

## SECTION

# 4



# GOVERNANCE

At DRDGOLD, we believe that integrity and good conduct are the foundation of our business and we are fully committed to conducting business ethically and legally.



# DIRECTORS AND MANAGEMENT

## NON-EXECUTIVE DIRECTORS

<b>Geoff Campbell (58)</b> BSc (Geology)	<b>Johan Holtzhausen (73)</b> BSc, BCompt (Hons), CA (SA)	<b>Edmund Jeneker (57)</b> Chartered Director (SA), B Hons, IEDP, M.Inst.D., SAIPA	<b>James Turk (72)</b> BA (International Economics)* <i>* Ceased to be director on 31 October 2018</i>	<b>Toko Mnyango (54)</b> Dip Juris, BJuris	<b>Jean Nel (47)</b> BAcc (Hons), CA(SA), CFA (AIMR)	<b>Prudence Lebina (38)</b> BCom; Higher Diploma in Accounting, Certificate in Business Leadership, CA (SA)
<b>INDEPENDENT NON-EXECUTIVE CHAIRMAN</b>  Chairman: Nominations Committee  Member: Remuneration and Nominations Committee	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  Chairman: Audit and Risk Committee	<b>LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  Chairman: Social and Ethics Committee  Member: Remuneration and Nominations Committee	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  Member: Audit and Risk Committee  Member: Remuneration and Nominations Committee  Ceased to be a director on 31 October 2018	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  Member: Social and Ethics Committee  Chairwoman: Remuneration Committee  Member: Remuneration and Nominations Committee	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  Member: Audit and Risk Committee  Appointed as a director on 30 November 2018	<b>INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  Member: Audit and Risk Committee  Member: Remuneration and Nominations Committee  Appointed as a director on 03 May 2019

## EXECUTIVE DIRECTORS

<b>Niël Pretorius (52)</b> BProc, LLB	<b>Riaan Davel (43)</b> BCom (Hons), M Com, CA (SA)
<b>CHIEF EXECUTIVE OFFICER</b>  Member: Social and Ethics Committee	<b>CHIEF FINANCIAL OFFICER</b>



Hover the mouse cursor over the individual directors to see their photo and their CV



# DIRECTORS AND MANAGEMENT CONTINUED

## MANAGEMENT

<b>Reneiloe Masemene (38)</b> <b>LLB, LLM*</b> <i>* Ceased to be Company Secretary on 30 September 2019</i>	<b>Jaco Schoeman (45)</b> <b>National Diploma (Analytical Chemistry), BTech (Analytical Chemistry)</b>	<b>Henry Gouws (50)</b> <b>National Higher Diploma (Extraction Metallurgy), MDP</b>	<b>Mark Burrell (57)</b> <b>BCom Accounting, MDP</b>	<b>Kevin Kruger (51)</b> <b>BscEng (Mechanical Engineering), MDP, PMD, Government Certificate of Competency (Mines)</b>	<b>Henriette Hooijer (39)</b> <b>BCom (Hons), CA(SA)</b>
<b>GROUP LEGAL COUNSEL AND COMPANY SECRETARY</b>	<b>OPERATIONS DIRECTOR: ERGO MINING OPERATIONS PROPRIETARY LIMITED</b>	<b>MANAGING DIRECTOR: ERGO MINING PROPRIETARY LIMITED</b>	<b>FINANCIAL DIRECTOR: ERGO MINING PROPRIETARY LIMITED</b>	<b>MANAGING DIRECTOR: FAR WEST GOLD RECOVERIES PROPRIETARY LIMITED</b>	<b>FINANCIAL DIRECTOR: FAR WEST GOLD RECOVERIES PROPRIETARY LIMITED</b>

<b>Thulo Mogotsi-Moletsane (51)</b> <b>BA, LLB</b>	<b>Elise Beukes (42)</b> <b>BProc*</b> <i>* Appointed Company Secretary on 1 October 2019</i>
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<b>CHAIRMAN AND NON-EXECUTIVE DIRECTOR: ERGO MINING OPERATIONS PROPRIETARY LIMITED</b>	<b>COMPANY SECRETARY</b>
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Hover the mouse cursor over the individual directors to see their photo and their CV





# CORPORATE GOVERNANCE

Our Board of Directors is committed to effective and ethical leadership and the highest standards of good corporate governance. Every Director, officer or employee representing us should respect the maxim 'do unto others as you would have them do to you'.

