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KOBWA
WATER FOR EVER

KOMATI BASIN WATER AUTHORITY (KOBWA)



KOBWA KING V APPLICATION REGISTER

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KING V CODE ON CORPORATE GOVERNANCE APPLICATION REGISTER

PREAMBLE

The KOBWA Board of Directors exercises a strong focus on ethical and effective leadership and good governance that incorporates the philosophies of integrated thinking, corporate citizenship, stakeholder inclusivity and KOBWA's role and responsibility in society. It does so through relevant structures such as the Board committees, by providing guidance to, and interrogating the quarterly reports of, the KOBWA Executive Management.

Our commitment to accountable and transparent governance is fundamental to our business operations. In line with its Charter, the Board acts as the focal point and custodian of corporate governance by conducting its relationships with Executive Management, the Joint Water Commission (JWC), the Member States and other stakeholders on sound corporate governance principles.

This register replaces the KOBWA King IV Application Register (Rev. 00). It sets out how KOBWA applies the 13 principles of the King V Code on Corporate Governance for South Africa (2025) and, under King V's "apply and explain" regime, declares each recommended practice that has not been adopted or has been modified, explains why, sets out the alternative or compensating arrangements relied on, and concludes on whether the governance outcomes have been achieved.

King V is effective for financial years beginning on or after 1 January 2026. The first KOBWA financial year to which it applies is the year beginning 1 April 2026 (FY2026/27); the 2025/26 financial year, which began on 1 April 2025, started before the effective date and was reported against King IV. KOBWA therefore applies King V from its first financial year beginning after the effective date.

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King V defines corporate governance as the exercise of ethical and effective leadership by the governing body towards the realisation of four governance outcomes for the organisation within its economic, social and environmental context. The Board is fully committed to these outcomes:

- ✓ Ethical Culture – shared values, beliefs and practices that promote ethical behaviour and decision making.
- ✓ Performance and Value Creation – organisational performance that creates value in a sustainable manner within KOBWA's economic, social and environmental context.
- ✓ Conformance and Prudent Control – adherence to the spirit and intent of the Treaty, laws, policies and adopted non-binding rules, codes and standards, supported by an effective system of internal controls and accountability mechanisms.
- ✓ Legitimacy – the social licence to operate that KOBWA earns, in addition to its legal mandate under the Treaty, by transparently demonstrating its trustworthiness and responsible corporate citizenship.

BASIS OF APPLICATION

King V is effective for financial years beginning on or after 1 January 2026, and the King Committee encourages early adoption. KOBWA's financial year runs from 1 April to 31 March. The 2025/26 financial year (1 April 2025 to 31 March 2026) began before the effective date and was reported against King IV. King V therefore applies to KOBWA from the financial year beginning 1 April 2026 (FY2026/27), and this register supports the governance disclosures for that year. Because that year begins after the effective date, KOBWA is applying King V as required.

KOBWA is a bi-national authority established by the 1992 Treaty between the Kingdom of Eswatini and the Republic of South Africa. The Revised Treaty signed on 13 March 2026 widens KOBWA's mandate to include future dam development, revenue generation

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and flow monitoring for downstream Mozambique. KOBWA has no shareholders: the Board answers to the JWC and the two Member States. KOBWA's bonds, not KOBWA itself, are listed on the JSE. As an issuer of listed debt securities, KOBWA is subject to the JSE Debt Listings Requirements, not the JSE Listings Requirements that apply to listed equity issuers.

In line with King V, all 13 principles are applied, while the recommended practices are adapted and scaled to KOBWA's size, complexity, ownership structure and impact. Where KOBWA's Treaty arrangements differ from a recommended practice, the alternative arrangement is explained under the relevant principle.

