



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 06

ARTICLE 34

Compensation Committee Charter

34.1 Establishment and Purpose. The Board of Directors of Black Hat Developers Corporation (Private Limited) (“the Corporation” or “the Company”) hereby establishes a Compensation Committee (“the Committee”) as a standing committee of the Board.

The primary purpose of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to:

- (a) the compensation, benefits, and incentives of Directors, executive officers, and senior management;
- (b) the establishment, review, and oversight of the Company’s compensation philosophy, policies, and practices;
- (c) executive performance evaluation, leadership development, and succession planning;
- (d) ensuring that compensation structures promote long-term sustainable growth, ethical conduct, accountability, and alignment with shareholder interests; and
- (e) compliance with applicable laws, governance standards, and internal policies of the Corporation.

34.2 Authority

34.2.1. The Compensation Committee shall have full authority to act on behalf of the Board in all matters within the scope of this Charter, subject to applicable law and any limitations imposed by the Board.

34.2.2. The Committee is authorized to obtain advice and assistance from internal or external professionals, including but not limited to legal counsel, compensation consultants, tax advisors, auditors, or human resources specialists, as it deems necessary or appropriate.

34.2.3. The Committee shall have sole authority to approve the appointment, compensation, retention, and termination of any external advisor engaged by the Committee, and the Company shall provide adequate funding for such advisors as determined by the Committee.

34.2.4. Communications between the Committee and its legal advisors for the purpose of obtaining legal advice shall be deemed privileged and confidential, and all reasonable steps shall be taken to preserve such privilege.

34.3 Membership

34.3.1. The Compensation Committee shall consist of not fewer than two (2) Directors, appointed by resolution of the Board.

34.3.2. Members of the Committee shall, to the extent practicable, be non-executive and independent Directors, free from any relationship that could reasonably be perceived to interfere with the exercise of independent judgment.

34.3.3. The Board shall designate one member of the Committee as Chairperson, who shall preside over Committee meetings and coordinate Committee activities.

34.3.4. The Board may remove any member of the Committee at any time, with or without cause, and may fill any vacancy in the Committee as it deems appropriate.

34.4 Meetings and Operations

34.4.1. The Compensation Committee shall meet at least two (2) times per year, and more frequently as required by business needs or as determined by the Chairperson or a majority of the Committee.

34.4.2. Meetings may be held in person, by electronic means, or by any communication method permitted under the Company's Bylaws, provided that all participants can effectively communicate.

34.4.3. A majority of the members of the Committee shall constitute a quorum.

34.4.4. Decisions of the Committee shall be made by majority vote of members present, unless otherwise required by law or Board resolution.

34.4.5. The Committee may meet in executive session, without members of management present, whenever it considers such meetings necessary or appropriate.

34.4.6. Proper minutes of all Committee meetings and written resolutions shall be maintained and submitted to the Board for information and record-keeping.

34.5 Compensation Philosophy

The Compensation Committee shall develop, review, and recommend to the Board a compensation philosophy that:

- (a) aligns executive and employee incentives with the long-term strategic objectives of the Company;
- (b) promotes innovation, performance excellence, ethical behavior, and accountability;
- (c) supports the attraction, motivation, and retention of highly skilled professionals in technology, software development, and related fields;
- (d) reflects the Company's financial position, growth stage, and market conditions; and
- (e) avoids excessive risk-taking or short-termism.

34.6 Director Compensation

34.6.1. The Committee shall periodically review compensation paid to Directors, including retainers, meeting fees, equity-based compensation (if any), and benefits.

34.6.2. In making recommendations, the Committee shall consider:

- (a) the responsibilities and time commitment of Directors;
- (b) comparative practices of similar private technology companies;
- (c) the financial capacity of the Company; and
- (d) alignment with shareholder interests.

34.6.3. No Director shall participate in deliberations or decisions concerning his or her own compensation, except where compensation is uniform across Directors.

34.7 Chief Executive Officer Compensation

34.7.1. The Committee shall assist the Board in establishing annual performance objectives for the Chief Executive Officer (“CEO”), consistent with the Company’s strategy and values.

34.7.2. The Committee shall oversee the annual evaluation of the CEO’s performance, using both qualitative and quantitative criteria.

34.7.3. Based on such evaluation, the Committee shall recommend to the Board the CEO’s:

- (a) base remuneration;
- (b) performance-based incentives or bonuses;
- (c) equity-based awards, if applicable; and
- (d) any other material compensation or benefits.

34.7.4. The CEO shall not be present during Committee deliberations or Board decisions concerning the CEO’s compensation.

34.8 Senior Management and Officer Compensation

34.8.1. In consultation with the CEO, the Committee shall oversee compensation arrangements for senior executives and key officers of the Company.

34.8.2. The Committee shall review and approve:

- (a) remuneration structures for newly appointed senior officers;
- (b) performance-based incentive schemes;
- (c) retention, severance, and termination arrangements; and
- (d) material changes to compensation policies affecting senior management.

34.8.3. The Committee shall ensure that compensation arrangements are competitive, fair, and aligned with the Company’s performance and risk profile.

34.9 Equity-Based and Incentive Plans

34.9.1. The Committee shall administer or oversee any equity-based compensation plans, profit-sharing schemes, or long-term incentive programs adopted by the Company.

34.9.2. The Committee may delegate limited administrative authority to executive officers for granting incentives to non-executive employees, subject to defined limits and reporting obligations.

34.10 Succession Planning and Leadership Development

34.10.1. The Committee shall oversee executive development and succession planning for senior leadership positions, including the CEO.

34.10.2. Succession planning shall address:

- (a) identification of internal and external candidates;
- (b) leadership development initiatives; and

(c) emergency succession arrangements in the event of incapacity or sudden departure of key executives.

34.10.3. The Committee shall report periodically to the Board on succession planning matters.

34.11 Risk and Compliance Oversight

34.11.1. The Committee shall review compensation structures to ensure they do not encourage unethical conduct, regulatory violations, or excessive risk-taking.

34.11.2. The Committee shall ensure compliance with the Companies Act No. 07 of 2007 (Sri Lanka), applicable tax laws, employment regulations, and internal governance policies.

34.12 Reporting and Review

34.12.1. The Committee shall report its activities, findings, and recommendations to the Board on a regular basis.

34.12.2. The Committee shall conduct an annual self-evaluation of its performance and review the adequacy of this Charter.

34.12.3. Any proposed amendments to this Charter shall be submitted to the Board for approval.

34.13 Interpretation

This Charter shall be interpreted in a manner consistent with:

- (a) the Constitution and Bylaws of the Corporation;
- (b) resolutions of the Board of Directors; and
- (c) applicable laws of Sri Lanka.

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:

A handwritten signature in black ink that reads "Induwara Jayasinghe". The signature is written in a cursive style with a horizontal line underneath.

END OF CONSTITUTION