corporations Act.

(d) **Condition precedent**

The commencement of the operation of the voluntary escrow agreements are each conditional on this Resolution 1 being passed at this Meeting. For the avoidance of doubt, if this Resolution 1 is not approved by Shareholders, any voluntary escrow agreements that the Company has entered into will be of no effect.

4.3 Corporations Act

(a) **Item 7 of Section 611**

Section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after that acquisition, that person or any other person would have a Relevant Interest or voting power in excess of 20% of the voting shares in that company unless an exception applies.

An exception in item 7 of section 611 provides that section 606(1) of the Corporations Act does not prohibit an acquisition of a Relevant Interest in the voting shares of a company if the company has agreed to the acquisition by resolution passed at a general meeting, at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

(b) **Information required under the Corporations Act and ASIC policy**

By virtue of the voluntary escrow agreements, the Company is deemed to be acquiring a Relevant Interest in its own Shares, however the Company will not obtain any power to influence the exercise of any votes attaching to the Shares. The Company (and its associates) will technically increase its voting power in itself and acquire a Relevant Interest as the Company will have enforcement rights in relation to the disposal of the Voluntary Escrowed Shares pursuant to the holding lock.

Information required under the Corporations Act and ASIC policy is set out below.

- (i) **Identity of the parties acquiring the Relevant Interest:** The Company.
- (ii) **Maximum extent of the increase in the Company's voting power:** The Company currently has no interest in any of its Shares. The maximum extent of the Company's increase in voting power in itself is 41.6% of the total Shares on issue.
- (iii) **Voting power that the Company would have as a result of the holding lock:** The Company will be deemed to have voting power of 41.6% in the Company, however as described above, the Company will not obtain any power to influence the exercise of any votes attaching to the Voluntary Escrowed Shares. Rather its voting power results from a Relevant Interest arising due to entry into an agreement with the Escrowed Parties that restricts the disposal of Voluntary Escrowed Shares.
- (iv) **Maximum extent of the increase in the voting power of the Company's associates in the Company:** Any associate of the Company will be deemed to have the same increase in voting power as the Company, being 41.6%, due to the holding lock.
- (v) **Voting power of the Company's associates as a result of the holding lock:** Any associate of the Company will be deemed to have the same voting power as the Company, being 41.6%, due to the holding lock.

5. Resolution 2 - Ratification of prior issue of securities

5.1 General

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of a total of 119,380,063 Shares (**Placement Shares**) and 8,000,000 Options (**Incentive Options**) which the Company issued within the last 12 months without obtaining prior shareholder approval.

The Incentive Options were issued to Mr Emmanuel Hernandez who was appointed as a Director on 7 July 2017. The Incentive Options were issued as part of Mr Hernandez's remuneration package. Mr Hernandez did not hold any interest in the Company prior to becoming a Director.

Accordingly, Resolutions 2(a) and 2(b) seek Shareholder approval to ratify the Placement Shares and Incentive Options which were issued pursuant to Listing Rule 7.1.

Each of the resolutions which form part of Resolution 2 is a separate ordinary resolution.

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

5.3 Listing Rule 7.4

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The Placement Shares and Incentive Options were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 and did not require obtaining prior Shareholder approval.

Shareholder approval for the Incentive Options was not sought under Listing Rule 10.11 as they were issued in reliance of Listing Rule 10.12 (exception 6). Shareholder approval under Chapter 2E of the Corporations Act was not required for the issue of the Incentive Options as they are considered to be reasonable remuneration negotiated on arm's length terms.

The effect of Shareholders passing Resolutions 2(a) and 2(b) will be to allow the Company to issue securities in the future up to its 15% annual placement capacity as set out in Listing Rule 7.1 without obtaining prior Shareholder approval.

5.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the Incentive Options and Placement Shares:

(a) Incentive Options

- (i) 8,000,000 Incentive Options were issued on 10 July 2017 under exception 6 of Listing Rule 10.12;
- (ii) the Incentive Options were issued for nil cash consideration as part of Mr Hernandez's agreement to join the Board;
- (iii) the Incentive Options were issued for nil cash consideration, and are exercisable at \$0.165 each in four equal tranches on or before the date which is 5 years after the vesting date for each tranche (i.e. 2,000,000 Incentive Options will vest on each anniversary of the offer acceptance date, being 7 July 2017, so long as Mr Hernandez is providing continuous service to the Company, and otherwise on the terms set out in Schedule 2;
- (iv) the Incentive Options were issued to Mr Emmanuel Hernandez who was appointed to the Board as Director on 7 July 2017;
- (v) no funds were raised from the issue of Incentive Options as they were issued for nil cash consideration; and
- (vi) a voting exclusion statement is included in the Notice for this Resolution.

(b) Placement Shares

- (i) 119,380,063 Shares were issued on 7 November 2017 (**Placement Shares**);
- (ii) the Placement Shares were issued at \$0.18 per share to raise approximately \$21.5 million (before costs);
- (iii) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;

- (iv) the Placement Shares were issued to unrelated institutional, sophisticated and professional investors who are clients of Shaw and Partners Limited (Lead Manager) with Foster Stockbroking Pty Ltd (Co-Lead Manager); and
- (v) it is intended that the Company will use the funds primarily for the following activities:
 - (A) ongoing research and development of the Company's existing video analytics products and its planned AKIDA Neuromorphic Processor Unit;
 - (B) operational capabilities, including capacity to service new design wins; and
 - (C) sales and marketing initiatives to drive the Company's commercialisation strategy via original equipment manufacturers, integrators and other partners; and
- (vi) a voting exclusion statement is included in the Notice for this Resolution.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales, Australia.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

BRN means the Company.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Company means BrainChip Holdings Limited ACN 151 159 812.