Operating across two jurisdictions

KOBWA operates in, and is accountable to, two sovereign states whose laws, regulators and governance codes are not always aligned. King V is a South African code; the Board has adopted it as KOBWA's governance code for the organisation as a whole, in both Member States. Where Eswatini and South African requirements differ, KOBWA applies the following order of precedence:

- the Treaty, the Revised Treaty and the instruments made under them, which the two Member States agreed as KOBWA's founding framework;
- where the laws of both Member States apply and can both be met, KOBWA complies with both and, where they set different standards, applies the more stringent;
- where the laws genuinely conflict, KOBWA applies the law of the Member State in which the activity takes place, the asset is located or the employee is engaged, obtains legal advice where the position is unclear, and refers unresolved conflicts to the JWC;
- each conflict and the treatment adopted is recorded in the compliance register and reported to the Finance, Risk and Audit Committee (FRAC).

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Where this approach means that a King V recommended practice cannot be followed, the departure is declared under the relevant principle.

King V requires an organisation that claims application of the Code to disclose in accordance with the King V Disclosure Framework. Each principle in this register therefore closes with an exception declaration that identifies any recommended practice that has not been adopted or has been modified, explains why, and sets out the alternative or compensating arrangements, followed by the areas for further development. The Board will approve KOBWA's disclosures in that form, publish them on the KOBWA website alongside the Annual Report and Annual Financial Statements, and review them at least annually. This register is the working basis for those disclosures.

Summary of exceptions declared in this register

- Principle 1 – Board evaluations are facilitated internally by the Company Secretary, not by an independent external evaluator.
- Principle 2 – No ethics management plan yet.
- Principle 4 – No formal disclosure policy for JSE announcements at the time of the April 2026 censure.
- Principle 5 – One of the six Treaty seats on the Board is vacant; not every Member State nominee has yet been categorised as independent against King V; the Board appointment policy covers only the Board's role after the Member States appoint directors under the Treaty; no formal mentorship programme for directors.
- Principle 6 – No separate nomination, remuneration or social and ethics committees; their functions are allocated to the FRAC, the Technical and Human Resources Committee (THRC), the Board and the JWC.
- Principle 7 – No formal CEO and executive succession plan yet.
- Principle 10 – No policy yet on artificial intelligence and automated systems; data protection documentation does not yet cover Eswatini.

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- Principle 11 – Shareholder votes on remuneration do not apply.
- Principle 13 – Shareholder engagement practices do not apply; no stakeholder policy yet.
- All principles – requirements of two jurisdictions are reconciled as described above.

Mapping of King IV principles to King V principles

King V principle	Replaces King IV principle(s)
1. Leadership	1 (lead ethically and effectively), 6 (focal point of governance), 9 (evaluations)
2. Ethics	2 (ethical culture), 3 (responsible corporate citizen)
3. Strategy, performance and sustainable value creation	4 (value creation)
4. Reporting	5 (reports)
5. Composition of the governing body	7 (composition)
6. Committees of the governing body	8 (delegation within own structures)
7. Appointment and delegation to management	10 (appointment and delegation to management)
8. Risk	11 (risk)
9. Compliance	13 (compliance)
10. Data, information and technology	12 (technology and information)
11. Remuneration	14 (remuneration)
12. Assurance	15 (assurance)
13. Stakeholders	16 (stakeholders); 17 (institutional investors) is no longer a separate principle and was not applicable to KOBWA

PRINCIPLE 1 – LEADERSHIP

The governing body leads ethically and effectively as the focal point of corporate governance in the organisation.

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The Board, established under Article 9 of the Treaty, serves as the focal point and custodian of corporate governance in KOBWA. Its scope of authority, responsibilities, composition and functions are set out in a formal Board Charter and the Corporate Governance Policy, which are reviewed annually. The Board steers KOBWA's strategic direction, approves the policies and plans that give effect to it, oversees and monitors implementation by management, and ensures accountability through reporting and disclosure.

Directors, individually and collectively, lead on the ethical characteristics of integrity, competence, responsibility, accountability, fairness and transparency, and act in accordance with the Board Charter, the Corporate Governance Policy and King V. Directors declare their interests at each meeting, and no one director has unfettered powers of decision-making.

