

REMUNERATION POLICY OVERVIEW

Original: 07 December 2023

Updated: 19 March 2024, 23 April 2025 and 30 October 2026

1. PURPOSE

This document provides an overview of the remuneration policies of BrainChip Holdings Ltd (**BrainChip** or the **Company**).

This summary was prepared for the purpose of informing and educating external stakeholders about the methodology and performance metrics the Board of BrainChip (**Board**) uses to determine the appropriate remuneration and financial incentives for directors, executives, and employees of the Company.

In 2021, the Board undertook a comprehensive review of the Company's remuneration policies and practices and determined that significant changes were required to better align with evolving governance expectations, shareholder interests, and industry best practice. The Board conducted a further review of remuneration in August 2024 with the assistance of an independent third-party adviser.

Demonstrating its ongoing commitment to continuous improvement and sound corporate governance, the Board regularly reviews and, where appropriate, updates the Company's remuneration framework. The most recent review led to an increase in the minimum shareholding requirements for Non-Executive Directors and the introduction of minimum shareholding requirements for nominated Company executives. These requirements are designed to enhance the alignment of their interests with those of shareholders by encouraging meaningful long-term equity ownership.

The enhancements reflect the Board's commitment to fostering a high-performance culture underpinned by accountability, while ensuring the remuneration structure supports the Company's long-term success and sustainable value creation for all stakeholders.

The remuneration policies and practices, formally adopted by the Board of Directors in April 2025, reflect current market and stakeholder expectations. They are designed to be:

- performance-based;
- transparent;
- globally benchmarked; and
- aligned with the interests of shareholders.

In preparing this document, BrainChip seeks to demonstrate to its key stakeholders that its remuneration policies are equitable and transparent, in line with reasonable market expectations, and in the best interests of the Company.

2. REMUNERATION

BrainChip Holdings Ltd is a US-headquartered, ASX-listed deep-tech company (ASX: BRN) pioneering ultra-low-power, event-based neuromorphic AI. The Company operates a hybrid commercial model, monetising its proprietary Akida™ technology through semiconductor intellectual property (IP) licensing—including upfront licence fees, milestone payments, and volume royalties—and direct sales of physical silicon processors (for example, AKD1500), hardware modules, and software development platforms. The Company operates in an intensely competitive global market, where expertise and experience in a dynamic, fast-

growing industry command a premium and the need to hire appropriately skilled talent represents a material risk to the business.

This risk is not likely to ease in the near to medium term because technology talent is expensive, highly sought after, and able to command significant remuneration packages. Ensuring the Company adopts a globally competitive and transparent remuneration policy helps the Company attract and retain appropriately skilled employees and mitigate this material business risk.

3. NON-EXECUTIVE DIRECTOR REMUNERATION

The Board currently comprises six (6) directors: four (4) independent non-executive directors, one (1) non-independent non-executive director, and one (1) executive director, who is the Company's Chief Executive Officer.

Non-executive directors (NEDs) are members of the Board but are independent of the management team and play a critical role in providing independent oversight, strategic guidance and accountability in the governance of the Company. Their focus is on providing leadership and guidance regarding longer-term planning and strategic decision-making, compliance, governance, policymaking, and holding the management team accountable for the Company's performance.

NEDs are remunerated out of a pool of Directors' Fees, approved by shareholders, in accordance with the Company's Constitution and the ASX Listing Rules. Directors' fees (both executive directors and NEDs) are benchmarked against comparable global companies operating in the technology sector.

The compensation paid to NEDs includes a flat annual fee, to compensate NEDs for attending Board meetings, adding value and dedicating such of their time as is necessary to ensure that they discharge their duties as a director of the Company. NEDs earn additional fees for membership of and, where applicable, chairing the Board and/or Committees such as the Audit & Governance Committee and the Remuneration & Nomination Committee.

As part of the NED's compensation package and in addition to the cash component, each NED receives an annual equity grant in the form of either Restricted Stock Units (RSUs) for US-resident NEDs or Service Rights for NEDs resident in Australia.

These equity instruments are granted, subject to Shareholder approval at the applicable Annual General Meeting, for nil consideration and in recognition of NEDs fulfilling their obligations effectively and the ongoing contribution each NED makes to the Company. They represent the non-cash component of the NED's remuneration package and are subject to the NED remaining in office for vesting to occur.

