



Black Hat Developers Corporation

Our Standards of Professional Practice

Published by Black Hat Developers Corporation

Revised and republished

This Constitution is adopted by the founders and members of Black Hat Developers Corporation (Private Limited), a company incorporated under the Companies Act, No. 7 of 2007 of Sri Lanka, to establish a comprehensive framework for governance, ownership, management, and ethical operation of the Company.

Black Hat Developers

An Induwara Jayasinghe Holdings Company Limited

Chapter 04

ARTICLE 32

DIRECTOR INDEPENDENCE GUIDELINES

32.1 Purpose of the Guidelines. The Board of Directors has adopted these Director Independence Guidelines to assist the Board in affirmatively determining whether each director is able to exercise independent judgment in carrying out the duties and responsibilities of a director of the Corporation.

These Guidelines are intended to promote objective decision-making, protect the best interests of the Corporation and its shareholders, and enhance the integrity of the Corporation's governance practices.

In making independence determinations, the Board shall consider all relevant facts and circumstances. The Guidelines identify certain categories of relationships that the Board has determined do not, in and of themselves, impair a director's independence. Any relationship not expressly addressed herein shall be evaluated by the Board based on its materiality and potential impact on the director's independent judgment.

32.2 Definition of Independent Director

An "Independent Director" means a director who, in the judgment of the Board, satisfies all of the standards set forth in Sections 32.2(1) through 32.2(7), and, where applicable, Section 32.2(8).

(1) Independent Judgment. The director has no relationship, arrangement, or circumstance that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Relationships Not Affecting Independence

The following relationships, standing alone, shall not be considered material relationships that impair independence:

(a) Service by a director, or a Family Member, as a director, trustee, or officer of a charitable, educational, religious, or nonprofit organization to which the Corporation has made discretionary contributions during the Corporation's most recent fiscal year that do not exceed the greater of:

- (i) five percent (5%) of the organization's annual consolidated gross revenues; or
- (ii) an amount determined by the Board to be immaterial in relation to the Corporation's financial position.

Automatic or non-discretionary charitable matching programs shall not be included for purposes of this calculation.

(b) Employment of a director, or a Family Member, by an organization that engages in ordinary-course commercial transactions with the Corporation, provided such transactions do not exceed thresholds established under Section 32.2(5).

(c) Membership or association with the same professional, civic, educational, fraternal, religious, or social organization as an officer or another director of the Corporation.

(d) Service by a director on the board of another entity on which an officer or director of the Corporation also serves, provided such service does not create a conflict of interest or reciprocal compensation arrangement.

(2) No Recent Employment Relationship. The director is not, and has not been at any time during the past three (3) years, an employee or executive officer of the Corporation.

(3) Family Employment Relationship. No Family Member of the director is, or during the past three years was, employed by the Corporation as an executive officer.

(4) Compensation Threshold. Neither the director nor any Family Member has accepted compensation from the Corporation in excess of an amount determined by the Board to be material during any twelve-month period within the past three (3) years, other than:

(a) compensation for service as a director or committee member;

(b) compensation paid to a Family Member who is an employee but not an executive officer of the Corporation; or

(c) benefits under a tax-qualified retirement plan or other non-discretionary compensation arrangements.

(5) Business Relationships. Neither the director nor any Family Member is a partner, controlling shareholder, or executive officer of any entity to which the Corporation made, or from which the Corporation received, payments for property or services during the current or any of the past three (3) fiscal years that exceed the greater of:

(a) five percent (5%) of the entity's consolidated gross revenues; or

(b) an amount deemed material by the Board,

excluding:

(i) payments arising solely from investments in the Corporation's securities; or

(ii) payments under non-discretionary charitable contribution matching programs.

(6) Interlocking Compensation Committees. Neither the director nor any Family Member is employed as an executive officer of another entity where, during the past three (3) years, any executive officer of the Corporation served on the compensation committee or equivalent governing body of such other entity.

(7) Auditor Relationships. Neither the director nor any Family Member is a current partner, employee, or affiliate of the Corporation's independent auditor, nor was such person involved in the audit of the Corporation at any time during the past three (3) years.

(8) Additional Requirements for Audit Committee Members

In addition to the foregoing, a director serving on the Audit Committee shall not:

(a) accept, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation or any subsidiary, other than fixed compensation for prior service under a retirement or deferred compensation plan not contingent on continued service; or

(b) be an affiliated person of the Corporation or any subsidiary, as determined by the Board.

32.3 Definition of Family Member.

For purposes of these Guidelines, “Family Member” means any:

- child, parent, spouse, sibling;
- mother-in-law, father-in-law, son-in-law, daughter-in-law;
- brother-in-law or sister-in-law; and
- any person (other than a domestic employee) sharing the director’s household.

For purposes of this definition, an “in-law” relationship is limited to persons related by blood to the director or the director’s spouse.

32.4 Board Determination. The Board shall make an affirmative determination of independence for each director based on these Guidelines and any additional facts and circumstances the Board deems relevant. Such determinations shall be documented in the Corporation’s records.