Board agendas are structured around the Strategy and Business Plan so that the Board monitors delegated tasks; feedback is recorded in the minutes of the following meeting. The Board and its committees may obtain independent professional advice at KOBWA's cost through a Board-approved process. Directors receive annual corporate governance training, and the Board, its committees, the Chairperson and individual directors are evaluated annually through self-evaluation questionnaires and peer review facilitated by the Company Secretary; results are discussed by the Board to identify development needs.

Exception declaration and areas for further development

Board evaluation: King V recommends a formal evaluation process at least every two years and asks the Board to consider whether it should be externally facilitated (Recommended Practice 8). KOBWA evaluates annually, which is more often than this, but the evaluation is facilitated internally by the Company Secretary. The Company Secretary is appointed by, and serves, the Board and maintains an arm's-length relationship with it, but is not independent of the Board whose performance is being

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assessed, and the Board in turn reviews the Company Secretary's services each year. This is a potential conflict of interest that limits the objectivity of the process.

As compensating measures, the Chairperson, not the Company Secretary, leads the Board's discussion of the results, and the Board will use anonymised questionnaires and record agreed development actions in the minutes. The Board intends to appoint an independent external evaluator at least once in each three-year Board term, with the Company Secretary facilitating the evaluation in the intervening years.

- Extend the annual Board evaluation to measure the ethical characteristics and governance role set out in King V.
- Brief all directors on King V and the King V Disclosure Framework.
- Appoint an independent external evaluator for the Board evaluation at least once in each three-year Board term, starting in the current term.

PRINCIPLE 2 – ETHICS

The governing body governs the ethics of the organisation in a way that enables an ethical culture and responsible corporate citizenship.

The Board is the guardian of KOBWA's values and ethics and sets the tone for an ethical culture in which those values are adopted by all employees. A Code of Conduct articulates the expected ethical standards, and management reports to the Board on its implementation. KOBWA's Values, Vision and Mission are displayed and unpacked to staff through an awareness plan.

KOBWA maintains an anonymous whistle-blowing policy and an open-door policy through which anyone may report fraudulent, corrupt or unethical behaviour; the policy has been workshopped with staff and is available on the intranet. KOBWA acts on information received formally or anonymously.

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KOBWA's corporate citizenship covers the workplace, the economy, society and the environment. Corporate Social Responsibility projects in both countries include school ablution facilities, support to the Schoemansdal Clinic, donga rehabilitation and the Esandleni Somusa Disability Centre. A dedicated environmental office and a Health and Safety Officer, supported by a cross-departmental committee, manage environmental and occupational health and safety matters. Quality, health, safety, risk and environmental reports are considered by the relevant Board committees quarterly and reported to the Board.

Exception declaration and areas for further development

KOBWA has not yet adopted an ethics management plan with a periodic ethics risk assessment. In the interim, ethics is managed through the Code of Conduct, the whistle-blowing policy and the quarterly reports considered by the Board committees.

- Approve an ethics management plan with a periodic ethics risk assessment and regular reporting to the Board.
- Adopt a corporate social responsibility policy linked to KOBWA's strategy, covering water stewardship, climate resilience, biodiversity and community development.

PRINCIPLE 3 – STRATEGY, PERFORMANCE AND SUSTAINABLE VALUE CREATION

The governing body ensures that the organisation's purpose, strategy and business model support performance that creates sustainable value within the organisation's economic, social and environmental context.

The Board informs and approves strategy rather than being a passive recipient of it. The Strategic Plan sets KOBWA's short, medium and long-term objectives and those of each department, aligned with its purpose under the Treaty, its value drivers and the legitimate interests of the Member States and other stakeholders. The Board approves the annual Business Plan after considering strategic direction, financial position and liquidity.

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The strategy is translated into key performance and risk areas, including finance, ethics, compliance and sustainability. The Board measures executive performance against key deliverables bi-annually through performance reports from the Corporate Services Department, and operational updates are presented at every Board meeting. In setting strategy the Board considers the availability, quality and affordability of the resources and relationships KOBWA depends on, notably water, infrastructure, finance, people and stakeholder relationships, and responds to negative impacts identified through monitoring.