NEDs are held accountable against evaluation criteria set out in the *Non-Executive Director Remuneration Policy*. These criteria include:

- demonstrating a clear understanding of their fiduciary duties to the Company and shareholders;
- effectively overseeing the financial performance of the Company;
- providing independent oversight, free of any undue influence;
- remaining well-informed about the Company's risk profile and the steps being taken to mitigate risks;
- demonstrating commitment and engagement in Board activities;
- actively participating in the development and review of the Company's strategic plans;
- actively contributing to Board discussions and debates, fostering a culture of open and constructive dialogue; and
- remaining vigilant about compliance with laws, regulations, and ethical standards.

Annually, NEDs undergo a thorough assessment encompassing peer feedback, alongside self-evaluation. This coincides with a comprehensive review of the Board's composition, its practices, and the overall knowledge of its members. Assessments, regular feedback and a commitment to best practice ensure NEDs fulfil their roles effectively.

4. NON-EXECUTIVE DIRECTOR MINIMUM SHAREHOLDING

To further align the long-term interests of the Non-Executive Directors (NEDs) with those of its shareholders, the Board has imposed a NED Minimum Shareholding Guideline, which stipulates that:

A NED shall establish and hold a minimum shareholding based on five (5) years of the NED's annual base cash remuneration (including superannuation if applicable, but excluding any compensation received for work undertaken on any committee or as Chair of the Board).

To determine NED ownership levels:

- shares of common stock owned outright, unvested shares of restricted stock and restricted stock units, and shares underlying vested and certain unvested, in-the-money options to purchase common stock are included; and
- shares of common stock underlying an award subject to performance-vesting for which the performance criteria have not been satisfied are not included.

Each NED is expected to meet the specified shareholding threshold within four (4) years after the NED Shareholding Guideline was approved by the Board in April 2025 or, for a NED appointed after that date, within five (5) years after commencing their appointment to the Company.

NEDs' shareholding shall be assessed annually at the end of each calendar year.

The pricing formula for calculating whether the NED Minimum Shareholding has been met is the 60-day volume-weighted average price of the Company's shares calculated at the end of each calendar year.

Once achieved, the minimum shareholding level should be maintained for as long as the individual NED is subject to this NED Minimum Shareholding Guideline.

The Remuneration & Nomination Committee has been delegated to determine compliance relating to the NED Minimum Shareholding threshold, and in such circumstances where NEDs are unable to satisfy the NED Minimum Shareholding due to factors beyond their control, the discretion to extend timeframes, revise the methods of compliance and/or implement alternate measures to support NEDs in meeting the intent of the Minimum Shareholding Guideline.

5. EMPLOYEE AND EXECUTIVE SALARIES

BrainChip competes against global tech companies to attract the best available talent. This talent is highly mobile and aware of its market value, so to be successful in attracting this talent, BrainChip must offer competitive salaries, as well as other non-cash elements as part of its remuneration packages.

Global compensation benchmarking was conducted by US-based remuneration consultants in August 2024 on behalf of the Company and provided comparative salary data for key executive positions benchmarked against global tech industry competitors.

The report obtained provided a template for salary packaging for executives and employees that was both globally competitive and deemed to be appropriate for the Company in its current stage of growth.

This salary packaging benchmarking data provides an appropriate and attractive salary range for each position within the Company. However, a base salary is not on its own sufficient to provide the necessary incentive to

attract, retain, and motivate staff, and align their interests to the long-term interest of the Company and its shareholders.

In addition to base salaries, the Company offers employees, executives, and executive directors a performance-based short-term incentive plan with clearly defined performance metrics calculated on achieving a combination of Individual, Departmental and Company targets.

The Company also invites employees, executives, and executive directors to participate in a Long-Term Incentive Plan (LTIP) to acquire equity in the Company based on all-of-Company performance targets.

The opportunity for employees to gain equity in the Company, in the form of Restricted Stock Units (RSUs), ensures that employees and executives are personally motivated and incentivised over a longer period to remain with the Company, achieve Company goals and share in its long-term success. This is one of the best and proven ways to ensure employees' interests are aligned with the interests of shareholders.

6. SHORT-TERM INCENTIVE PLAN (STIP)

Bonuses may be paid to employees annually according to short-term performance-based criteria under the BrainChip Short-Term Incentive Plan, introduced in 2022. In general, employee and executive bonuses are set at a target percentage of base salary.

