CONTINUOUS DISCLOSURE POLICY

BrainChip Holdings Ltd ("Company")

1. INTRODUCTION

This continuous disclosure policy sets out the procedures for ensuring BrainChip Holdings Ltd (BrainChip or the Company) achieves best practice in complying with its continuous disclosure obligations under the Corporations Act 2001 (Cth) (Corporations Act) and Australian Securities Exchange (ASX) Listing Rules regarding: (i) ensuring BrainChip and individual directors or officers do not contravene the continuous disclosure requirements under the Corporations Act or ASX Listing Rules; (ii) identifying material Price Sensitive Information (see Section 5.2 below); and (iii) reporting such information to the CEO and/or the Company Secretary for review.

For the purpose of this policy, Price Sensitive Information has the meaning given to that term in Section 5.2.

This policy applies to all directors, senior executives, officers and employees of BrainChip and its subsidiaries and all individuals who are authorised representatives, contractors or consultants engaged exclusively by BrainChip or any of its subsidiaries to provide services and act on its behalf (together referred to as Personnel).

All BrainChip Personnel need to be aware of the existence of this policy and to be familiar with its terms so that they can assist with reporting of potentially Price Sensitive Information to the appropriate persons within BrainChip in accordance with this policy.

2. PERSONS TO WHOM THIS POLICY APPLIES

This policy applies to all directors, senior executives, officers and employees of BrainChip and its subsidiaries and all individuals who are authorised representatives, contractors or consultants engaged exclusively by BrainChip or any of its subsidiaries to provide services and act on its behalf (together referred to as Personnel).

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3. PURPOSE

The purpose of this policy is to ensure that the Company complies with its disclosure obligations in accordance with all applicable legal and regulatory requirements, including ASX Listing Rules and the Corporations Act and that company announcements are:

- made in a timely manner;
- factually accurate;
- do not omit material information; and
- are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
4. CONTINUOUS DISCLOSURE PROTOCOL – COMMITMENT

The Company is committed to:

- ensuring that stakeholders have the opportunity to access externally available information issued by the Company;
- providing full and timely information to the market about activities that are material to the Company; and
- complying with the obligations contained in the ASX Listing Rules and the Corporations Act relating to continuous disclosure.

5. CONTINUOUS DISCLOSURE POLICY

5.1 Underlying Principle

BrainChip has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of BrainChip securities or influence an investment decision on the Company's shares or securities, and to correct any material mistake or misinformation in the market. BrainChip discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents and also posting that information on the investor's section of the Company's website.

5.2 ASX Listing Rule 3.1

ASX Listing Rule 3.1 requires that BrainChip immediately notify the ASX of any information of which BrainChip becomes aware, concerning BrainChip, that a reasonable person would expect to have a material effect on the price or value of BrainChip securities (Price Sensitive Information). In this context, ASX has confirmed in Guidance Note 8 that "immediately" means "promptly and without delay".

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities. Hence, information is considered to be "material" if there is a substantial likelihood that it would influence an investor in deciding whether to trade in or hold the Company's shares/securities.

BrainChip becomes aware of information if, and as soon as, any of its directors or senior executives has or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a director or executive officer of BrainChip.

Examples of Price Sensitive Information include:

(a) an issue of equity securities or entry into an agreement to issue equity securities;
(b) restructurings;
(c) major acquisitions or divestitures;
(d) changes in the Board or senior executives;
(e) significant developments affecting the Company's business operations or products;
(f) a significant change in the Company's published financial forecast or expected results;
(g) declaration of a dividend;
(h) entry into, variation or termination of material agreements, including financing arrangements;
(i) events triggering material accelerations of, or increases in, financial obligations;
(j) a significant change in accounting policy adopted by the Company;
(k) a rating applied by a rating agency to the Company or its securities, and any change in such a rating; and
(l) a significant change in market or regulatory conditions which is likely to have a material effect on the Company's results.

The above examples are indicative only and are not exhaustive. Where the Reporting Officer (defined below in Section 6.1) is unsure whether information is material, it should take a conservative view and report it to, or discuss it with, the Board. The Company's legal advisers should be consulted where the materiality of information or the obligation to disclose is unclear.