Exception declaration and areas for further development

No exceptions are declared for Principle 3. The items below are areas for further development.

- Refresh the strategy and business model for the expanded mandate under the Revised Treaty (13 March 2026).
- Embed integrated thinking and climate scenarios across water, financial and community impacts in strategy and performance monitoring.

PRINCIPLE 4 – REPORTING

The governing body ensures that external reports issued by the organisation enable stakeholders to make informed assessments of how the organisation creates, preserves and erodes value within its economic, social and environmental context over the short, medium and long term.

With the assistance of its committees, the Board is responsible for the Integrated/Annual Report, the audited Annual Financial Statements and all statutory reporting. KOBWA communicates with stakeholders through these reports, SENS announcements to noteholders, the corporate website, presentations, community engagements and media releases. All reports in the Annual Report are reviewed and approved by the Board, and

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the Annual Report and Annual Financial Statements are prepared with internal and external advisers to ensure compliance with the applicable legislation and regulations.

The governance disclosures, Annual Reports and Annual Financial Statements are published on KOBWA's website. The FRAC assists the Board in ensuring that the reports enable stakeholders to assess KOBWA's performance and prospects.

Exception declaration and areas for further development

In April 2026 the JSE publicly censured KOBWA and imposed a fine of R500,000 for late disclosure, KOBWA's fourth recorded lapse. At the time KOBWA did not have a formal disclosure policy for JSE announcements. The Board acknowledges this and is taking the corrective action below.

- Adopt a disclosure policy, a SENS calendar and a two-person sign-off protocol for all JSE announcements.
- Determine the suite of external reports and the reporting standards and frameworks used for each, applying double materiality.
- Prepare governance disclosures in the King V Disclosure Framework format from FY2026/27.

PRINCIPLE 5 – COMPOSITION OF THE GOVERNING BODY

The governing body ensures that its composition is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its obligations objectively and effectively.

The KOBWA Board is a unitary board. The Treaty provides for six non-executive members, three appointed by each Member State for a three-year term, renewable on performance, and the Chief Executive Officer is an ex officio member. At the date of this register five of the six Treaty seats are filled, three by Eswatini and two by South Africa, and two of the five non-executive members are women. One South African seat is

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vacant, so the Board is one member short of the complement provided for in the Treaty. The Chairperson and Vice-Chairperson are drawn from different Member States to balance the Board. The Board's skills mix covers engineering, law, finance and water resources management.

A formal induction programme is in place for new directors, including briefings by the CEO and meetings with the Executive Committee (EXCO) and key stakeholders. Directors attend training at KOBWA's cost and are encouraged to pursue ongoing professional development, and they receive regular briefings on changes in risks, laws and the business environment.

Exception declaration and areas for further development

Independence: All non-executive members are independent of management. Independence in King V terms is a separate test. Recommended Practice 42 lists factors that may indicate a member cannot be categorised as independent, including serving for longer than nine years and representing a provider of significant funding to the organisation. Recommended Practice 43 requires the Board to weigh these factors holistically, on a substance-over-form basis, and to give its rationale where it categorises a member as independent despite one or more of them. Nomination by a Member State is not in itself a factor. However, a member who is employed by, or represents, a Member State department or agency that provides significant funding to KOBWA may engage the funding factor. Because the independence of Member State nominees is debated within KOBWA, the Board does not claim independence for any nominee without an assessment.

From FY2026/27 the Board assesses independence as follows. On appointment and annually, each non-executive member completes a declaration of interests and an independence questionnaire covering every Recommended Practice 42 factor. The Company Secretary collates the returns and the Board considers them and categorises each member as independent or not independent, recording its rationale for any member

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categorised as independent despite a factor. The categorisation and rationale are disclosed in KOBWA's King V disclosures. Members also declare interests at every meeting and recuse themselves from conflicted matters.

