



ASX PRESS RELEASE

20 January 2017

INCENTIVE OPTIONS

BrainChip Holdings Ltd (ASX: BRN) (“**BrainChip**” or “the **Company**”), a leading developer of software and hardware accelerated solutions for Advanced Artificial Intelligence and Machine Learning applications, is pleased to announce that it has agreed to offer the following unlisted Options to acquire ordinary shares in the Company as an incentive to Directors and Consultants.

The Company will seek shareholder approval for the issue of the Director Options at the upcoming Annual General Meeting, the terms of these Options are proposed to be as follows:

1. 15,000,000 unlisted options to acquire ordinary shares vesting in four tranches of 3,750,000 on each anniversary date following acceptance;
2. The Director Options; which were priced based on the Company’s consistent policy on the Friday after joining the Company, 18 November 2015, will have an exercise price of 18.5 cents in respect of 8,000,000 and in respect of 7,000,000 the exercise price will be equal to the closing price of the Company’s shares on the Friday following the acceptance date;
3. The Director Options will expire 5 years from each tranche vesting date;
4. The Director Options will be issued for NIL consideration as an incentive.

The Company intends to issue the Consultant Options on the following proposed terms:

1. 6,000,000 unlisted options to acquire ordinary shares 50% vesting immediately and 50% vesting on 31 December 2017;
2. The Consultant Options will have an exercise price equal to the closing price of the Company’s shares on the Friday following the acceptance date;
3. The Consultant Options will expire 5 years from each tranche vesting date;
4. The Consultant Options will be issued for NIL consideration as an incentive.

END



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About BrainChip Holdings Ltd (ASX:BRN)

BrainChip is a leading provider of software and hardware accelerated solutions for Advanced Artificial Intelligence and Machine Learning applications. The Company's Spiking Neural Adaptive Processor (SNAP) can learn autonomously with a small sample set and provide real-time information, data analytics and knowledge in image and video processing applications, high frequency data streams for financial analysis and event, speech, and speaker recognition from audio sources. BrainChip's SNAP technology can quickly learn, recognize, and track events in real time from multiple sources and identify repeating patterns in complex data streams.

The Company currently provides software and hardware accelerated solutions that address high-performance requirements in Civil Surveillance, Facial Recognition, and Visual Inspection systems. Future solutions include audio analytics and deep learning for financial and other data intensive applications. www.brainchipinc.com.

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