## Our ethical culture

At DRDGOLD, we believe that integrity and good conduct are the foundation of our business and we are committed to conducting business ethically and legally throughout our surface retreatment organisation. To this end, our people are the moral fibre of the organisation. They are expected to uphold the highest ethical and business standards at all times, even if maintaining such ethical standards results in a loss of business.

## Code of conduct

We believe in disclosure and transparency and the moral principles that govern our behaviour as outlined in our Code of Conduct (Code), which outlines our values; how we aim to conduct our business; the way in which we behave and the rights our business partners can expect in our dealings with them.

The Code is based on DRDGOLD's values of unity, integrity, commitment and accountability and describes the following fundamental principles that should govern our everyday business conduct:

- Fair dealing and integrity in the conduct of our business
- Promoting a corporate culture that is open and
- Socially and environmentally responsible behaviour

The Code of Conduct is available on the DRDGOLD website, distributed to all new employees and is included in the induction video, which all employees are required to watch on an annual basis.

## Whistleblowing hotline

A whistleblowing mechanism is in place to assist with the identification of possible unethical behaviour. This is in the form of an anonymous hotline facilitated through Deloitte. The security department is also open to receiving information. In some instances, cases are opened with the police and employees dismissed following a disciplinary hearing. Posters are also put in the workplace to remind employees

of the importance of ethical behaviour, the existence of the hotline and the procedures to follow should they witness unethical conduct.

## Fines and incidences of corruption

DRDGOLD did not receive any significant fines of monetary value or non-monetary sanctions for non-compliance and was not involved in any incidences of corruption in FY2019.

## Non-compliance with laws and regulations

During FY2019, DRDGOLD was, regrettably, publicly censured by the JSE for a breach of the JSE Listings Requirements in

respect of the late disclosure of the disposal of the mining rights of East Rand Proprietary Limited and the related mining infrastructure and associated movable machinery, plant and equipment to OroTree Limited and ERPM South Africa Holdings Proprietary Limited. DRDGOLD acknowledges that the breach was as a result of the misinterpretation of the nature of the transaction and the application of the JSE Listings Requirements thereto. The Company tendered its full cooperation to the JSE during the course of the JSE's investigation of the breach and has undertaken to prevent a recurrence of a transgression of the JSE Listings Requirements by reinforcing internal

measures and policies to ensure compliance with Listings Requirements and specifically in this instance, to ensure that all future announcements are published within the stipulated timeframes imposed by the JSE pursuant to the JSE Listings Requirements.