Board vacancy: The Board is one member short of the six provided for in the Treaty because the South African appointment has not yet been made. Appointments are the prerogative of the Member States, so the Board cannot fill the seat itself. It has asked the JWC to expedite the appointment and continues to meet its quorum in the meantime.

Appointment policy: King V recommends a policy for the nomination, election and appointment of members. KOBWA has a Board appointment policy, but it covers only matters within the Board's control after the Member States have appointed directors. These are mainly the composition of Board committees, because members are appointed by the Member States under the Treaty and not by the Board or by election. As the alternative, the Board will set out the skills, experience and diversity it needs in a skills and diversity matrix and communicate it to the JWC before each appointment cycle.

Mentorship: KOBWA has a formal induction programme but no formal mentorship programme for new or less experienced members. In the interim, new members rely on the induction programme, briefings by the CEO and the Company Secretary, and access to the Chairperson.

- Request the JWC to fill the outstanding South African Board appointment.
- Adopt a Board skills and diversity matrix for engagement with the JWC on appointments, and complete the first annual independence assessment for FY2026/27, including the nine-year tenure check.
- Establish a structured mentorship arrangement for newly appointed members.

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PRINCIPLE 6 – COMMITTEES OF THE GOVERNING BODY

The governing body ensures that arrangements for delegation to committees and individuals within its own structures promote the objective and effective discharge of its obligations.

The Board Charter allows the Board to delegate responsibilities to committees. Delegation does not discharge the Board or directors of their duties, and the Board fulfils all responsibilities not delegated. The Board has established the following committees:

- Finance, Risk and Audit Committee (FRAC) – audit, financial reporting, risk governance, compliance, technology and assurance.
- Technical and Human Resources Committee (THRC) – technical and infrastructure matters, human resources and remuneration.

The terms of reference of both committees have been approved by the Board and are reviewed annually; they deal with composition, purpose, activities and delegated authority. Only KOBWA directors are committee members, and executive directors attend by invitation. Committees make recommendations to the Board or refer matters back to management. Committee members collectively have the knowledge, skills, experience and capacity to discharge their duties, and committee effectiveness is assessed in the annual Board evaluation.

Exception declaration and areas for further development

King V recommends committees responsible for audit, nomination governance, risk governance and remuneration governance, and a social and ethics committee. KOBWA has two committees, which suits its size. Audit and risk governance are combined in the FRAC and remuneration governance sits with the THRC. There is no nomination committee because the Member States nominate and appoint members under the Treaty; instead, the Board engages with the JWC on Board succession and skills. There

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is no social and ethics committee. The statutory requirement for one applies to certain companies under South African company law, and KOBWA, as a treaty body, is not such a company. Social and ethics matters are overseen by the existing committees: ethics, fraud and whistle-blowing by the FRAC, and health and safety, environment, employment and community matters by the THRC. The Board will formalise this allocation in the committees' terms of reference so that no social and ethics matter is left unassigned.

- Confirm committee membership (minimum of three members) and the allocation of nominations, succession, evaluation and social and ethics responsibilities.

PRINCIPLE 7 – APPOINTMENT AND DELEGATION TO MANAGEMENT

The governing body ensures that the appointment and delegation to management promote operational effectiveness and that the respective roles and decision-making powers of the governing body and management are clearly defined.

Following recruitment, the Board recommends and the JWC approves the appointment of the CEO. Because the Board does not hold the appointing authority, it engages with the JWC on the profile, requirements and appointment process, as King V recommends. The CEO's role is set out in the Board Charter and the employment contract, and the CEO's performance is evaluated annually against agreed measures.

A Delegation of Authority policy sets out the matters reserved for the JWC, the Board, the CEO and the executive directors and prescribes authority thresholds; it is reviewed at least every three years. The Board has delegated the day-to-day running of KOBWA to the CEO, who is assisted by the Executive Committee. Critical management functions are led by competent and adequately resourced individuals: the Executive Operations Director was appointed on 11 August 2025, and the Finance Director and Debt Officer positions were filled in September 2026.

