



14 September 2016

Ms Sandra Wutete
Senior Adviser, ASX Listings Compliance
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

RESPONSE TO ASX – AWARE QUERY

Dear Sandra,

I refer to your letter dated 13 September 2016 attached and provide responses below:

1. **Does the Entity consider the information referred to in the Press Release to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No.

2. **When did the Entity become aware of the information referred to in the Press Release? Please include details of the relevant time and circumstances of the Entity becoming aware of the information referred to in the Press Release?**

The Company signed the Strategic Alliance Agreement and agreed the Press Release with Advisian at 3pm WST on the afternoon of 6 September 2016.

3. **If the answer to any part of question 1 is “yes” and the Entity became aware of the information referred to in the Press Release prior to the release of the Press Release on Tuesday, 7 September 2016, did the Entity lodge any announcement with ASX Market Announcements prior to this date which disclosed the information in the Press Release? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay?**

NA



4. If the answer to question 1 is “no”, please advise the basis for that view.

The Press Release was released by our public relations agents in the US on the evening of 6 September 2016 at approximately 11pm WST. The Press Release was posted to the Company website by our US based website provider the following day, Wednesday, 7th September 2016 at approximately 8pm WST. This release referred to a strategic alliance signed with global advisory firm Advisian Digital Enterprise (part of ASX-listed Worley Parsons Limited) (Advisian) to explore the development of a series of products that utilise BrainChip’s Spiking Neuron Adaptive Processor (SNAP) technology. It was noted that the two companies will work together on a project development plan that will identify a series of products that can potentially be developed using BrainChip’s SNAP and related technologies.

Prior to posting, the Board considered whether disclosure of the agreement was required on the ASX platform pursuant to listing rule 3.1 and took the view that a reasonable person would not expect the signing of the agreement to have a material effect on the price or value of the entity’s securities.

In taking this decision, the Board considered the following:

The strategic alliance commits the two companies to work together on a *project development plan*, with no specific project committed to or revenue streams identified as yet.

Previous releases made by the Company regarding similar agreements being:

- 5 August 2016 release regarding a marketing agreement with global IP supplier T2M UG of Munich;
- 15 April 2016 release regarding a joint development and marketing agreement with Inilabs GmbH, the Swiss developer and manufacturer of a vision sensor; and
- 1 February 2016 release regarding a joint development and marketing agreement with Applied Brain Research, owner and provider of an integrated technology software platform.

All of these releases had proven not to be market sensitive (i.e. there was no material effect on the price of value of the Company's securities).

Based on the above, the Board formed the view that disclosure was not required pursuant to listing rule 3.1.



The Company notes that whilst there was an increase to its share price from \$0.125 to \$0.14 on 8 September 2016, there was also a decrease from \$0.14 to \$0.12 the very next day.

5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular Listing Rule 3.1.

Confirmed.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mick Bolto".

Mr EL (Mick) Bolto
Chairman



13 September 2016

Ms Nerida Schmidt
Company Secretary
Brainchip Holdings Limited
Level 2
6 Thelma Street
WEST PERTH WA 6005

By email

Dear Ms Schmidt

Brainchip Holdings Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s press release entitled “BrainChip signs strategic alliance with global advisory firm Advisian” released to the Entity’s website on Tuesday, 7 September 2016 (the “Press Release”), disclosing a strategic alliance with Advisian Digital Enterprise (part of ASX-listed Worley Parsons Limited) to collaborate on a series of projects utilising the Entity’s technology (attached).
2. The increase in the trading price of the Entity’s securities in the two trading days, and the substantial increase in the volumes traded of the Entity’s securities in the three trading days, following the Press Release as shown below:

Date	Open	High	Low	Close	+/-	%	MktVWAP	Volume
13-Sep-2016	12	12	11.5	12	0.5	4.35	11.8614	412,807
12-Sep-2016	12	12	10.5	11.5	-1	-8	11.1183	7,289,672
09-Sep-2016	14	14	12	12.5	-1	-7.41	13.0004	3,776,229
08-Sep-2016	13	14	12.5	13.5	1	8	13.3831	5,199,168
07-Sep-2016	12.5	13	12.5	12.5	0	0	12.6767	389,168

