



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 11

ARTICLE 40

Compensation Consultant Independence Standards

40.1 Purpose and Policy Statement

The Board of Directors of Black Hat Developers Corporation (Private Limited) (the “Company”) recognizes that independent, objective, and unbiased advice is essential to the integrity of executive and director compensation decisions. Accordingly, these Compensation Consultant Independence Standards are adopted to ensure that any compensation consultant engaged by the Compensation Committee provides advice that is free from conflicts of interest, undue influence, or alignment with Company management.

It is the policy of the Company that compensation consultants advising the Compensation Committee shall act solely in the best interests of the Company and its shareholders and shall maintain independence in fact and appearance.

40.2 Authority of the Compensation Committee

The Compensation Committee of the Board shall have sole and exclusive authority to:

- (a) identify, select, retain, evaluate, and terminate any compensation consultant, advisor, or expert that provides advice to the Compensation Committee;
- (b) approve all fees, expenses, and other terms and conditions of retention of such consultants;
- (c) oversee the scope of services to be provided by any consultant; and
- (d) determine whether a consultant satisfies the independence standards set forth in this Article.

No member of Company management shall have authority to engage, direct, or terminate a compensation consultant advising the Compensation Committee, except as expressly authorized by the Compensation Committee.

40.3 Independence Requirement

Any compensation consultant retained by the Compensation Committee must be independent of Company management.

A consultant who satisfies these Compensation Consultant Independence Standards shall be deemed “independent” for purposes of advising the Compensation Committee, notwithstanding that the consultant may provide general industry benchmarking or survey data.

Independence shall be assessed based on the totality of the facts and circumstances, including both actual and potential conflicts of interest.

40.4 Structural Independence Criteria

To qualify as independent, the compensation consultant and the firm, partnership, or organization employing the consultant shall meet all of the following requirements:

(a) Reporting and Accountability

The consultant shall be:

- retained and terminated solely by the Compensation Committee;
- accountable exclusively to the Compensation Committee; and
- required to report directly to the Compensation Committee or its Chair.

The consultant shall not report to, be supervised by, or be evaluated by Company management.

(b) Organizational Independence

The consultant and the firm employing the consultant shall be independent of the Company and shall not be:

- controlled by the Company;
- under common control with the Company; or
- financially dependent on the Company.

(c) Limitations on Management Engagement

The consultant shall not perform services for Company management except:

- at the express request of the Chair of the Compensation Committee; and
- solely in the capacity of an agent of the Compensation Committee.

Any interaction with Company management shall be limited to information gathering or clarification necessary to fulfill the consultant's mandate and shall not compromise independence.

(d) Restrictions on Other Services

Except as expressly permitted below, the consultant and the firm employing the consultant should not provide unrelated services or products to:

- the Company;
- any subsidiary or affiliate of the Company; or
- Company management.

Permitted exceptions include:

- compensation or benefits surveys;
- industry benchmarking reports; or
- publicly available data products,

provided such services are pre-approved by the Compensation Committee and do not impair independence.

Any other services must receive prior written approval of the Compensation Committee.

40.5 Conflict of Interest Safeguards

The consultant shall not:

- (a) have any business, financial, or personal relationship with any member of Company management that could reasonably be expected to impair objectivity;
- (b) have any ownership interest in the Company, other than immaterial holdings through diversified investment vehicles;
- (c) receive compensation from the Company that is contingent upon the outcomes of compensation decisions; or
- (d) participate in designing compensation programs that the consultant later evaluates, unless expressly approved by the Compensation Committee with appropriate safeguards.

40.6 Annual Independence Assessment

The Compensation Committee shall conduct an annual independence assessment of each compensation consultant advising the Committee.

In conducting this assessment, the Compensation Committee shall consider, to the extent relevant:

- (a) the nature and scope of services provided to the Compensation Committee during the year;
- (b) the extent, if any, of services provided to Company management or affiliates;
- (c) the amount of fees paid by the Company to the consultant and the firm employing the consultant, relative to the firm's total revenues;
- (d) the consultant's internal policies and procedures designed to prevent conflicts of interest;
- (e) any personal, professional, or financial relationships between the consultant and members of the Compensation Committee or Company management; and
- (f) any other factors the Compensation Committee deems relevant to assessing independence.

40.7 Independence Certification

Each compensation consultant retained by the Compensation Committee shall, at least annually, provide the Compensation Committee with a written Independence Certification, confirming that:

- (a) the consultant meets the independence standards set forth in this Article;
- (b) all potential conflicts of interest have been disclosed fully and accurately; and
- (c) the consultant remains independent in fact and appearance.

The Compensation Committee may require additional disclosures or assurances as it deems appropriate.

40.8 Disclosure and Transparency

To the extent required by applicable law, regulation, or best governance practice, the Company shall disclose in its annual report or equivalent shareholder communication:

- (a) the use of compensation consultants by the Compensation Committee;
- (b) the nature of services provided by such consultants;
- (c) the Compensation Committee's assessment of consultant independence; and
- (d) a description of any unrelated services performed by the consultant or the consultant's firm for the Company.

40.9 Compliance with Law and Governance Framework

These Compensation Consultant Independence Standards shall be interpreted and applied in a manner consistent with:

- the Company's Articles of Incorporation;
- the Company's Bylaws;
- the Corporate Governance Guidelines;
- the Compensation Committee Charter; and
- applicable laws and regulations of Sri Lanka, including the Companies Act No. 07 of 2007.

Where international best practices are referenced, they shall be applied to the extent appropriate for a private company operating within Sri Lanka.

40.10 Review and Amendment

The Compensation Committee shall review these standards periodically and may recommend amendments to the Board as necessary to reflect changes in law, governance standards, or the Company's operational needs.

The Board of Directors reserves the right to amend or repeal this Article at any time in accordance with the Company's governance framework.

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 the name.

END OF CONSTITUTION