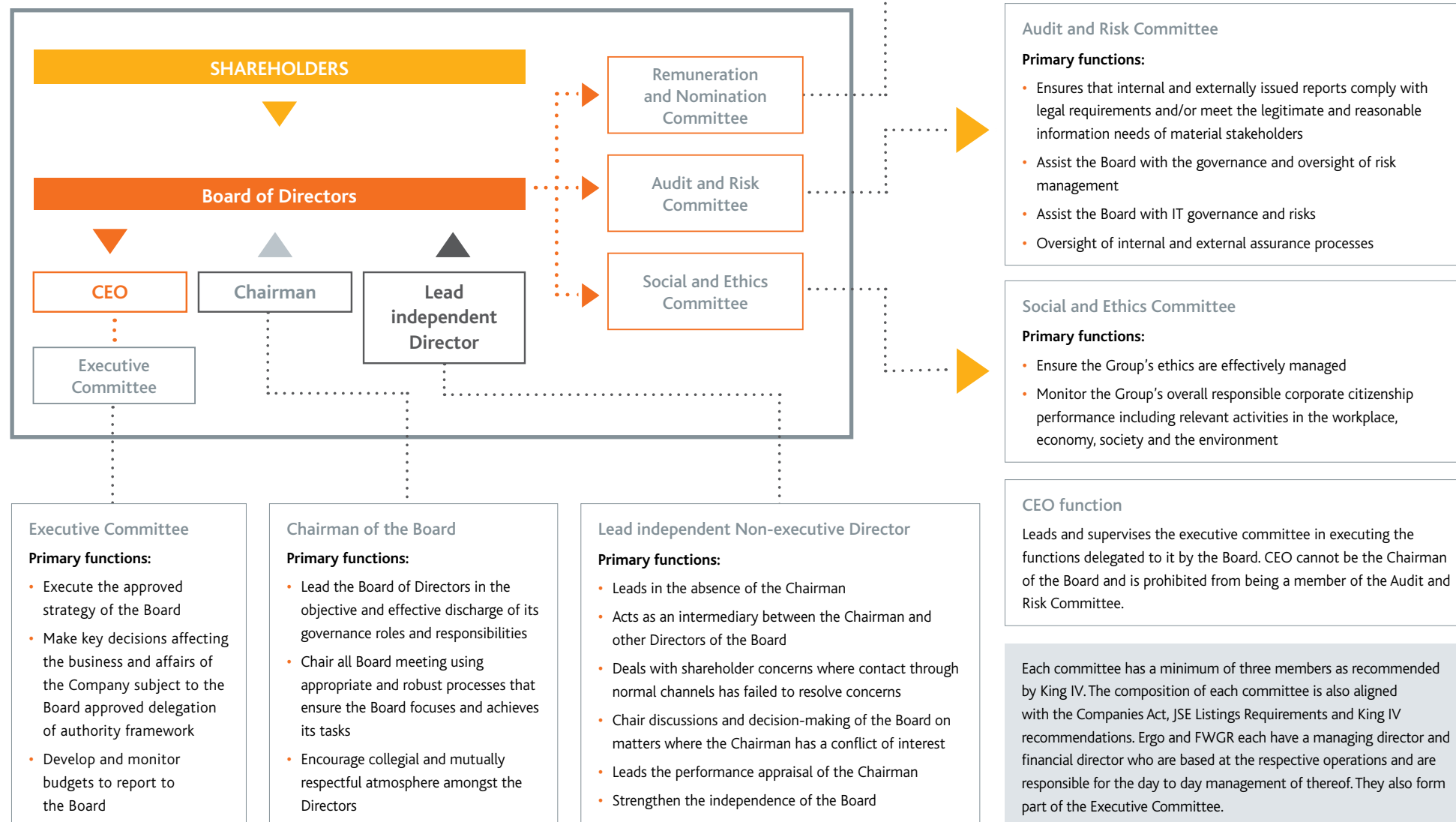
There were no other regulatory penalties, sanctions or fines for contraventions of, or non-compliance with other statutory obligations. No adverse compliance inspections by environmental regulators took place during the period under review and no incidences of non-compliance with environmental laws were identified.

## Key performance indicators

						
Compliance with applicable laws and adopted, standards and codes of good practice	Set key performance measures and targets for value creation and execution of the approved strategy	Appropriate appointment and delegation to management	Stakeholder engagement and issues reports on the Company's activities and performance	Governance and oversight of risk management	Technology and information governance	Governance of remuneration throughout the Company, to ensure fair and responsible remuneration practices

# CORPORATE GOVERNANCE CONTINUED

## Governance structure



# CORPORATE GOVERNANCE CONTINUED

## Board composition

The Nominations Committee continues to play an active role in assessing the Board composition and identifying appropriate candidates for appointment to the Board.



