

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme BrainChip Holdings Limited

ACN 151 159 812

1. Details of substantial holder (1)

Name BrainChip Holdings Limited

ACN/ARSN (if applicable) 151 159 812

The holder became a substantial holder on 18/12/2017

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary fully paid shares	403,241,351	403,241,351	41.6%

3. Details of relevant interests

The nature of the relevant interest of the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
BrainChip Holdings Limited	Deemed relevant interest under section 608(1)(c) of the Corporations Act arising from the restriction on the disposal of shares under voluntary restriction deeds as announced on 16 October 2017 and as approved by shareholders at the Company's general meeting held on 18 December 2017 (see notice of meeting lodged with ASX on 16 November 2017 for further details). See also Annexure A for a copy of the pro-forma restriction agreement.	403,241,351 Ordinary Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
BrainChip Holdings Limited	Metals X Limited	Metals X Limited	11,569,144 Ordinary Shares
BrainChip Holdings Limited	Merrill Lynch (Australia) Nominees Pty Limited	Anil Mankar	98,415,000 Ordinary Shares

BrainChip Holdings Limited	Ms Cristina M Mitro	Cristina Mitro	9,000,000 Ordinary Shares
BrainChip Holdings Limited	Ms Velia Mitro	Velia Mitro	9,000,000 Ordinary Shares
BrainChip Holdings Limited	Mr Robert F Mitro	Robert Mitro	100,082,250 Ordinary Shares
BrainChip Holdings Limited	Nerona Pte Ltd	Nerona Pte Ltd	30,000,000 Ordinary Shares
BrainChip Holdings Limited	Mr Peter AJ Van der Made	Peter Van der Made	145,174,957 Ordinary Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

No consideration was paid by BrainChip Holdings Limited. BrainChip Holdings Limited has no right to acquire these shares that are subject to the escrow arrangements.

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
BrainChip Holdings Limited	Level 12, 680 George Street, Sydney NSW 2000

Signature

print name Naomi Dolmatoff capacity Company Secretary

sign here  date 19 / 12 / 2017

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.

- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of the document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that the person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This is Annexure A (Voluntary Restriction Deed) referred to in the Form 603 (Notice of Initial Substantial Holder) lodged by BrainChip Holdings Limited ACN 151 159 812



Signed _____
Naomi Dolmatoff
Company Secretary

Dated: 19 December 2017

Voluntary Restriction Deed

The Party described in Item 1 of the Schedule
Company

The Party described in Item 2 of the Schedule
Holder

This Deed is made this day of 2017

Parties The party described in Item 1 of the Schedule (**Company**)
and
The party described in Item 2 of the Schedule (**Holder**)

Recitals

- A. The Holder will hold the Restricted Securities as set out in this Deed.
- B. The Holder has agreed that the Restricted Securities will be restricted from trading in accordance with the terms of this Deed.
- C. This Deed is subject to the satisfaction of the Condition Precedent.

This Agreement provides

1. Definitions and interpretation

1.1 Definitions

In this Deed the following terms shall bear the following meanings:

ASX means ASX Limited (ACN 008 624 691), or the Australian Securities Exchange, as the context requires.

Business Day means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

Condition Precedent means the requirement that the Company's shareholders pass a resolution under item 7 of section 611 of the Corporations Act at the Company's next general meeting following the execution of this Deed, such resolution allowing the Company to obtain a relevant interest in itself by entering into this Deed, which, together with other similar deeds for voluntary escrow entered into at or around the time of this Deed, give the Company a relevant interest in more than 20% of its issued share capital.

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

Deed means the voluntary restriction deed constituted by this document.

Escrow Period means the period set out in Item 3 of the Schedule.

Holding Lock has the meaning given to that term in Section 2 of the ASX Settlement Operating Rules, as amended from time to time.

Party means a party to this Deed.

Restricted Securities means the securities set out in Item 4 of the Schedule.

Schedule means the schedule to this Deed.

Share Registry means Company's appointed share registry.

1.2 Interpretation

- (a) The singular includes the plural and vice versa.
 - (b) A reference to a party includes its successors, personal representatives and transferees.
 - (c) Words and expressions defined in the listing rules of ASX, and not in this Deed, have the meanings given to them in the listing rules.
 - (d) Every warranty or agreement (expressed or implied) in which more than one person joins, binds them individually and any combination of them as a group.
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2. Escrow restrictions

2.1 Restrictions

Subject to clause 2.2, during the Escrow Period, the Holder will not do any of the following:

- (a) dispose of, or agree or offer to dispose of, the Restricted Securities;
- (b) create, or agree or offer to create, any security interest in the Restricted Securities; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities.

The Parties acknowledge that, during the Escrow Period, the power to exercise, or control the exercise of, a right to vote attached to a Restricted Security will not be affected.

2.2 Exceptions to the Escrow

- (a) The Holder may during the Escrow Period:
 - (i) indicate that it will accept an offer to buy or transfer;
 - (ii) agree to transfer or sell; and
 - (iii) transfer or sell,

any Restricted Securities to a bidder pursuant to a takeover offer 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 Restricted Securities) have accepted the takeover offer. The Holder acknowledges and agrees that the provisions of this Deed will continue to apply to the Restricted Securities in the event that such takeover offer does not become unconditional.

- (b) The Restricted Securities 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.

2.3 Condition precedent

This Deed is conditional on the Company satisfying the Condition Precedent in order to give effect to this Deed. For the avoidance of doubt, in the event that the Condition Precedent is not satisfied, meaning that the relevant shareholder approval is not obtained, this Deed will be of no effect.

3. Holding Lock

3.1 Acknowledgement

The Parties acknowledge and agree that during the Escrow Period (and subject to clause 2.2 of this Deed):

- (a) the Restricted Securities will be subject to a Holding Lock; and
- (b) the Company may apply the Holding Lock and prevent a transfer of the Restricted Securities 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 Restricted Securities.

3.2 Notification

If the Company refuses to register a transfer of the Restricted Securities in accordance with clause 3.1, the Company must inform the Holder in writing of such refusal and the reason(s) for it within 5 Business Days of the refusal.

4. Consequences of breaching this Deed

4.1 Prevention of breach

If it appears to the Company that the Holder may breach this Deed, the Company may take all steps necessary to prevent the breach or to enforce this Deed.

4.2 Consequence of breach

If the Holder breaches this Deed, each of the following applies:

- (a) the Company must take the steps necessary to enforce the Deed, or to rectify the breach; and
- (b) the Company must refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Restricted Securities. This is in addition to other rights and remedies of the Company.

5. Amendment

The Holder hereby grants the Company power of attorney to make such amendments to this Deed as are necessary to comply with or satisfy the requirements and conditions of ASX and/or the Australian Securities & Investments Commission.

6. Jurisdiction

The laws of Western Australia apply to this agreement. All Parties submit to the jurisdiction of the courts of that State.

7. Counterparts

This Deed may be entered into in any number of counterparts and by the parties on separate counterparts, each of which when executed and delivered will be an original, but all of which will together constitute one and the same instrument.

Schedule

Item 1 Company's name and address

BrainChip Holdings Limited (ACN 151 159 812) of Level 2, 6 Thelma Street, West Perth, Western Australia

Item 2 Holder's name and address

Name of Holder	Address
[insert]	[insert]

Item 3 Escrow Period

6 months commencing on the date that the Company satisfies the Condition Precedent as defined in section 1.1 of this Deed.

Item 4 Particulars of Restricted Securities

Number	Description
[insert]	Fully paid ordinary shares (Shares)