



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 12

ARTICLE 41

Audit Committee Charter and Responsibilities Calendar

41.1 Audit Committee Charter

Role and Purpose

The Audit Committee (“Committee”) of the Board of Directors (“Board”) is established to assist the Board in fulfilling its oversight responsibilities with respect to:

- The integrity, quality, transparency, and reliability of the Corporation’s accounting, auditing, and financial reporting processes;
- The effectiveness of internal control over financial reporting and internal audit systems;
- The qualifications, independence, performance, appointment, compensation, and oversight of the external independent auditor;
- The effectiveness of the Corporation’s compliance, ethics, and whistleblower frameworks;
- Oversight of significant financial, operational, regulatory, legal, and compliance risks that may materially impact the Corporation; and
- Such additional responsibilities as may be delegated to the Committee by the Board from time to time.

The Committee shall oversee, but not manage, the Corporation’s financial reporting, audit, and risk management functions. Management remains responsible for preparing accurate financial statements, maintaining effective internal controls, and complying with applicable laws and standards.

41.2 Membership

1. The Committee shall consist of not fewer than three (3) directors, each appointed by the Board.
2. Each member shall:
 - Be independent in judgment and free from relationships that may interfere with the exercise of independent oversight;
 - Possess sufficient financial literacy to understand financial statements and audit matters; and
 - Meet any independence or competency standards prescribed by applicable Sri Lankan laws, regulations, or governance best practices.
3. At least one (1) member shall possess advanced financial expertise, including experience in accounting, auditing, finance, or financial management, as determined by the Board.
4. The Board shall appoint the Chairperson of the Audit Committee.
5. The Board may remove any Committee member at any time, with or without cause.

41.3 Meetings and Operations

1. The Committee shall meet no fewer than eight (8) times per financial year, with additional meetings as deemed necessary.
2. Meetings may be held in person or via electronic or virtual communication means permitted by law.
3. The Committee may meet in executive session without management present, including separate sessions with:
 - External auditors;
 - Internal audit leadership; and
 - Compliance or risk officers.
4. Proper minutes shall be maintained and reported to the Board at its next meeting.
5. The Committee shall be governed by the same procedural rules applicable to the Board, unless otherwise stated in this Charter.
6. The Committee may adopt internal procedures consistent with:
 - This Charter;
 - The Corporation's Bylaws; and
 - The laws of Sri Lanka.

41.4 Communications

1. The external auditor shall report directly to the Audit Committee.
2. The Committee shall maintain unrestricted and confidential communication with:
 - External auditors;
 - Internal auditors; and
 - Senior management.
3. Private executive sessions shall be conducted periodically to promote independent and open dialogue.

41.5 Education and Development

1. The Corporation shall provide:
 - Orientation programs for new Committee members; and
 - Continuing education resources relating to accounting, auditing, risk, governance, and regulatory developments.
2. The Committee shall be supported in maintaining appropriate financial literacy and professional competence.

41.6 Authority

1. The Committee shall have full authority to:
 - Retain, compensate, evaluate, and terminate external auditors, legal counsel, accounting advisors, or other experts;
 - Approve related fees and engagement terms; and
 - Conduct or authorize investigations into any matters within its scope.
2. The Corporation shall provide adequate funding for:
 - External audit services;
 - Advisory services; and
 - Committee administrative expenses.
3. The Committee shall have unrestricted access to:
 - The Corporation’s books, records, personnel, and systems.
4. All legal communications shall be treated as privileged and confidential.

41.7 Responsibilities

The Committee’s responsibilities are detailed in the Audit Committee Responsibilities Calendar, which shall be reviewed and updated annually. The Calendar shall be considered an integral part of this Charter.

The Committee relies on management, internal audit, and external auditors to perform their respective roles and does not substitute for those functions.

41.8 Audit Committee Responsibilities Calendar

A.

Responsibility		Frequency
Committee Governance		
1	Develop meeting agendas in coordination with management, internal audit, and external auditors	Quarterly
2	Review and recommend updates to this Charter	Annually
3	Conduct Committee self-evaluation	Annually
4	Confirm financial literacy and expertise of members	As needed
5	Prepare Audit Committee report for inclusion in annual disclosures	Annually
6	Review and approve related-party transactions	Annually / As needed

B.

Responsibility	Frequency
External Auditor Oversight	
1	Evaluate auditor independence, performance, and qualifications
2	Annually
3	Annually
4	Resolve disputes between management and auditor
5	As needed
6	As needed
1	Approve non-audit services and review audit fees
2	Quarterly
3	Quarterly
4	Establish hiring restrictions related to former audit firm employees
5	As needed
6	As needed
1	Review audit scope, plans, and findings
2	Annually / Quarterly

C.

Responsibility	Frequency	
Internal Audit Oversight		
1	Review internal audit structure, authority, and performance	Annually
2	Approve appointment or removal of Internal Audit Head	As needed
3	Approve annual internal audit plan	Annually
4	Review internal audit findings and management responses	Quarterly

D.

Responsibility	Frequency	
Financial Reporting Oversight		
1	Review annual audited financial statements	Annually
2	Review quarterly financial statements and disclosures	Quarterly
3	Review accounting policies, estimates, and judgments	Annually / As needed
4	Review internal control effectiveness and deficiencies	Quarterly
5	Recommend approval of financial statements to the Board	Annually

E.

Responsibility	Frequency
Risk Management Oversight	
1	Review enterprise risk management framework
2	Review business continuity and disaster recovery plans
3	Review cybersecurity and financial risk exposure

F.

Responsibility	Frequency
Compliance and Ethics Oversight	
1	Review compliance policies and regulatory risks
2	Oversee whistleblower mechanisms
3	Review regulatory inquiries and investigations
4	Review ethics and fraud prevention programs
Annually	
Annually	
Quarterly	
Annually	

G.

Responsibility	Frequency
Tax and Treasury Oversight	
1	Review tax strategy and compliance
2	Review treasury policies, investments, and liquidity
Annually	Annually

H.

Responsibility	Frequency
Executive Sessions	
1	Executive session with external auditor
2	Executive session with internal audit
3	Executive session with management or compliance
Quarterly	Quarterly
As needed	

41.9 Review and Updates

This Audit Committee Charter and Responsibilities Calendar shall be reviewed at least annually and updated as necessary to reflect changes in:

- Applicable laws and regulations of Sri Lanka;
- Governance best practices; and
- The Corporation's risk profile and strategic objectives.

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