



Pureprofile

PUREPROFILE LTD.

ACN 167 522 901

AUDITOR INDEPENDENCE POLICY

1. Introduction

As an ASX-listed company, Pureprofile Ltd (**Company**) and its subsidiaries (**Group**) is committed to maintaining the highest standards of corporate governance and financial integrity. Central to this commitment is ensuring the independence of our external auditors. The Auditor Independence Policy sets forth the principles and procedures designed to uphold the objectivity and impartiality of our external auditors, thereby safeguarding the accuracy and reliability of our financial reporting.

2. Purpose

The purpose of this Policy is to ensure that Pureprofile's auditor carries out the statutory audit function in a manner which is at all times demonstrably independent of the Company. For this purpose, the standard adopted by the Company for determining independence is the highest standard imposed by legislation (including the Corporations Act 2001), regulation or Australian or international auditing standards that are applicable:

- a. to an Australian listed entity; or
- b. to the Company by reason of any other aspect of the Group's business operations or activities.

The Company recognises that its relationship with its auditor is unique based on the auditor's access to the Company's personnel and its books and records, and knowledge of its history and the industry within which the Company operates. As a consequence, there are certain non-audit services which the auditor is well placed to provide in a cost efficient and timely manner.

This Policy provides guidelines under which Pureprofile may engage the auditor to provide non-audit services without impairing the auditor's objectivity or independence. It also identifies the roles and responsibilities of the auditor, the Company's executives and the Board Audit Committee in implementing this Policy.

3. Corporate Governance and Independence

A high quality, independent statutory audit is fundamental to the maintenance of sound corporate governance. It is an integral part of the process of providing investors with reliable, comprehensive and clear financial information upon which to base their decisions.

This Policy reflects the Company's desire to preserve the independence of the statutory audit process.

Pureprofile has developed a series of guidelines and procedures to ensure the provisions of this Policy are implemented and observed on a continuing basis.

4. Appointment and Remuneration of the Auditor

As a reflection of the Company's commitment to maintaining the integrity and independence of the statutory audit, it acknowledges that:

a. the Board is responsible for the appointment of the auditor to provide audit services. The auditor is required to have communication and meetings with the Board along with any other relevant committees on a regular basis.

b. the auditor must be fairly rewarded for the agreed scope of the statutory audit and audit-related services, following a reasonable arm's length commercial negotiation and having regard to market benchmarking.

5. Classification of Non-Audit Services

The Company considers that the provision of certain non-audit services and the level of non-audit fees paid to the auditor may give rise to conflicts of interest, or an actual or perceived loss of objectivity. Pureprofile has prepared a list of services where the auditor may have the technical competence to provide the services, and where the services are consistent with the independence of the auditor. Each of these potential services has been classified into one of the following categories (full detail of the services is included in the appendices):

- Category A – Pre-approved Audit Services
- Category B – Pre-approved Audit-Related Services
- Category C – Pre-approved Tax Services
- Category D – Pre-approved Other Services

The pre-approved services included in the categories above and listed in detail in the relevant appendices may only be provided by the statutory auditor in accordance with paragraphs 5 and 6 below. Pureprofile also considers that there are services that are inconsistent with the independence of the auditor and for which the auditor will not be engaged. These services are listed in the appendix in the following category:

- Category E – Prohibited Services (*where performed by the statutory auditor*)

The Board will consider periodically the appropriateness of the classification of services and may amend the list of services included in any of the above categories from time to time. Potential services not contemplated by the categories will be deemed to be Category E matters unless otherwise determined by the Board.

Regardless of the general classification of any non-audit service, if the Board (or its delegate), the Chief Financial Officer or the auditor considers that in the particular circumstances in which the non-audit service is to be provided, the actual or perceived independence of the auditor may be impaired, the auditor will not be commissioned to provide that service.

In instances where multiple statutory audit firms are appointed to provide statutory audit services across the Pureprofile group, Category E services will be deemed permissible where the auditor providing the statutory audit service is different to the firm engaged to provide the Category E service to that entity.

6. Approval of Non-Audit Services

Before the auditor is engaged to provide services in Category A to Category D, the prior approval of the Chair of the Board (or another independent Board member nominated by the Chair) will be required for all engagements.