Total bonus payouts are determined through proportioning Company, Departmental and Individual performance metrics, which are segmented into:

- Company goals;
- Departmental goals; and
- Individual employee goals.

Departmental and Individual metrics are set by department heads and managers in conjunction with each employee and are assessed annually as part of the annual employee performance review process.

Performance areas are weighted according to the Company's key management priorities and reflect the Company's focus points at a given time. As the Company grows and matures, these performance areas are expected to change to reflect evolving strategic priorities and focus points over time.

Company performance metrics are calculated with a focus on bookings and product development, as well as ongoing active risk management. These metrics are segmented as follows:

Bookings performance considers a:

- baseline bookings target;
- sliding scale against percentage of bookings achieved; and
- Multiplier, which can be applied to the overall calculated bonus rate for bookings above the 100% target.

Product development performance focuses on meeting pre-defined deadlines for the delivery of next generation technology products; with bonus payments decremented for each month a project is behind schedule.

Risk Management performance is assessed through the active maintenance of a comprehensive risk register and includes cyber security auditing and bi-annual reporting to the Board.

Once the year-end results are finalised, management presents the actual performance metrics to the Board Remuneration and Nomination Committee, with a formal recommendation to the Board to approve the bonus payout.

Approval to pay any bonus is at the Board's discretion. The STIP does not apply to NEDs.

7. LONG-TERM INCENTIVE PLAN (LTIP)

The Company recognises that in addition to offering competitive salaries and the short-term incentive plan, there is a need to align the long-term interests of the Company's employees with its shareholders, through performance-based incentives.

The LTIP is based on three long-term strategic performance conditions.

- Bookings;
- Conversion of bookings to revenue through service delivery; and
- Achieving a 3-year share price target.

LTIP performance metrics are Company-wide goals. The three-year LTIP measurement period runs from 1 January in the year of grant to 31 December of the third calendar year.

50% of the total annual LTIP grant award is "at-risk".

The Bookings goal has the potential to pay out anywhere from 50%-150% based on performance.

New hire grants are awarded to employees when they join the Company after they complete their probationary period (where applicable). The value of this grant is based on a multiple of the employee's starting salary.

Annually, management prepares a formal request to the Board outlining the key components for the upcoming annual LTIP grant request as well as the total number of instruments to be awarded throughout the year. Key components include the formula for calculating each employee grant, the share price used for all grant calculations for the upcoming year, the methodology used to determine the share price, and the performance criteria to be used to measure Company performance - each with a payout formula based on performance against the goals.

All LTIP grants are at the Board's discretion. The LTIP does not apply to NEDs.

8. EXECUTIVE MINIMUM SHAREHOLDING

To further align the long-term interests of the Company's executives with those of its shareholders, the Company has implemented shareholding guidelines that apply to the Chief Executive Officer and other executive officers as nominated by the Board from time to time.

The Executive Shareholding Guideline requires nominated executives to maintain the following beneficial ownership of shares of common stock in the Company:

- The Company's CEO shall establish and hold a minimum shareholding based on five (5) years of the annual cash base remuneration; and
- The Company's CFO shall establish and hold a minimum shareholding based on three (3) years of the annual cash base remuneration.

To determine nominated executive ownership levels:

- shares of common stock owned outright, unvested shares of restricted stock and restricted stock units, and shares underlying vested and certain unvested, in-the-money options to purchase common stock are included; and
- shares of common stock underlying an award subject to performance-vesting for which the performance criteria have not been satisfied are not included.

Each nominated executive is expected to meet the specified shareholding threshold within four (4) years after the Executive Shareholding Guideline was approved by the Board in April 2025 or, for an executive nominated after that date, within five (5) years after commencing their appointment to the Company.

Nominated Executives' stock ownership shall be assessed annually at the end of each calendar year.

The pricing formula for calculating whether the Executive Minimum Shareholding has been met is the 60-day volume-weighted average price of the Company's shares calculated at the end of each calendar year.

Once achieved, the minimum shareholding level should be maintained for as long as the individual nominated executive is subject to this Minimum Shareholding Guideline.

The Remuneration & Nomination Committee is responsible for determining compliance with the Executive Minimum Shareholding threshold. If nominated executives are unable to satisfy the threshold because of factors beyond their control, the Committee may extend timeframes, revise the methods of compliance, and/or implement alternative measures to support them in meeting the intent of the Executive Minimum Shareholding Guideline.