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

Director means a director of the Company.

Escrowed Parties has the meaning ascribed in Section 3.

Escrowed Shares has the meaning ascribed in Section 3.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Incentive Options has the meaning ascribed in Section 5.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Placement Shares has the meaning ascribed in Section 5.

Proxy Form means the proxy form attached to the Notice.

Relevant Interest has the meaning given to it in sections 608 and 609 of the Corporations Act.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including Shares and options.

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

Shareholder means a holder of a Share.

Voluntary Escrowed Shares has the meaning ascribed in Section 3.

Schedule 2 - Material terms of Incentive Options

The material terms of the Incentive Options are set out below.

(a) **Entitlement**

Each Incentive Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (k), the Exercise Price of each Option is 16.5 cents.

(c) **Expiry Date**

Each Option will expire at 5:00 pm (being the time in Perth, Western Australia) on the date which is five (5) years after the vesting of such Option (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Date**

The Director Options will vest and become exercisable on the following basis:

25% of the Options will vest and become exercisable on each anniversary of the Offer acceptance date (**Vesting Date**), so long as the Director is providing continuous service to the Company or BrainChip on such anniversary date either as an employee, consultant or a member of the Board of Directors, such that all the Options will be vested on the fourth anniversary of the Offer acceptance date. No additional Options shall vest after the date of termination of the Director's continuous service.

(e) **Exercise Period**

The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

Once vested the Options may be exercised during the Exercise Period by lodging with BRN a notice in writing confirming such exercise (**Notice of Exercise**) and making payment to BRN, in full, of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to BRN.

The exercise of some of the Director Options will not affect the rights of the holder in respect of the balance of the Director Options held.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt by BRN of the Notice of Exercise and the date of receipt by BRN of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, BRN will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by BRN;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if BRN is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, subject to any restriction or escrow arrangements imposed by ASX, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (iv) If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, BRN must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A (11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued fully paid ordinary shares of BRN.

(j) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, subject to any restriction or escrow arrangements imposed by ASX, application will be made by BRN to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) **Reconstruction of capital**

If at any time the issued capital of BRN is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to holders of Shares during the currency of the Options without exercising the Options. However, the Company undertakes to ensure that Option holders will be given notice in accordance with the ASX Listing Rules prior to the record date in relation to any offer of securities made to shareholders.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Unquoted**

BRN will not apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(p) **Dividends**

The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.

(q) **Voting Rights**

The Options do not confer upon the holder a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.

(r) **Lapsing of Director Options and forfeiture**

The Options will lapse at:

- (i) the expiration of three (3) months from the date of termination of Participant's continuous service if such termination is not for Cause; or
- (ii) the date of your voluntary resignation from employment with the Company (otherwise than to take up employment with a Related Body Corporate of the Company).
- (iii) the termination of Participant's continuous service, if such termination is for Cause.

"Cause" means termination of service because of:

- (A) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or BrainChip, the Participant's conviction for or guilty plea to a felony or a crime involving moral turpitude or any willful perpetration by the Participant of a common law fraud;
- (B) the Participant's commission of an act of personal dishonesty which involves personal profit in connection with the Company or any other entity having a business relationship with the Company;
- (C) any material breach by the Participant of any provision of any agreement or understanding between the Company or BrainChip and the Participant regarding the terms of the Participant's Service, including the willful and continued failure or refusal of the Participant to perform the material duties required of such Participant as an employee, officer, director, non-employee director or consultant of the Company or BrainChip, other than as a result of having a disability or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or BrainChip and the Participant;
- (D) Participant's disregard of the policies of the Company or BrainChip so as to cause loss, damage or injury to the property, reputation or employees of the Company or BrainChip; or
- (E) any other misconduct by the Participant which is materially injurious to the financial condition or business reputation of or is otherwise materially injurious to the Company or BrainChip.

The determination as to whether a Participant is being terminated for Cause will be made in good faith by the Company and will be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time.

Any unvested Options, or vested Options that remain unexercised at the date you cease employment, will lapse immediately.

(s) **Change of Control Events and Takeover Periods**

All vested and unvested Options may be exercised during a Takeover Period, subject to the Companies Securities Trading Policy and the ASX Listing Rules, or at any time after a Change of Control Event occurs or the Company announces a proposed capital reconstruction.



BrainChip Holdings Ltd
 ABN 64 151 159 812

BRN
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
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Proxy Form

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 9:00am (AEDT) Saturday, 16 December 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
 or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Brainchip Holdings Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Brainchip Holdings Ltd to be held at the offices of Ernst & Young, The EY Centre, Level 34, 200 George Street, Sydney, New South Wales on Monday, 18 December 2017 at 9:00 am (AEDT) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Approval for Company to acquire Relevant Interest in Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(a) Ratification of prior issues of securities (Shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(b) Ratification of prior issues of securities (Incentive Options)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____

BRN

999999A

Computershare +