As part of the request for approval, the auditor and management will be required to list reasons why granting approval will not compromise the independence of the auditor. The request for approval should also include a schedule showing fees for non-audit services paid to the auditor for the financial year-to-date, split into the various categories of services, as well as the projected fees payable in connection with the proposed engagement.

The decisions made by any member of the Board acting as a delegate must be presented for ratification by the Board at its next scheduled meeting.

7. Periodic Reporting

At least bi-annually, the Chief Financial Officer and the auditor will provide a report to the Board which confirms, in respect of the current financial year:

- a. the scope of non-audit services provided by the auditor (split into the various categories of service)
- b. the fees (per assignment and in aggregate) paid/payable by the Group for the provision of those services
- c. the ratio of approved tax and other services (as outlined in Category C and D in the appendices) to audit and audit-related services (outlined in Category A and B in the appendices)
- a. each of the matters referred to in Section 10 below.

It is acknowledged that the Board should be alert to the risk that the aggregate value of fees for non-audit services in any one year could reach a level where a perception may arise that the objectivity and/or the independence of the auditor is impaired. To mitigate this risk, the ratio referred to in 7(c) above should be targeted to not exceed 50% in any given financial year.

8. Rotation of the Audit Partner

Pureprofile will require the statutory auditor to commit to rotate, every five years, the lead (or coordinating) audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit for each entity within the Company. A succession plan to achieve this outcome must be prepared by the auditor and submitted to the Board for approval no later than one year before the rotation is due to occur.

9. Restrictions on Employment of Audit Personnel

Any person who was employed by the audit firm (and participated in any capacity in the statutory audit of any member of Pureprofile at any time in the two-year period immediately preceding the date of the proposed appointment by the Company, will not be permitted to serve in a senior executive role within it. A "senior executive role" is defined to include the roles of Chief Executive Officer, Chief Financial Officer or any equivalent role.

A former partner or other professional member of the audit team of a firm that acted in the capacity of statutory auditor of the Company may hold the position of director of a Group entity provided that person has not been employed by that audit firm at any time during the preceding three years.

10. Bi-annual Confirmation from Statutory Auditor

The statutory auditor will confirm to the Board (at least bi-annually) that:

- It has complied with the terms of this Policy and with the intended scope of this Policy as implied by the standard referred to in Section 2
- It is of the view that the independence of the auditor has been maintained
- The auditor and its partners do not have any financial interest in any entity which is part of the Pureprofile Group
- The current service team members of the auditor do not have any financial interest in the Pureprofile Group
- Except as contemplated by this Policy, there are no business interests between the Pureprofile Group and the auditor
- No portion of fees paid by the Pureprofile Group to the auditor is paid on a contingency basis
- The total fees received by the auditor in each national jurisdiction from the Extended Group do not have a material impact on its operations or financial condition in that jurisdiction
- Pureprofile has not withheld fees from the auditor
- To the best of the auditor's knowledge, there is no litigation between a member of the Pureprofile Group and the auditor

11. Ongoing Safeguards

From time-to-time this Policy will be reviewed in the context of ongoing changes in the legal, accounting and governance requirements applicable to the Company so that it remains relevant and consistent with the standards referred to in Section 2 as well as market and Security holder expectations. Pureprofile will ensure that the processes designed for the proper implementation of this Policy are carried out as required.

APPENDIX - PERMITTED AND PROHIBITED NON-AUDIT SERVICES

Auditor Independence Policy

Pureprofile auditor must not be involved directly or indirectly in auditing its own work. That is, it must not do work for Pureprofile that it may be required to review as part of the external audit.