The Board is satisfied that it possesses the appropriate mix of knowledge, skills, experience, diversity and independence to enable it to execute its responsibilities toward the Group.

## Race and gender diversity policy

DRDGOLD supports the principles and aims of race and gender diversity at Board level. In this regard, and as required by the JSE Listings Requirements, the Board has approved a Race and Gender Diversity Policy.

The composition of the Board changed significantly in the current fiscal year and is more diverse and reflective of transformation and the country's demographics.

The Board appointed Mrs Toko Mnyango on 1 December 2016 and Mrs Prudence Lebina on 3 May 2019 as independent Non-executive Directors and their particulars are included on page 66 of this report and on the website [www.drdgold.com/about-us/directors-officers-and-executives](http://www.drdgold.com/about-us/directors-officers-and-executives)

The Board currently has an aggregate complement of eight directors, three of whom are black persons within the meaning ascribed thereto in terms of the BEE Act.

The Company has set itself a voluntary target of 30% in respect of both gender and race diversity, as contemplated in paragraphs 3.84(i) and (j) respectively of the JSE Listings Requirements.

In respect of the gender diversity component as envisaged in paragraph

3.84(i) of the JSE Listings Requirements, there are women, both of whom are black, within the meaning ascribed thereto in the BEE Act. On this basis, DRDGOLD's percentage delivers 25% against a target of 30% towards gender diversity.

In respect of the race diversity component as envisaged in paragraph 3.84(i) of the JSE Listings Requirements, there are three black people within the meaning ascribed thereto in the BEE Act. On this basis, DRDGOLD's percentage delivers 37.5% against a target of 30% towards race diversity.

To address the above towards meeting its voluntary targets, the Company has embarked upon a process in terms of which we ensure that members of the Board is reflective of the diversity at a level commensurate with the targets.

## Nomination, election and appointment of members to the governing body

In compliance with JSE and NYSE requirements, the policy for appointments to the Board is both formal and transparent. The Remuneration and Nominations Committee identifies and interviews, and then recommends shortlisted candidates to the Board. The Board duly deliberates and appoints the most suitable person(s) to ensure that a balance of knowledge, skills, experience and diversity is achieved. The shareholders confirm the appointment at the first annual general meeting (AGM) following the appointment.

In accordance with DRDGOLD's Memorandum of Incorporation (MOI),



# CORPORATE GOVERNANCE CONTINUED

which was adopted at the 2012 AGM, all Directors are subject to retirement by rotation and to re-election by shareholders.

The names of the Directors submitted for re-election are accompanied by sufficient biographical details to enable shareholders to make an informed decision in respect of their re-election.

## Independence

The Board comprises of two Executive Directors and six independent Non-executive Directors. For the fiscal year under review, three of the independent Non-executive Directors have served on the Board for longer than nine years. The Non-executive Chairman of the Board, Geoff Campbell, who is categorised as independent, has been on the Board since 2002 and fulfilled the role of Chairman since 2006. The Chairman does not serve on the Audit and Risk Committee. James Turk has been a member of the Board since 2004 but his directorship terminated on 31 October 2018. Edmund Jeneker has been a member of the Board since 2007. The Board is of the view that the extensive experience of each of these Directors far outweighs the potential downside of the length of their service.

The Board is comfortable that the current

composition of the Board and the Board committees contributes to effective collaboration as well as a balanced distribution of power so that no individual has the ability to dominate decision making and no undue reliance is placed on any individual. Declarations of all interests and related parties are obtained prior to any Board meeting.

## Execution of the duties of the Board

The Board fully appreciates that it's first and foremost accountable for the application of the corporate governance principles and practices at DRDGOLD. It also understands that its key functions are to set the strategic direction of the Group, to approve appropriate policies and plans to give effect to the approved strategy, to delegate implementation of the aforementioned to management and adequately monitor management's performance and to ensure accountability through reporting and the principle of transparency. The Board undertook a review of the governing bodies in light of the two new members, to achieve an appropriate balance of workload and to align to relevant qualifications and experience of the Board as a collective.