5.3 Exceptions to ASX Listing Rule 3.1 on Continuous Disclosure

ASX Listing Rule 3.1 provides for disclosure not to be required where:

(a) a reasonable person would not expect the information to be disclosed; and
(b) the information is confidential; and
(c) one or more of the following applies:
   (i) it is a breach of law to disclose the information; or
   (ii) the information concerns an incomplete proposal or negotiation; or
   (iii) the information is insufficiently definite to warrant disclosure; or
   (iv) the information is generated for internal management purposes; or
   (v) the information is a trade secret.

All three (a), (b) and (c) must be met for disclosure not to be required.

6. MARKET ANNOUNCEMENT PLATFORM

6.1 Price Sensitive Tag

The Company will consider whether a Price Sensitive Tag is appropriate on every announcement lodged by the Company.
6.2 Cross Release Consideration

The Company will consider whether an announcement should be Cross Released on another issuer’s Market Announcement Page for every announcement lodged by the Company.

7. POLICY

7.1 The Policy

The following procedures will apply to safeguard against breaches of BrainChip’s continuous disclosure obligations:

(a) directors and senior executives must immediately notify the CEO and/or the Company Secretary (each a Reporting Officer) as soon as they become aware of information that should be considered for release to the market (material information which is disclosable);

(b) a Reporting Officer will:
   (i) review the material information reported;
   (ii) determine, in consultation with all necessary parties as appropriate, whether any of the material information is required to be disclosed to the ASX and for this purpose, will consider whether a matter should not be disclosed on the basis of the confidentiality exemption under ASX Listing Rule 3.1A as described in section 5.3 above; and
   (iii) co-ordinate the actual form of disclosure with the relevant senior executives.

(c) where a decision is made, that the item or information does not warrant an ASX release, the Reporting Officer is to advise directors of the rationale for the decision; and

(d) a Reporting Officer will (to the extent practicable) consult with the Board in relation to the disclosure (or non-disclosure) of any “material” or “major” matters. Including matters which are outside the ordinary course of the Company’s business or are otherwise sensitive. To the extent practicable in the circumstances, the form and content of any announcement in relation to a “material” or “major” matter requires consideration and approval by the Board.

7.2 Obligations of all Personnel

(a) As soon as you become aware of material information that:
   - is not generally available (i.e. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
   - which may be Price Sensitive Information (i.e. as defined in section 5.2 above), you must provide the Reporting Officer with all necessary information to ensure that the matter is disclosed appropriately to all required parties.
(b) In order that you can comply with your obligations under paragraph 6.2(a), you must ensure that you implement such procedures as you consider appropriate to ensure if any person who reports to you becomes aware of or is in possession of information that is not generally available and/or which may be Price Sensitive Information, that person will promptly notify you of such information.

(c) Price Sensitive Information must be publicly released through the ASX before disclosing it to analysts or others outside the Company.

7.3 Trading Halts

It may be necessary to request a trading halt from the ASX to ensure that orderly trading in the Company’s securities is maintained and to manage disclosure issues. To the extent the Board is available, the Board will make all decisions in relation to trading halts. If the Board cannot be convened within a reasonable period of time to consider whether a trading halt is necessary, then the Company’s CEO is authorized to make all decisions in relation to whether or not a trading halt is required. No Company Personnel is authorised to seek a trading halt except with the approval of the Board, or the CEO (if applicable).

7.4 Market Speculation and Rumours

ASX Listing Rule 3.1B provides that if the ASX considers that there is, or is likely to be a false market in the Company's securities, and requests information from the Company to correct or prevent the false market, the Company must give the ASX the information needed to correct or prevent the false market (i.e. a false market may cause the exemption to be lost).

In general, the Company does not respond to market speculation and rumours except where:

(a) the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclose set out in the ASX Listing Rules no longer applies;

(b) the ASX formally requests disclosure by the Company on the matter (under ASX Listing Rule 3.1B); or

(c) the Board considers that it is appropriate to make a disclosure in the circumstances.

Only authorised spokespersons may make statements on behalf of the Company in relation to market rumours or speculation. Any person within the Company should report market speculation or rumours to the CEO or another person nominated by the Board from time to time, immediately.

