

9 October 2019

Change to Managing Director Remuneration

In accordance with ASX Listing Rule 3.16.4, the Company sets out changes to the remuneration arrangements of the Managing Director of PainChek Ltd (PCK), Mr Philip Daffas.

As part of Philip Daffas' performance review for FY2019, the Board of PCK considered an independent benchmarking study and review of CEO remuneration for comparable companies, which was carried out by an independent remuneration consultant. As a consequence of the excellent progress of the company led by Mr Daffas; the fact that his remuneration has not been changed since original appointment on 30 September 2016; and the results of the independent study; the Board has agreed to amend his remuneration as follows:

	Actual FY 2019	New	% Change	% of Total
Fixed Base (inc. super)	\$225,000	\$250,000	11.1%	42%
STI	\$112,500	\$150,000		25%
Total annual cash	\$337,500	\$400,000	18.5%	77%
Statutory LTI	\$0	\$200,000		33%
Total Statutory Rem	\$337,500	\$600,000	77.8%	100%

Notes:

1. Statutory LTI for FY19 was Nil since all the expense associated with Mr Daffas original 2016 LTI options was expensed in FY17 and FY18.
2. New STI assumes 100% achievement of key performance indicator bonus targets.
3. New LTI is subject to shareholder approval at the AGM on 20 November 2019.

The Board considers these changes provide the right mix of fixed cash (42%) and variable at risk (58%) remuneration for a company at PainChek's stage of development, creating alignment with shareholder interests. The changes position Mr Daffas' total statutory remuneration at 124% of the median comparable remuneration for ASX listed companies in the healthcare and IT sector with a market capitalisation of between \$50m and \$200m, based on the independent benchmark study.

A summary of the key terms of the amendment is set out in Attachment A. The termination provisions of 3 months notice by either party remain unchanged.

Ends

For further information please contact:

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www.painchek.com

Attachment A – Key Terms of Amendment

Remuneration Component	Current	New
Fixed Base	\$225,000 per annum inclusive of superannuation	Effective 1 October 2019, \$250,000 per annum inclusive of superannuation
Short Term Incentive	Eligible for annual bonus amount at the discretion of the board	Eligible for an annual STI payment of up to \$150,000 based on achievement of annual key performance indicator targets and discretion of the Board
Long Term Incentive	40,999,162 options of which two thirds have vested. Options are each exercisable at 2 cents and expire on 24 November 2019	<p>Subject to shareholder approval: An annual award of \$200,000 of Performance Rights in FY2020, FY2021 and FY2022 under the existing LTI Plan Rules, subject to shareholder approval and to continuing to be employed at the award date.</p> <p>The number of Performance Rights to be issued is \$200,000 divided by the volume weighted average price (VWAP) of PainChek Ltd ordinary shares, calculated five days either side of and including the date of announcement of the Company's annual statutory results for the financial year preceding the financial year of the award.</p> <p>The Performance Rights of each annual award will vest over three years commencing on 1 October of the year of the relevant award subject to all of the following conditions:</p> <ol style="list-style-type: none"> 1. 50% will vest at the end of the second year of the vesting period (the First Vesting Date) subject to achieving a compounded annual increase of 15% per annum in share price from the original award share price, calculated based on the 10 days VWAP leading up to and including the vesting date; 2. 50% will vest at the end of the third year of the vesting period (the Second Vesting Date) subject to achieving a compounded annual increase of 15% per annum in share price from the original award share price, calculated based on the 10 days

		<p>VWAP leading up to and including the vesting date;</p> <p>3. The Managing Director remains employed by the Company at the relevant vesting date (unless he is a Good Leaver as defined in the LTI Plan in which case he retains the relevant pro rata portion of the grant subject to the increase in Share price vesting condition subsequently being met)</p> <p>Each Performance Right has a nil subscription price; will confer on the Managing Director a conditional right to acquire one ordinary share; and will expire 3 months after the applicable First or Second Vesting Date if not exercised before that date.</p> <p>In relation to FY2020, subject to shareholder approval, the award will be based on the following specific terms:</p> <ul style="list-style-type: none"> the award will be of 933,271 Performance Rights based on an award share price of \$0.2143; the target share price at the end of the first vesting period on 1 October 2021 is \$0.2834; the target share price at the end of the second vesting period on 1 October 2022 is \$0.3259.
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About PainChek®

PainChek® Ltd is an Australian based company that develops pain assessment technologies.

PainChek® is a smart-phone based medical device using artificial intelligence to assess and score pain levels in real time and update medical records in the cloud. PainChek® records a short video of the person's face and analyses the images that indicate pain and records them.

Next, the caregiver uses PainChek® to record their observations of other pain related behaviours that complete the assessment. Finally, PainChek® calculates an overall pain score and stores the result allowing the caregiver to monitor the effect of medication and treatment over time.

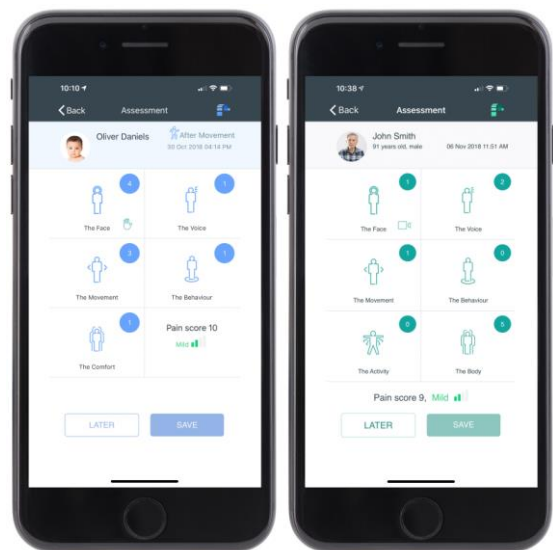
PainChek® is being rolled out globally in two phases: first, PainChek® for adults who are unable to effectively verbalise their pain such as people with dementia, and second, PainChek® for Children who have not yet learnt to speak.

The PainChek® Shared Care Program is a PainChek® licensing model which enables a professional carer to share their resident or patient data securely with other healthcare professionals or designated homebased family carers for ongoing pain assessments or clinical data review.

To find out more, visit
www.painchek.com



PainChek® artificial intelligence assesses facial micro-expressions that are indicative of the presence of pain.



PainChek® domains of pain assessment that calculates pain severity score.