## Attendance by Directors at Board meetings held during FY2018

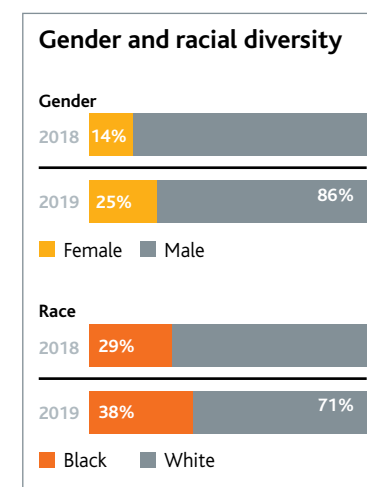
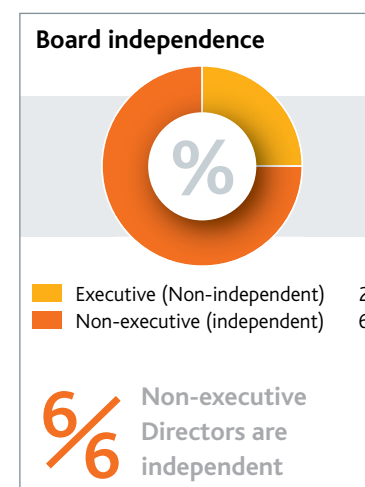
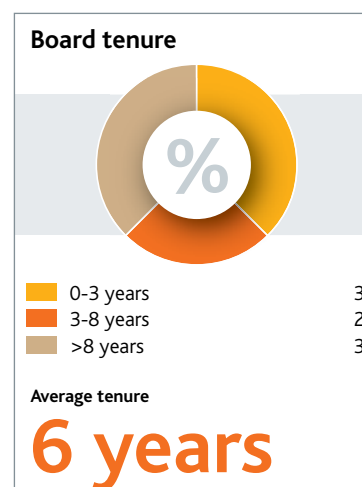
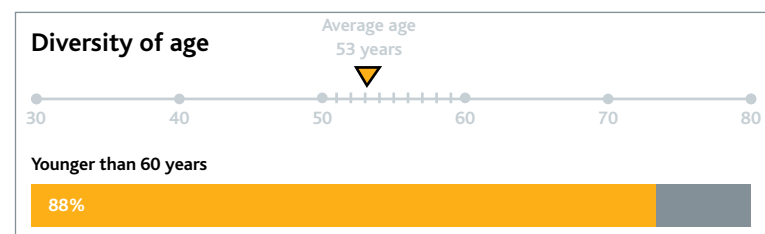
Director	Designation	31 Aug 2018	25 Oct 2018	8 Feb 2019	3 May 2019
DJ Pretorius	Chief Executive Officer	✓	✓	✓	✓
AJ Davel	Chief Financial Officer	✓	✓	✓	✓
GC Campbell	Independent Non-executive Chairman	✓	✓	✓	✓
JA Holtzhausen	Independent Non-executive	✓	✓	✓	✓
EA Jeneker	Independent Non-executive	✓	✓	✓	✓
J Turk	Independent Non-executive	✓	✓	✓	✓
TVBN Mnyango	Independent Non-executive	✓	✓	✓	✓
JJ Nel	Independent Non-executive	–	–	✓	✓
KP Lebina	Independent Non-executive	–	–	–	–

✓ Includes attendance through teleconference or video conference facilities

*J Turk ceased to be a Director on 31 October 2018*

*J Nel was appointed as a Director on 30 November 2018 and was nominated by Sibanye-Stillwater*





*K Lebina was appointed as a Director on 03 May 2019 (after the Board meeting was adjourned)*