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Exception declaration and areas for further development

KOBWA does not yet have a formal, Board-approved succession plan for the CEO and executive directors. Because the JWC approves the CEO's appointment, the plan will be developed in consultation with the JWC.

- Update the Delegation of Authority and Board Charter for the Revised Treaty.
- Approve a formal CEO and executive succession plan.

PROFESSIONAL CORPORATE GOVERNANCE SERVICES TO THE GOVERNING BODY (PRINCIPLE 7)

First Corporate Secretaries, an independent practice, provides company secretarial services to KOBWA. The Board is satisfied that the Company Secretary is suitably qualified to advise directors on the Treaty, King V and other relevant legislation and regulation. The Company Secretary is not a director, performs no management or executive duties and is independent of management. Because the Company Secretary is appointed by, and accountable to, the Board, it maintains an arm's-length relationship with the Board but is not independent of it; the Board reviews the relationship annually. The Company Secretary also facilitates the Board evaluation; the resulting conflict and the compensating measures are declared under Principle 1.

The Company Secretary updates the Board on developments in ethics, corporate governance, legislation and regulation, and the Board implements appropriate measures in response.

PRINCIPLE 8 – RISK

The governing body governs risk in a way that enables the organisation to sustain and optimise its strategy and objectives.

The Board's responsibility for risk governance is set out in the Board Charter and the Risk Management Policy Manual, and the Board is assisted by the FRAC. The Board has designated the CEO as the executive accountable for risk management (the Risk

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Management Champion), supported by the Risk and Quality Officer, who attends the FRAC by invitation. Heads of Department develop departmental risk registers with the Risk and Quality Officer, and the CEO approves them. The strategic risk register, which consolidates KOBWA's material risks, is reviewed by the FRAC and approved by the Board. All registers are reviewed quarterly. Key risks include dam safety, floods and drought, transboundary flow obligations and debt service.

A Risk Appetite and Tolerance Policy sets upper and lower tolerances for each risk area, which are monitored quarterly. KOBWA monitors emerging risks regularly and has an Emergency Preparedness Plan to support business continuity and organisational resilience.

Exception declaration and areas for further development

No exceptions are declared for Principle 8. The items below are areas for further development.

- Update the risk appetite and tolerance statement for the Revised Treaty and King V, and present it for Board approval.
- Include opportunities and climate resilience scenarios arising from the economic, social and environmental context in risk assessments.

PRINCIPLE 9 – COMPLIANCE

The governing body governs compliance with applicable laws and adopted policies, non-binding rules, codes and standards in a way that promotes ethics and responsible corporate citizenship.

The Board is accountable for an effective, organisation-wide system of compliance and management implements it. KOBWA's obligations include the Treaty, the JSE Debt Listings Requirements and labour, tax, environmental, dam-safety and data-protection law in both Eswatini and South Africa. KOBWA maintains a legal register, has appointed a Compliance Officer and receives compliance reports. The non-binding codes KOBWA

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adopts, including King V, are specified by the Board. The internal auditors provide assurance on compliance controls.

Where Eswatini and South African requirements conflict, KOBWA applies the order of precedence set out in the Basis of Application and records the treatment in its compliance register.

Exception declaration and areas for further development

No recommended practice under Principle 9 is declared as not adopted. However, the JSE censure shows that a practice can be in place without being effective.

Strengthen monitoring of the regulatory environment in response to the JSE censure for late disclosure (see Principle 4).

- Build a compliance universe and register covering both jurisdictions and integrate it into the organisation-wide risk management system.
- Report compliance breaches and regulatory developments to the FRAC quarterly, and obtain periodic assurance on the compliance function.

PRINCIPLE 10 – DATA, INFORMATION AND TECHNOLOGY

The governing body governs data, information and technology in a way that enables the organisation to sustain and optimise its strategy and objectives.

The Board is responsible for the governance of data, information and technology, which are integral to KOBWA's strategy and operations, including hydrological telemetry from gauging stations published on the KOBWA website and the Water Administration System used for allocations. Management implements technology and information management under the oversight of the FRAC. Information security is monitored by internal staff and outsourced experts. IT audits form part of the internal audit plan, and an IT Steering Committee that includes EXCO members reviews areas for improvement.

