Governance Summary – Skydatasol Ltd

Abstract: Governance lies at the heart of sustainable business, particularly within diversified holding companies where oversight must be balanced with operational independence. For Skydatasol Ltd, governance is not merely a compliance requirement but a structural pillar underpinning trust, accountability, and resilience. The Company's governance framework has been designed to ensure transparent decision-making, effective risk management, and strong investor protections, while enabling subsidiaries to innovate and operate with agility. By combining centralised strategic direction with subsidiary autonomy, Skydatasol has built a governance model that supports both growth and stability. This summary outlines the governance philosophy, board structures, compliance mechanisms, risk governance, investor protections, ethical standards, and future governance roadmap of the Group, presenting a clear picture of how the Company ensures accountability across its wide-ranging portfolio.

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1. Governance Philosophy and Objectives

Skydatasol Ltd operates as a multi-sector holding company with subsidiaries spanning security, engineering and construction, software development, Kamiweb as an independent cybersecurity and SaaS project, oil and gas services, renewable energy, logistics, and heavy manufacturing. The diversity of operations creates both opportunity and complexity, making governance a vital mechanism for integration and alignment. The guiding philosophy is that governance must not only protect shareholder interests but also act as an enabler of long-term value creation.

The Company adopts governance practices rooted in the principles of the UK Companies Act 2006 and draws guidance from the UK Corporate Governance Code. At the centre of this philosophy lies the commitment to transparency, accountability, and fairness. Transparency ensures that investors and stakeholders receive accurate and timely information; accountability guarantees that decisions are subject to scrutiny and that executives remain responsible for their actions; fairness ensures equitable treatment of shareholders, employees, and stakeholders.

The objectives of governance within Skydatasol are fivefold: to maintain strategic oversight across all subsidiaries, to embed compliance and risk management into every operation, to safeguard investor rights through clear protections, to foster sustainable business practices, and to create a framework that can evolve as the Group scales towards IPO readiness or large-scale partnerships. Governance is therefore not viewed as a static obligation but as a dynamic system that adapts alongside the growth of the business.

2. Board of Directors and Leadership

At the heart of the governance structure is the Board of Directors, which is responsible for overseeing the strategy, operations, and financial stewardship of the Group. The Board is composed of executive directors with direct responsibility for operations, finance, and strategy, alongside non-executive directors who provide independent oversight and challenge. This mix ensures that decisions are informed by deep industry expertise while maintaining impartial scrutiny.

The role of the Board extends beyond oversight of financial performance. It is entrusted with defining the Company's strategic direction, approving major capital investments, evaluating risk management systems, and setting policies for compliance and ethics. The directors have fiduciary duties to act in the best interests of the Company and its shareholders, balancing the pursuit of growth with the preservation of long-term stability.

Committees of the Board strengthen governance further. The **Audit and Risk Committee** monitors financial reporting and internal controls, engaging with external auditors to ensure accuracy and transparency. The **Remuneration Committee** ensures that executive compensation is aligned with performance and shareholder value. The **Compliance and Ethics Committee** reviews adherence to regulatory standards across subsidiaries, particularly in security and energy sectors where regulation is stringent. These committees reinforce the separation of powers and create a structure where no single authority is unchecked.

Leadership extends beyond the Board. Each subsidiary has its own management team, accountable for day-to-day operations but aligned with the Group's strategic objectives. This decentralised execution model enables flexibility at the subsidiary level while maintaining unity of purpose at the holding level.

3. Subsidiary Autonomy and Oversight

One of the defining features of Skydatasol's governance model is the balance between autonomy and oversight. Subsidiaries operate with a high degree of independence to ensure operational agility and responsiveness to sector-specific challenges. For instance, Skydatasol Security must adapt to regulatory updates from the Security Industry Authority (SIA), while the Energy division must focus on renewable certifications and engineering standards. Autonomy allows each entity to address these challenges effectively.

However, autonomy does not equate to isolation. Subsidiaries are bound by central governance rules that require regular reporting, adherence to Group-wide compliance standards, and alignment with overarching strategic goals. Each management team reports quarterly to the Board, providing updates on financial performance, operational challenges, and risk exposures. This reporting structure allows the holding company to maintain visibility and control without undermining the entrepreneurial drive of its subsidiaries.

It is also critical to distinguish between subsidiaries and internal projects. Skydatasol Software Development is a broad-based subsidiary offering enterprise software services,

whereas the Kamiweb Project is a standalone initiative focusing exclusively on developing a cybersecurity and SaaS platform. Governance recognises this separation, ensuring that each entity has a distinct roadmap, management accountability, and performance metrics. This clarity prevents mission drift and reinforces investor confidence by showing that the Group understands the need for structural transparency.

4. Compliance Framework

Compliance is central to Skydatasol's governance system, given the regulatory intensity of its operating sectors. The Group has committed to achieving internationally recognised certifications, including ISO/IEC 27001 for information security, ISO 9001 for quality management, and Cyber Essentials Plus for cybersecurity readiness. These certifications are not pursued for symbolic purposes but as mechanisms to embed disciplined processes across the organisation.

For the Security division, compliance with SIA licensing is non-negotiable, and rigorous training and licensing frameworks are in place for all operatives. In the Engineering and Construction subsidiary, compliance with UK building regulations and international engineering standards ensures both safety and credibility. In the Energy division, renewable projects are developed in accordance with environmental standards, while feasibility studies in nuclear and oil and gas are aligned with industry-specific protocols.