# CORPORATE GOVERNANCE CONTINUED

## Execution of the duties of the Board

Key performance indicators	Action points
 <p><b>Compliance with applicable laws, adopted standards and codes of good practice</b></p>	<ul style="list-style-type: none"> <li>Group legal counsel, headed by the Company Secretary, monitors changes and developments, through attendance of seminars and conferences and subscriptions to law journals</li> <li>Consider the recommendations of King IV and evaluate its application across the Group. Disclosure on the application thereof can be found on the Company's website <a href="http://www.drdgold.com/about-us/governance">www.drdgold.com/about-us/governance</a></li> <li>Discussions of the impact of new legislation at Board meetings</li> <li>Use of a comprehensive compliance checklist</li> <li>There were no material or repeated regulatory penalties, sanctions or fines</li> <li>No adverse compliance inspections by environmental regulators</li> <li>New code of ethics approved during FY2018</li> </ul>
 <p><b>Set key performance measures and targets for value creation, as well as execute the approved strategy</b></p>	<ul style="list-style-type: none"> <li>Continually evaluates the general viability of the business and its status as a going concern</li> <li>Reviewed the liquidity and solvency of the Company on a continuous basis</li> <li>Executed the approved strategy</li> <li>Approved the acquisition of assets from Sibanye-Stillwater in FY2018</li> <li>Approved the FY2019 budget</li> </ul>
 <p><b>Appropriate appointment and delegation to management</b></p>	<ul style="list-style-type: none"> <li>Formal delegation captioned in an authority framework that is reviewed on a regular basis</li> <li>Appointment of CEO for the effective management and day to day running of the business</li> <li>Appointment of a Company Secretary on a permanent basis, with a wealth of experience and qualification</li> <li>Support and provide guidance at all times to the Board</li> </ul>
 <p><b>Stakeholder engagement and issues reports on the Company's activities and performance</b></p>	<ul style="list-style-type: none"> <li>Performed with the assistance from the Audit and Risk Committee</li> <li>Integrated and sustained stakeholder communication programme in place</li> <li>Internal finance team led by the CFO who is evaluated by the Audit and Risk Committee</li> <li>Integrity of reporting maintained with assistance from internal and external auditors</li> <li>External service provider and Group legal counsel in place to assist with adherence to JSE Listing Rules and other legal requirements</li> </ul>





# CORPORATE GOVERNANCE CONTINUED

## Key performance indicators

## Action points



### Governance and oversight of risk management

- Performed with assistance from the Audit and Risk Committee
- Approved the integrated risk management strategy
- Comprehensive risk management process in place
- Risk tolerance and appetite levels set and reviewed
- Internal audit assists management in evaluating the process for managing key operational, financial and compliance risk
- Internal risk officer in place to monitor and review the Group risk register and submits a risk report at each audit
- Risk Committee meeting



### Technology and information governance

- IT governance charter in place to set out policies, procedures and performance metrics which work together with the IT governance framework
- IT governance framework in place to standardise business processes across the Group
- Annual update received on IT risks, including business continuity, back-ups and offsite storage and security of network and information, all risks presented were deemed to be within tolerance levels and not considered material



### Governance of remuneration throughout the Company to ensure fair and responsible remuneration practices

- Performed with the assistance from the Remuneration and Nominations Committee
- More information available in the remuneration report



# CORPORATE GOVERNANCE CONTINUED

## Evaluation of the Board

Annually, a Board performance evaluation process is conducted by an external party on the performance and effectiveness of the Board as a whole, the committees, the Chairman and the Company Secretary. The evaluation is performed through interviews and questionnaires, which Directors and management complete.

The 2019 review indicates that the Board is satisfied with the overall effectiveness and functioning of the procedures and processes in place to ensure that the Company is compliant and very effective in dealing with its legal and regulatory responsibilities. The Board is satisfied that it has carried out its responsibilities in accordance with the board charter.