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KOBWA processes personal information in both Member States and is subject to South Africa's Protection of Personal Information Act 4 of 2013, regulated by the Information Regulator, and Eswatini's Data Protection Act, 2022, administered by the Eswatini Communications Commission. KOBWA has adopted a Protection of Personal Information Act Manual for South Africa.

King V recommends that the Board oversee the organisation's acquisition, development, use and distribution of technology, including artificial intelligence, so that there is clear accountability for decisions, actions, outputs and outcomes, that systems are transparent and explainable, and that human oversight and override mechanisms are in place in proportion to the risk (Recommended Practice 109). KOBWA relies on automated systems for hydrological telemetry and for water allocation calculations, and staff may use generally available artificial intelligence tools.

Exception declaration and areas for further development

Artificial intelligence and automated systems: KOBWA has not yet adopted a policy on artificial intelligence and automated systems, so accountability, transparency and human oversight are not yet formally assigned. In the interim the Board relies on existing controls: allocation outputs from the Water Administration System are reviewed by the responsible officials before they are issued, automated systems fall within the scope of the IT audits, and the IT Steering Committee reviews new technology before it is introduced.

Data protection: KOBWA's data protection documentation covers South Africa only. Eswatini's Data Protection Act, 2022 is not yet reflected in a KOBWA manual, and KOBWA has not yet confirmed whether it must register with the Eswatini Communications Commission.

- Adopt a data, information and technology governance framework covering cyber resilience, backup and recovery, and data protection in both countries, with a policy on artificial intelligence and automated systems that assigns accountability,

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requires transparency and explainability, sets human oversight and override in proportion to risk, and maintains a register of the AI and automated systems in use.

- Address stale telemetry feeds on the public website.
- Extend the data protection manual to cover Eswatini's Data Protection Act, 2022, and confirm KOBWA's registration obligations with the Eswatini Communications Commission.

PRINCIPLE 11 – REMUNERATION

The governing body ensures that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation by the organisation within its economic, social and environmental context.

The THRC ensures that the Remuneration Policy is aligned with KOBWA's strategy and mandates negotiations on cost-of-living adjustments. Remuneration comprises guaranteed pay, expressed as a total-cost-to-company package, and variable pay that is not guaranteed: performance bonuses, retention allowances and a thirteenth cheque. Benefits include training and transport and housing subsidies. Annual increases are benchmarked against remuneration surveys, inflation in both countries and comparable positions in the sector. The THRC reviews the remuneration of the CEO and executive directors and recommends it to the Board. The Board approves the remuneration of the executive directors, and the CEO's remuneration is approved by the JWC on the Board's recommendation, in line with the Treaty and the Delegation of Authority. Director fees are also set through the JWC.

Exception declaration and areas for further development

King V's recommended non-binding shareholder votes on remuneration do not apply, because KOBWA has no shareholders. As the alternative, remuneration is accountable to the Member States through the JWC, which sets director fees and approves the CEO's remuneration.

	Title	*Approval Initials*
Created By	***Risk and Quality Officer***	28.10.2026
Co-authored By	***Finance Director***	28/10/2026
Reviewed By	***FRAC Chairperson***	Initial NM
Recommended By	***Chief Executive Officer***	TMS
Approved By	***Board Chairperson***	Initial T.A.

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- Disclose the remuneration policy and the basis for non-executive director fees.
- Link executive pay to strategic outcomes and review pay fairness across both countries.

PRINCIPLE 12 – ASSURANCE

The governing body ensures that assurance functions and services promote an effective internal control environment and safeguard the integrity of external reports issued by the organisation.

The Board has delegated oversight of assurance to the FRAC, which ensures that internal controls over financial, operational, compliance and sustainability matters are effective. KOBWA uses a combined assurance model drawing on line management, the risk and compliance functions, internal audit, external audit and specialist service providers, and combined assurance reports are presented to the FRAC. The Board and its committees assess this output with objectivity and professional scepticism.