The compliance framework extends beyond certification. An internal compliance team monitors regulatory updates, conducts audits across subsidiaries, and reports directly to the Compliance and Ethics Committee of the Board. This ensures that compliance is continuously maintained and not treated as a one-time achievement. Investors are given assurance that the Company's growth trajectory will not be undermined by avoidable regulatory lapses.

5. Risk Governance

The governance system incorporates a structured risk management framework designed to identify, evaluate, and mitigate risks across the Group. Risks are categorised into regulatory, financial, operational, reputational, and geopolitical domains. Each risk is assessed using a standardised matrix, scoring likelihood and impact to prioritise mitigation efforts.

For example, regulatory risks in security services are mitigated by proactive engagement with licensing bodies, while financial risks associated with capital-intensive projects are managed through staged fundraising and joint ventures. Operational risks, such as supply chain disruptions in logistics or manufacturing, are reduced by diversifying suppliers and establishing redundancy in operations.

The Audit and Risk Committee reviews risk reports quarterly, supported by dashboards that track inherent and residual risk levels across subsidiaries. This system ensures that the Board

has both a macro and micro understanding of the risk environment. For investors, this translates into confidence that risks are actively managed rather than reactively addressed.

6. Investor Protections and Rights

Governance at Skydatasol prioritises the protection of investors. Equity investors are issued ordinary shares with full voting rights, ensuring that ownership translates into influence. Dividends are distributed pro-rata to shareholding, aligning returns with investment scale. In the event of liquidation, investors participate pari passu with existing shareholders, ensuring fairness.

Pre-emption rights protect investors from dilution by granting them the first opportunity to participate in future equity rounds. This safeguard ensures that early supporters are not disadvantaged as the Company grows. In addition, the Company provides quarterly investor updates and annual audited financial statements, reinforcing transparency and accountability.

For exit strategies, governance frameworks anticipate multiple routes: potential IPO within seven to ten years, trade sales to larger operators in security, energy, or technology, and share buy-backs from Year Five onwards. By embedding these options within the governance model, the Company ensures that investors have clarity on long-term pathways.

7. Ethical Governance and Sustainability

Skydatasol Ltd recognises that governance extends beyond compliance and financial oversight. Ethical governance and sustainability are integral. The Group enforces anti-bribery and anti-corruption policies, particularly critical in the security and energy sectors. Whistleblowing mechanisms allow employees to report misconduct without fear of retaliation, embedding a culture of integrity.

Sustainability commitments are equally important. The Energy subsidiary focuses on renewable projects, aligning with global efforts to transition towards clean energy. The Engineering and Construction division prioritises environmentally responsible materials and practices, while the Logistics division explores low-emission fleet upgrades. These initiatives demonstrate that governance is aligned with environmental, social, and governance (ESG) principles, which are increasingly important to institutional investors.

Workforce governance is also central to ethical standards. Equal opportunity employment, continuous training, and mental health support are embedded in human resource policies. This not only improves employee wellbeing but also reduces operational risks linked to workforce instability.

8. Financial Governance and Accountability

Financial discipline is ensured through a multi-layered governance system. Budgeting and capital allocation are controlled at the holding company level, with subsidiaries submitting

proposals for approval. This central oversight prevents misallocation of resources and ensures alignment with Group strategy.

Internal audit systems monitor financial controls, and treasury policies govern liquidity management and investment deployment. Financial statements adhere to IFRS or UK GAAP standards, depending on jurisdictional requirements, and external auditors are appointed to review accounts annually.

Regular reporting cycles ensure that financial information flows transparently from subsidiaries to the Board and ultimately to investors. This governance framework reduces risks of financial misreporting and strengthens investor confidence.

9. Stakeholder Engagement and Transparency

Governance also involves proactive engagement with stakeholders beyond investors. Employees, regulators, partners, and customers are all part of the stakeholder ecosystem. Skydatasol maintains open communication with regulators in each sector to ensure compliance. Partnerships with suppliers and clients are governed by transparent contracts that enforce quality and ethical standards.

The Investor Relations function provides shareholders with continuous updates, through quarterly reports, investor calls, and an annual governance report. Transparency is not treated as a regulatory burden but as a strategic asset that builds trust.

10. Future Governance Evolution

As Skydatasol scales, its governance framework is designed to evolve. The Company anticipates transitioning from private governance standards to IPO-ready governance within the next decade. This will involve strengthening board independence, enhancing disclosure requirements, and formalising sustainability reporting.

The roadmap for governance maturity includes expanding the use of technology in compliance monitoring, implementing advanced risk analytics, and integrating ESG reporting standards such as the Global Reporting Initiative (GRI). The goal is to build a governance system that not only meets current expectations but anticipates future demands of global investors and regulators.

Conclusion

Governance at Skydatasol Ltd is not simply a matter of regulatory adherence; it is a carefully constructed system designed to balance growth with stability, autonomy with accountability, and innovation with transparency. The framework encompasses Board oversight, subsidiary autonomy, compliance certifications, risk management, investor protections, ethical standards, financial discipline, and stakeholder engagement.

By adopting a governance model that is both rigorous and adaptable, Skydatasol provides investors with confidence in its ability to scale responsibly. Governance ensures that the Company is not merely a collection of subsidiaries but a coherent Group aligned towards long-term value creation. With its foundations in transparency, accountability, and sustainability, Skydatasol Ltd presents itself as a modern, resilient, and investor-ready organisation, capable of delivering growth while safeguarding trust.