## Social and Ethics Committee

The Board is satisfied with the quality of and on-going refinements to integrated reporting on sustainability and the environment.

## Audit and Risk Committee

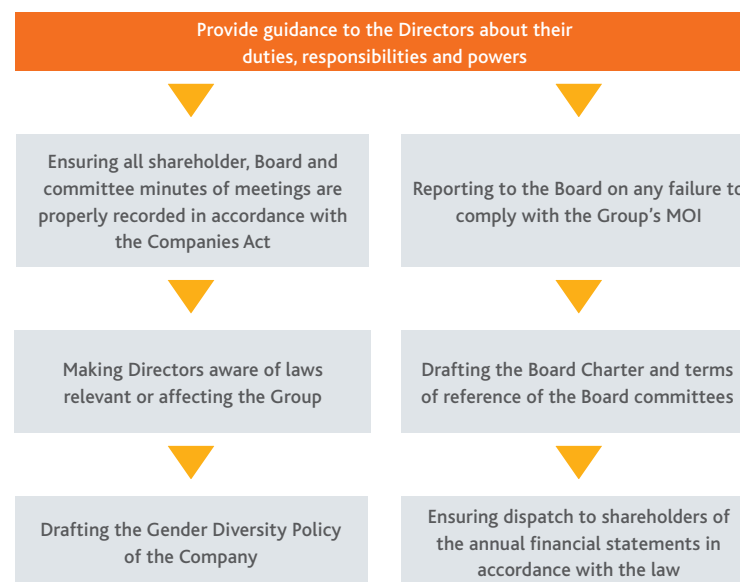
The Risk Committee continues to function effectively with the Audit Committee. The Board remains satisfied that the combined committee provides independent guidance to the integrity of the Company's reporting.

## Remuneration and Nominations Committee

The combined Remuneration and Nominations Committee continues to be effective.

## Our Company Secretary

The role of the Company Secretary is key to ensuring that we comply with relevant laws, regulations and applicable codes of good practice and keep the Board informed and updated of their legal responsibilities. Her primary responsibilities include the following:



In August 2019, the Group appointed an independent facilitator to evaluate the performance of the Board and Company Secretary. Questionnaires were completed and interviews were conducted with each Director. The questionnaires included a section on the performance of the Company Secretary. The report states that the Company Secretary is effective in the

performance of her duties. The Board confirms that the Company Secretary is not a Director of DRDGOLD and that there is an arm's length relationship between her and the Board, which is based only on professionalism. The Board also confirms that they are satisfied with the competence, qualifications and experience of the Company Secretary.



# CORPORATE GOVERNANCE CONTINUED

## DETAILED COMMITTEE REPORTS

### AUDIT AND RISK COMMITTEE

**Chairman:** JA Holtzhausen

**Other members:** P Lebina (Appointed 28 August 2019) and JJ Nel (Appointed 28 August 2019)

**Purpose of the committee:** To assist the Board in ensuring the integrity of financial and non-financial reporting and the internal control environment of the Company, monitor the risk management performance on behalf of the board and ensure that the Company implements its risk management framework

#### Roles and responsibilities:

- External auditors, audit process and financial reporting
- Internal audit
- Integrated reporting and assurance model
- Oversee the development and annual review of a policy and plan for risk management
- Ensure that risk management assessments are performed on a continuous basis
- Ensure that reporting on risk management assessment is complete, timely, accurate and accessible
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks

- Ensure that continuous risk monitoring by management takes place

#### Key activities include:

- Meet each quarter with the external auditors, the Group's manager: Risk and Internal Audit and the CFO
- Review the audit plans of the internal auditors to ascertain the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls.
- Reviews the annual and interim financial statements prior to their approval by the Board members
- Make recommendations to appoint, reappoint or remove the external auditor and the designated external audit partner, in terms of the JSE Listings Requirements, as well as determining their remuneration and terms of engagement
- Pre-approve all audit and non-audit services provided by the external auditors

The internal audit function is performed in-house with the assistance of Pro-Optima Audit Services Proprietary Limited. Internal audits are performed at all DRDGOLD operating units and aim to review, evaluate and improve the effectiveness of risk management, internal controls and corporate governance processes.