32.5 Ongoing Review and Disclosure. The Board of Directors shall review the independence of each director on an initial appointment and thereafter on an annual basis, or more frequently as circumstances may require. Each director shall promptly disclose to the Board any change in facts or circumstances that may reasonably be expected to affect the director’s independence under these Guidelines.

The Board may request such information, certifications, or representations from directors as it deems necessary to support its independence determinations. Failure to provide accurate or timely disclosure may be considered by the Board in evaluating continued service on the Board or on any committee thereof.

Any determination regarding director independence, including the conclusion that a director does not satisfy the independence standards set forth in this Article, shall be made in good faith by the Board and documented in the official records of the Corporation.

These Director Independence Guidelines shall be interpreted and applied in a manner consistent with applicable law, the Articles of Incorporation, the Bylaws of the Corporation, and the overall corporate governance principles adopted by the Board.

CONCLUSION AND RATIFICATION

This Constitution constitutes the complete, final, and authoritative governing instrument of the Company. It consolidates and supersedes, to the fullest extent permitted by law, all prior constitutions, memoranda, articles, internal rules, policies, informal practices, resolutions, understandings, and representations relating to the governance, management, powers, duties, and operations of the Company.

This Constitution has been established to ensure clarity of authority, continuity of leadership, protection of intellectual, commercial, and proprietary assets, ethical conduct, accountability, and the long-term sustainability of the Company, while preserving the foundational vision, strategic intent, and proprietary interests upon which the Company was formed.

All Chapters and Articles contained herein shall be read and construed harmoniously as a single, integrated instrument. No provision shall be interpreted in isolation in a manner that undermines the purpose, spirit, or intent of this Constitution. Where interpretation is required, such interpretation shall be guided by:

- the best interests of the Company;
- strict compliance with the Companies Act, No. 07 of 2007 of Sri Lanka and all other applicable laws;
- the preservation of corporate integrity, operational stability, and strategic control.

Unless expressly stated otherwise, the powers, rights, and authorities conferred by this Constitution are continuous and enduring, and shall not lapse or be diminished by reason of non-use, silence, change of personnel, restructuring, or passage of time.

This Constitution shall take full force and legal effect upon its formal ratification by the Company in accordance with applicable law, and shall thereafter be binding upon:

- the Company;
- all present and future shareholders;
- all directors and officers;
- all employees, contractors, and agents;
- all successors, assigns, and lawful representatives.

No custom, practice, agreement, or course of dealing shall amend, override, or derogate from this Constitution except in strict accordance with the amendment provisions set forth herein and duly authorized by the appropriate governing authority of the Company.

By operating pursuant to this Constitution, the Company affirms its commitment to lawful governance, responsible leadership, protection of innovation, and the disciplined exercise of corporate authority.

FORMAL RATIFICATION

This Constitution is hereby irrevocably ratified, approved, confirmed, and declared effective by a resolution of the Company duly passed in strict compliance with all applicable laws, regulations, and statutory requirements. Upon such ratification, this Constitution shall take immediate and continuing legal effect and shall constitute the sole, final, conclusive, and supreme governing instrument of the Company.

This ratification shall be conclusive and binding evidence of the lawful authority under which this Constitution is established and of the Company's unconditional intention to be governed exclusively by its provisions. No act, omission, custom, practice, agreement, representation, or course of dealing shall give rise to any implied amendment, waiver, estoppel, or derogation from this Constitution.

ENFORCEMENT, NON-DEROGATION, AND CONTROL

1. Non-Derogation

No right, power, authority, or protection conferred by this Constitution shall be limited, suspended, diminished, or overridden except strictly in accordance with an express amendment duly authorized under this Constitution and permitted by law.

2. Waiver of Implied Rights

To the fullest extent permitted by law, all persons subject to this Constitution expressly waive any claim to implied rights, equitable relief, customary practices, or interpretations inconsistent with its express terms.

3. Anti-Challenge Clause

The validity, authority, enforceability, and binding effect of this Constitution shall not be challenged, questioned, or contested on the basis of prior documents, informal arrangements, historical practices, or alleged understandings, whether written or oral.

4. Founder Authority Confirmation

The authority, rights, and powers vested in the Founder under this Constitution are hereby expressly affirmed and acknowledged as intentional, fundamental, and integral to the governance structure of the Company, and shall not be construed narrowly or restrictively.

5. Continuity and Perpetuity

This Constitution shall remain binding in perpetuity, subject only to lawful amendment in strict accordance with its provisions, and shall survive any change in ownership, management, control, structure, or legal status of the Company.

This ratification is made with full corporate capacity, authority, knowledge, and intent, without reservation, condition, or limitation, and is effective against all persons to whom this Constitution applies.

FOUNDER & CHIEF EXECUTIVE OFFICER:

Induwara P. Jayasinghe

Founder and CEO of Black Hat Inc., Clidder LLC, and Black Hat Developers, with additional affiliations to Jayasinghe Brothers Holdings PLC

DATE OF RATIFICATION: 2025.04.06

PLACE OF RATIFICATION: 1 Black Hat Way, Mountain View, Jayasinghe Park

AUTHORIZED SIGNATURE: 

END OF CONSTITUTION