3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
4. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

5. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information referred to in the Press Release to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. When did the Entity become aware of the information referred to in the Press Release? Please include details of the relevant time and circumstances of the Entity becoming aware of the information referred to in the Press Release.
3. If the answer to any part of question 1 is “yes” and the Entity became aware of the information referred to in the Press Release prior to the release of the Press Release on Tuesday, 7 September 2016, did the Entity lodge any announcement with ASX Market Announcements prior to this date which disclosed the information in the Press Release? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
4. If the answer to question 1 is “no”, please advise the basis for that view.

5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3:00 pm (WST) on Thursday, 15 September 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at sandra.wutete@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Sandra Wutete
Senior Adviser, ASX Listings Compliance (Perth)



7 September, 2016

BrainChip signs strategic alliance with global advisory firm Advisian

- **BrainChip signs strategic alliance with Advisian Digital Enterprise to collaborate on a series of projects utilising BrainChip's technology**
- **Alliance will combine the project development expertise of Advisian, part of the WorleyParsons Group with the innovative technologies of BrainChip**
- **Products developed under the partnership will be marketed through Advisian's global network**
- **A number of potential applications for BrainChip's technology have already been identified by the two parties**

BrainChip Holdings Ltd (ASX: BRN) is pleased to announce that it has signed a strategic alliance with global advisory firm Advisian to explore the development of a series of products that utilise BrainChip's Spiking Neuron Adaptive Processor (SNAP) technology.

Advisian is part of **WorleyParsons Limited** (ASX: WOR), an ASX-listed professional services giant. The alliance will combine Advisian's extensive project expertise with BrainChip's SNAP technology, which provides a rapid learning capability that opens up a whole new area of possibilities for data analysis.

The two companies will work together on a project development plan that will identify a series of products that can be developed using BrainChip's SNAP and related technologies. All projects developed under the partnership will be marketed through WorleyParson's extensive global network. All intellectual property will remain with BrainChip.

Both Advisian and BrainChip have already identified a number of potential applications for the SNAP technology across a range of industries.

Bradley Andrews, President of Digital Enterprise at Advisian Digital Enterprise, commented: "Advisian Digital Enterprise is pleased to partner with BrainChip to bring leading SNAP technology combined with Digital Enterprise solutions to our customers in Resources, Energy and Infrastructure."



Peter van der Made, founder and interim chief executive officer of BrainChip, commented: “Having a partner like Advisian, with a strong industry reputation and global network of clients, provides an important validation of the BrainChip technology. We have already identified a series of potential projects utilising SNAP and we look forward to bringing further updates to the market on our progress over the next few months.”

About BrainChip

Located in Aliso Viejo, California, BrainChip has developed a revolutionary new Spiking Neuron Adaptive Processor (SNAP) technology that is extremely fast, has the ability to learn autonomously and rapidly, and associate information just like the human brain. The technology is fast, completely digital, and consumes very low power. Additional information is available by visiting www.brainchipinc.com

About Advisian Digital Enterprise

Advisian Digital Enterprise works with its clients to realise the future of an advanced industry in which data and digital transformation has brought energy, resilience and new paradigms. It solves clients’ toughest challenges by applying technology, thinking and experience to the acquisition, management and visualisation of data that connects the digital realm to the physical one. Additional information is available by visiting advisian.com/our-services/digitalenterprise.aspx

Media contact:

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Company Secretary:

Nerida Schmidt
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nschmidt@brainchip.com.au
+61 8 9444 2555



13 September 2016

Ms Nerida Schmidt
Company Secretary
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Level 2
6 Thelma Street
WEST PERTH WA 6005

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Yours sincerely

[Sent electronically without signature]

Sandra Wutete
Senior Adviser, ASX Listings Compliance (Perth)