ASX guidance provides that BrainChip has a responsibility to respond to market speculation or rumours in circumstances where BrainChip becomes aware that speculation or comment has resulted in a material change in the market price or volume of trading in BrainChip securities. BrainChip has an obligation to make such disclosure as is necessary in order to correct a false market in BrainChip's
securities and ensure investors are not trading on false or misleading information.

Normally the ASX will indicate to BrainChip when it believes this is required.

7.5 **Leaks and Inadvertent Disclosures**

If potentially Price Sensitive Information is leaked or inadvertently disclosed to external persons, that information should immediately be provided to the Reporting Officer.

7.6 **Release of Information to Others**

BrainChip must not release material Price Sensitive Information to any person if that information is required to be disclosed to the ASX, until it has given the information to ASX and has received acknowledgement that the ASX has released the information to the market. The Reporting Officer or a nominee of the Reporting Officer will advise all relevant parties when the ASX release has been announced by the ASX. All the information disclosed through ASX is to be promptly placed on the Company's investor website after clearance by ASX.

7.7 **Authorised Company Spokespersons**

The Company has appointed the CEO and Chair of the Board, or in their absence their delegate, as authorised spokespersons. The above people are authorised to make any public statement on behalf of or in relation to the Company. Notwithstanding the foregoing, to the extent that any public statement is of a material nature or relates to Price Sensitive Information, such authorised spokesperson will obtain prior Board approval. Such public statements extend to all responses by the Company to enquiries by the media, analysts or shareholders. All enquiries by regulators should be passed on to the Chair of the Board.

There must be no selective disclosure of material information. The spokesperson should not disclose any material Price Sensitive Information through public statements which has not already been released to the market through the ASX, but may clarify material information which has already been disclosed to the ASX. Prior to making any public statement, the spokesperson should liaise with the Reporting Officers regarding the Company's disclosure history to avoid the inadvertent release of Price Sensitive Information.

The CEO or Chair of the Board may authorise other persons from time to time to make public statements in particular circumstances.

In the event of inadvertent selective disclosure of previously undisclosed material information, the person or persons involved should immediately contact a Reporting Officer. The Board will determine as soon as practicable whether there is a need (based on who received the unintentional selective disclosure and the probability of dissemination) to disclose the material information to ASX or otherwise, or to require that the party to whom the information was disclosed enter into a written confidentiality agreement.

7.8 **Presentations and Enquiries**
For all information, presentations or briefings which are to be provided to third parties, the relevant Personnel are responsible for ensuring that a copy of the material is provided to a Reporting Officer prior to presenting that information externally.

All inquiries from third parties must be referred to a Reporting Officer. All material presented at an analyst briefing, bank or other third party must be approved by or referred through a Reporting Officer prior to the briefing. Persons presenting the approved information must take care in dealing with questions raised at these forums and ensure answers are contained to information that has been publicly released through the ASX, questions relating to financial projections, models, estimates etc. should be taken on notice.

The following protocols apply to such briefings or presentations:

- there will be no discussion of Price Sensitive Information not already disclosed to the market generally.
- questions raised in relation to Price Sensitive Information not previously disclosed will not be answered.
- if Price Sensitive Information is inadvertently released during the briefing, it will immediately be released to the ASX and placed on BrainChip’s website.

All briefing and presentation materials that include previously undisclosed material information will be disclosed to the market via the ASX and placed on BrainChip’s website in advance of the briefing.

All enquiries from the media must be referred to a Reporting Officer.

After the relevant persons have presented any approved information, they must ensure they are satisfied that no Price Sensitive Information has been inadvertently disclosed during or in the presentation/briefing/information and if any such Price Sensitive Information has been inadvertently disclosed during or in the presentation/briefing/information, the person(s) who presented the approved information must promptly notify the Reporting Officer of the disclosure of such Price Sensitive Information.

7.9 Interview by Employees

No Personnel may give an interview or make a presentation unless express authority or specific permission is received from the CEO or Chair of the Board.