Category A – Pre-approved Audit Services

- Attest services in relation to forecasts and projections, subject to appropriate safeguards
- Accounting procedures review

Category B – Pre-approved Audit-Related Services

- Compliance assurance
- Reviews of valuations prepared by management where the results are immaterial to the financial statements or where the statutory auditor would not be required to audit those statements or opinions
- Technical interpretation of accounting standards, laws and regulations on the appropriateness of treatment to be adopted for specific transaction or advice on the impact of new and revised standards
- International comparisons of accounting and statutory requirements

Category C – Pre-approved Tax Services

- Assistance in the preparation of tax returns without authority for decision-making
- Tax compliance services (e.g. filing as tax agent where the return is signed by Pureprofile)
- Advice and opinions interpreting tax legislation, law and practice and new or revised regulations
- Assistance in the handling of specific items in tax returns, and in connection with responding to queries in relation to those returns from relevant tax authorities
- Training of staff in relation to tax law and compliance matters
- Tax advice as a legal service (If acting in an advocacy role in a dispute, the amounts involved must be immaterial to the financial statements), including interpreting and advising on taxation legislation, law and practice in connection with tax audits and appeals before Australian and foreign tax authorities
- Tax dispute resolution and litigation services (may not propose or agree a settlement with the tax authority without Pureprofile's specific approval)
- Tax due diligence (provided any prospective financial information is adequately prepared by management)
- Employee tax compliance and advice excluding tax provision calculations or services to any person who has a financial reporting oversight role

Category D – Pre-approved Other Services

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- Review of governance, risk and compliance frameworks provided no design or implementation of internal controls over financial reporting
 - General process and controls review provided no design or implementation of internal controls over financial reporting
 - Post-acquisition analysis
 - Pre-acquisition due diligence work where auditor is not working as principal but rather under the direction of management
 - Prospectus – Independent accountant reports/comfort letters in respect of documented and non- documented offers (rights issues, placements and debt issues e.g. 144A)
 - Review of application controls and IT process risk provided no design or implementation of internal controls over financial reporting
 - Data conversion and integrity assistance
 - Assessment and testing of security infrastructure controls
 - Benchmarking against local and global peers
 - Probity (including specific Fraud) reviews at the request of management – project basis permitted with additional safeguards in place:
 - Preparation of financial statements for non-listed entities - allowed if the services are routine or mechanical in nature and that the financial statements are immaterial to the entity which the auditor is expressing opinion on.

Category E – Prohibited Non-Audit Services (where performed by the statutory auditor)

- Performing the role of management as part of any engagement
 - Prospectus – Independent expert reports
 - Prospectus – Due diligence committee member (as statutory auditor)
 - Prospectus – Valuations on which the statutory auditor gives an opinion
 - Related party transaction reviews excluding procedures conducted as part of the statutory audit
 - Actuarial services
 - Pre-acquisition due diligence work – As principal (statutory auditor plans, performs work and issues an opinion)
 - Design and implementation of financial systems
 - Operate and supervise IT systems
 - Design and implementation of internal accounting and risk management controls
 - Consultancy services including direct involvement in Pureprofile’s management decision making functions
 - Recruitment of management
 - Investment banking, broking, dealing or advisory services
 - Acting as trustee, executor or administrator of trust or estate
 - Legal and expert services unrelated to the audit
 - Valuation services, appraisals of fairness opinions, where the results are material to the financial statements or where the statutory auditor would be required to audit those statements or opinions
 - Services that are remunerated through a “success fee” structure
 - Services that involve the statutory auditor acting in an advocacy role, excluding tax advice as a legal service in a dispute, where amounts involved are immaterial to the financial statements
 - Preparation of financial statements for listed entities
 - Performing of internal audit functions
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Tax services

- Tax-purpose valuation or related valuations if the valuation will have a direct material impact on the financial statements
- Preparing calculations of tax provisions (current or deferred tax asset/liabilities) that are material to the financial statements
- Employee tax services (including tax compliance) to a person who has a financial reporting oversight role
- Transfer pricing if the expected impact is material to the financial statements.
- Tax planning that would have a material impact on the financial statements

Permitted with additional safeguards in place:

- Other valuations on which the statutory auditor does not give an opinion and does not relate to the financial statements
- Bookkeeping Services - Allowed if the tasks are routine and mechanical in nature and the Pureprofile have to retain responsibility of but not limited to: accounting policies/treatment; initiating, changing and providing the original source of documentation; determining appropriate account classification of transactions; and exercising judgement
- Administration of payroll services - Allowed provided the tasks are routine and mechanical in nature and the client have to retain responsibility of but not limited to: accounting policies/treatment; initiating, changing and providing the original source of documentation; determining appropriate account classification of transactions; and exercising judgement

Date: 26th August 2024

Signed:

The Board of Directors of Pureprofile Ltd.
