



Pureprofile

PUREPROFILE LTD.

ACN 167 522 901

RISK MANAGEMENT POLICY

1. Introduction

This policy, adopted by the Board of Directors, outlines Pureprofile's structured approach to risk management which is integral to our corporate governance framework and essential for achieving financial and strategic goals. By proactively identifying and addressing potential risks, we aim to safeguard assets, enhance business resilience, and ensure regulatory compliance. Aligned with our strategic objectives, this policy supports our commitment to delivering shareholder value while adhering to industry best practices and maintaining high standards of corporate governance and ethical conduct. Recognising risk management as a dynamic process, this policy will be regularly reviewed and updated to adapt to changes in our business environment and emerging risks.

2. Purpose

The purpose of this Risk Management Policy is to establish a comprehensive framework for identifying, assessing, managing, and monitoring risks across the Company, promoting a culture of risk awareness and proactive management. It supports informed strategic decision-making by defining the Company's risk management approach and tolerance, enhances stakeholder confidence through robust practices, and provides a foundation for continuous improvement and adaptation to evolving risks and changing business environments.

3. Scope

The Risk Management Policy applies to Pureprofile Ltd (**Company**) and all subsidiaries (**Group**). The Policy covers specific risk management activities across core areas of risk for the Group including operational, financial reporting and compliance risks. The policy also aims to identify material risks which could have a significant financial or reputational impact, technological or market risks.

4. Roles & Responsibilities

- 4.1. The Board is responsible for reviewing and assessing the effectiveness of the Company's risk management practices and providing recommendations for improvement.
 - 4.2. Management is responsible for overseeing the ongoing development, implementation, review, and improvement of the Company's Risk Management Model, ensuring alignment with strategic objectives. This includes:
 - Supporting the ongoing implementation of risk management in all areas of the Company's operations;
 - The identification, analysis, treatment, monitoring and evaluation, and reporting of significant risks in their relevant area of responsibility in the risk registers;
 - Ensuring that staff understand their responsibilities with respect to risk management and fostering a positive risk-aware culture within their area of responsibility.
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5. Policy

5.1. Approach to risk management

The Company's approach to risk management is designed to identify and respond to risks in a way that creates value for shareholders and to allow the Company to meet its long term growth objectives. The Company has organic growth objectives, as well as pursuing growth by acquisition from time to time. Risk management decisions are made in the context of maintaining these growth targets. In order to manage the material business risks to allow the Company to achieve its strategic business objectives a system of risk management and reporting has been implemented in the organisation. This system is implemented by the executive team, primarily through the CEO and COO.

5.2. Risk strategy and tolerance

The Company's risk tolerance is the amount of total risk that the Company is prepared to accept or be exposed to at any point in time. The Company's risk tolerance is characterised by an eagerness to be innovative and where appropriate to choose options offering higher business rewards.

The Company's risk management must:

- Be embedded within its operations, processes and systems;
- Have clear accountability, ownership and governance;
- Be systematic, transparent and consistently applied;
- Include effective consultation and communication;
- Consider the context (both the internal and external environment);
- Support evidence-based decision-making; and
- Facilitate continual improvement.

6. Risk management model

6.1. The Risk Management Model

(Figure 1 below) outlines the Company's approach to risk management and integrates the Risk Management Principles and Risk Management Process.



Figure 1 – Company's Risk Management Model (Identify, Analyse, Treat, Monitor and Report).

6.2. Risk Management Process

Consists of the following steps:

- **Identify** – Identify the risk events that may prevent or delay the achievement of the Companies strategic goals and objectives.
- **Analyse** – Outline the causes, impacts and existing treatments in order to assess the consequence and likelihood of the risk and determine the risk rating.
- **Treat** – Implement both existing and future treatments in order to prevent and/or mitigate the risk.
- **Monitor** – Continually monitor and evaluate the risks and treatments in order to maintain the effectiveness and appropriateness of the Company's risk management.
- **Report**– Provide regular reports and updates in order to assure the Company and key stakeholders that the risks are being appropriately managed and treated.

6.3. Risk likelihood

Rating	Description	
Almost certain	90% or greater probability	Expected to occur in most circumstances
Likely	50-90% probability	Will probably occur in most circumstances
Possible	20-50% probability	Could occur at some time
Unlikely	10-20% probability	Not expected to occur
Rare	<10% probability	Would occur only in exceptional circumstances

6.4. Risk Consequence

Rating	Description	
Severe	Business objectives and/or continuing viability is threatened	Death or serious injury to a person
Significant	Business objectives are not met	Serious injury or illness requiring medical treatment with permanent consequences
Moderate	Business objectives may be threatened	Injury or illness requiring medical treatment
Minor	Business objectives require monitoring	Minor injuries
Insignificant	Business objectives unlikely to be affected	Minor first aid injury

6.5. Risk Evaluation

The risk matrix below should be used to establish the overall risk rating based on a combination of both the likelihood and consequence selected for the risk event. This rating must be documented within the risk register as it provides a high-level view of the risk level at that particular point in time. This will also assist with prioritisation and allocation of resources to manage the risk event.

CONSEQUENCE	Severe	MEDIUM	HIGH	VERY HIGH	VERY HIGH	VERY HIGH
	Significant	LOW	MEDIUM	HIGH	VERY HIGH	VERY HIGH
	Moderate	LOW	LOW	MEDIUM	HIGH	HIGH
	Minor	VERY LOW	LOW	MEDIUM	MEDIUM	HIGH
	Insignificant	VERY LOW	VERY LOW	LOW	MEDIUM	MEDIUM
		Rare	Unlikely	Possible	Likely	Almost Certain
		LIKELIHOOD				

6.6. Risk rating

The risk rating assists Pureprofile in determining if the risk is acceptable or unacceptable. A low rating risk may be expected and acceptable with minimal treatment response, whereas a high rating risk is not acceptable and therefore requires a response to minimise or eliminate risk.

VERY HIGH	Requires immediate action to mitigate the risk
HIGH	Requires short-term action to mitigate the risk
MEDIUM	Requires medium-term action to mitigate the risk (work within other priorities)
LOW	May require attention
VERY LOW	Manage by routine procedure

6.7. Risk strategy (avoid, reduce or accept)

Our risk strategy involves identifying and implementing actions to eliminate risks or reduce their impacts. In treating risk, the organisation, board and employees ensure that:

- The cost of implementing risk treatments is balanced with the expected and actual risk reduction outcomes
- If eliminating risk is to discontinue an activity, remove an identified risk item, or avoid new or potential risks
- Risk reduction activity involves implementing reasonable and practical steps to reduce risks and minimise loss, injury or harm
- Major risks and their responding treatments are logged in the Risk Register

6.8. Monitoring and Review

The Risk Management Register including the ISMS register will be monitored and reviewed every 12 months, or more frequently as appropriate as part of effective risk management

and ongoing quality improvement.

The Risk Management Policy will be reviewed every 12 months, or more frequently as appropriate.

Date: 26th August 2024

Signed:

The Board of Directors of Pureprofile Ltd.