Personnel who are given permission by the CEO or Chair of the Board to give an interview or make a presentation must notify the CEO, Chair of the Board and the Company Secretary of the date and time for the interview and must give a copy of any presentation to the CEO, Chair of the Board and the Company Secretary.

7.10 Analyst Reports

BrainChip recognises the important role played by analysts in assisting the establishment of an efficient market with respect to BrainChip’s securities.
However, BrainChip is not responsible for, and does not endorse, analysts’ research reports on the Company.

When requested to do so, BrainChip may review analysts’ research reports but will confine its comments to material previously disclosed by BrainChip or material in the public domain.

BrainChip may comment on analysts’ earnings estimates to the extent of:

(a) Acknowledging the current market range of estimates;

(b) Questioning an analyst’s assumptions or sensitives if the analyst’s estimate is significantly at variance from current market range estimates; and

(b) Advising factual errors where data is already in the public domain.

Forecast information will not be provided by BrainChip unless it has already been disclosed to the market.

7.11 Website

All Company announcements will be posted on the Company’s website immediately after they are released to the ASX to ensure accessibility to the widest audience.

8. MANAGEMENT OF THE POLICY

8.1 Specific Responsibilities of the Reporting Officer

The Board has authorised and delegated to the CEO and/or the Company Secretary (i.e. the Reporting Officers) the responsibility for:

(a) liaising with the ASX in relation to continuous disclosure issues;

(b) ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;

(c) reviewing proposed announcements by BrainChip to the ASX and liaising with the CEO or other senior executives or the Chairman or Lead Independent Director in relation to the form of any ASX releases;

(d) liaising with the Board of Directors, as appropriate, in relation to the disclosure of information and in particular seeking prior consultation with and approval of the Board in relation to any proposed “material” or “major” announcements (where practicable in the circumstances to do so), or, trading halts where a trading halt may be necessary

(e) keeping a record of all ASX and other releases that have been made;

(f) periodically reviewing BrainChip’s disclosure procedures in light of changes to the ASX Listing Rules or the Corporations Act and recommending any necessary changes to the procedures;

(g) regularly reviewing this policy and reporting to the Board compliance with it;
(h) overseeing and co-ordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public;

(i) educating directors, senior executives and employees on the Company’s disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure;

(j) disseminating copies of ASX announcements to Board members and senior executives (which should occur as soon as possible following release by ASX); and

(k) maintain a list of material price sensitive information which has been withheld from disclosure under one of the exceptions to the continuous disclosure obligations in ASX Listing rule 3.1A (as summarised in section 5.3 of this Policy) to be considered by the Board as a standing agenda item at each regular Board meeting.

8.2 Specific Responsibilities of the Board

The Board:

(a) Has delegated to the Reporting Officer responsibility for the day-to-day operation of this policy in accordance with Clause 7.1;

(b) Will (to the extent practicable and appropriate) be consulted on all decisions relating to “material” or “major” announcements, or, decisions to request a trading halt; and

(c) Approving this policy and any amendments to it from time to time.

9. BREACH OF POLICY AND PENALTIES

9.1 Breach of Policy

BrainChip contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by Listing Rule 3.1 to be disclosed. If BrainChip fails to meet this obligation, any person involved in the contravention will be found to have contravened the Corporations Act and may be subject to civil penalties.

Breaches of this policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Personnel. In serious cases, such action may include dismissal or termination of employment or engagement with the Company. Personnel should report all breaches of this Policy by any person to the CEO (or another person nominated by the Board from time to time).

9.2 Liability and Penalties

(a) BrainChip

If BrainChip contravenes its continuous disclosure obligations, it may face:

- if the contravention is intentional or reckless – criminal liability with a fine;
• civil liability for any loss or damage suffered by any person as a result of failure to disclose relevant information to the ASX; and
• de-listing from the ASX.
• The ASIC can also institute proceedings under the ASIC Act 1989.

(b) Others
Personnel who are involved in the contravention, may also face criminal (monetary fine and/or 5 years’ imprisonment) and civil liability as outlined above.

10. Questions
For questions about the operation of this policy, Personnel should contact the CEO or Chair of the Board.

This Policy was adopted by the Board effective 01 January 2019