The FRAC approves the external auditor's terms of engagement and fees and coordinates internal and external audit to avoid overlap. These arrangements support the Board's statement on internal controls and the integrity of KOBWA's external reports.

Exception declaration and areas for further development

No exceptions are declared for Principle 12. KOBWA has a Board-approved internal audit charter, under which the internal audit function operates, and the FRAC oversees the annual internal audit plan. The item below is an area for further development.

- Determine the level of assurance required over each external report, including non-financial information.

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PRINCIPLE 13 – STAKEHOLDERS

The governing body adopts a stakeholder-inclusive approach in the execution of its duties in the long-term best interests of the organisation within its economic, social and environmental context.

The Board is responsible for stakeholder governance and has delegated the implementation of stakeholder management to management. KOBWA's stakeholders include the Member States through the JWC, water users through the Komati Joint Operations Forum and the Dam Management Committee (DMC, downstream Mozambique, the Incomati and Maputo Watercourse Commission (INMACOM) (Memorandum of Understanding, February 2025), the Southern African Development Community Groundwater Management Institute (SADC-GMI) (Memorandum of Understanding, 2024), noteholders, employees, communities, universities and suppliers.

KOBWA provides complete, timely, relevant and accessible information to stakeholders while considering legal and strategic issues. Stakeholders who could materially affect KOBWA's operations are identified, assessed and managed as part of the risk management process.

Exception declaration and areas for further development

King V's practices on shareholder engagement apply to companies only and do not apply to KOBWA, which has no shareholders. KOBWA's equivalent relationships are with the Member States, through the JWC, and with noteholders, through SENS announcements and its obligations under the JSE Debt Listings Requirements. KOBWA does not yet have a stakeholder policy.

- Approve a stakeholder policy and engagement plan with a method for identifying stakeholders and assessing the related risks and opportunities.

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	Title	*Approval Initials*
Created By	***Risk and Quality Officer***	28.10.2026
Co-authored By	***Finance Director***	28/10/2026
Reviewed By	***FRAC Chairperson***	Initial NM
Recommended By	***Chief Executive Officer***	TMS Initial
Approved By	***Board Chairperson***	J.A.

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CONCLUDING STATEMENT ON GOVERNANCE OUTCOMES

[Draft – to be confirmed by the Board for the year ending 31 March 2027]

The Board of the Komati Basin Water Authority is satisfied that KOBWA has applied the 13 principles of the King V Code in a manner proportionate to its status as a bi-national treaty authority. The recommended practices that KOBWA has not adopted or has modified are declared under each principle, together with the reasons and the alternative or compensating arrangements relied on. The main exceptions are the vacant Treaty seat on the Board, the independence categorisation of Member State nominees, internally facilitated Board evaluations, the absence of separate nomination and social and ethics committees, and policies not yet adopted on artificial intelligence, succession, ethics management, disclosure and stakeholders, and data protection documentation that does not yet cover Eswatini. Taking these into account, the Board is of the opinion that the application of the King V principles and practices has realised value for KOBWA in respect of the governance outcomes of Ethical Culture, Performance and Value Creation, and Legitimacy. In respect of Conformance and Prudent Control, the Board acknowledges the late disclosures sanctioned by the JSE in April 2026, considers this outcome only partially achieved for the year, and reports on the corrective measures adopted under Principles 4 and 9.

Approval Signatures

	Title	Approval Signatures	Date
Created By	***Risk and Quality Officer***		28.10.2026
Co-authored By	***Finance Director***		28/10/2026
Reviewed By	***FRAC Chairperson***	Signed by: Nelsiwe K. Mabuza B16A50484E76456...	29 October 2026
Recommended By	***Chief Executive Officer***		28/10/2026
Approved By	***Board Chairperson***	Signed by: CBDF723892414F7...	29 October 2026

This register will be reviewed every year in line with the King V Code and the King V Disclosure Framework, or as and when the need arises.

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