KPMG Inc was reappointed by shareholders at the 2018 AGM to perform DRDGOLD's external audit function.

Significant deficiencies, material weaknesses, instances of non-compliance, and exposure to high risk and development needs are brought to the attention of operational management for resolution. The committee members have access to all the records of the internal audit team.

DRDGOLD's internal and external auditors have unrestricted access to the Chairman of the Audit and Risk Committee and, where necessary, to the Chairman of the Board and the CFO. All significant findings arising from audit procedures are brought to the attention of the committee and, if necessary, to the Board.

Section 404 of Sarbanes-Oxley Act (SOx) stipulates that management is required to assess the effectiveness of the internal controls surrounding the financial reporting process. The results of this assessment are reported in the form of a management attestation report that has to be filed with the SEC as part of the Form 20-F. Additionally, DRDGOLD's external auditors are required to express an opinion on the operating effectiveness of internal controls over financial reporting, which is also contained in the Company's Form 20-F. In terms of the JSE Listings Requirements, the Audit and Risk Committee is satisfied that appropriate financial reporting procedures are in place and are operating.

An important aspect of risk management is the transfer of risk to third parties to protect the Group from disaster.

DRDGOLD's major assets and potential business interruption and liability claims are therefore covered by the Group insurance policy, which encompasses all the operations. Most of these policies are held through insurance companies operating in the UK, Europe and South Africa. The various risk management initiatives undertaken within the Group, as well as the strategy to reduce costs without compromising cover, have been successful and resulted in substantial insurance cost savings for the Group.

#### Annual financial statements

The Directors are required by the Companies Act to maintain adequate accounting records. They are responsible for the preparation of the AFS, which fairly presents the state of affairs of the Group at the end of each financial year, in conformity with IFRS and the Companies Act. The AFS includes amounts based on judgments and estimates made by management.

The Directors are of the opinion that the Group financial statements fairly present the financial position as at 30 June 2019 and the financial performance and cash flows for the year then ended, and deal with all significant matters.

The Directors have reviewed the Group's business plan and cash flow forecast for the year ending 30 June 2020. On the basis of this review, and in light of the current financial position and existing borrowing

facilities, the directors are satisfied that the Group is a going concern and has adequate financial and capital resources to ensure its continued operational existence.

To comply with requirements for reporting by non-US companies registered with the SEC, DRDGOLD prepares its AFS on Form 20-F in accordance with IFRS. The Audit and Risk Committee has obtained and considered sufficient information from KPMG Inc to perform an assessment of the suitability for re-appointment of KPMG Inc and Mr Riegert Stoltz, the designated auditor and is satisfied that KPMG Inc and Mr Riegert Stoltz are independent of DRDGOLD, and the Group is satisfied with the quality of service.

#### Evaluation

For the year under review, the Audit and Risk Committee members were all satisfied with the overall functioning of the committee. The Board was also satisfied that the committee members, collectively, have the requisite academic qualifications and/or experience in, *inter alia*, economics, finance, accounting, law, corporate governance, commerce, industry and human resources management as required by Section 94(5) of the Companies Act read with Regulation 42 thereof.

In terms of the Companies Act and the JSE Listings Requirements, the Audit and Risk Committee considered and was satisfied with the adequacy of the expertise and experience of the CFO, Riaan Davel.



# CORPORATE GOVERNANCE CONTINUED

## ATTENDANCE BY MEMBERS AT THE AUDIT AND RISK COMMITTEE MEETINGS HELD DURING FY2019

Director	29 Aug 2018	25 Oct 2018	8 Feb 2019	3 May 2019
EA Jeneker <sup>2</sup>	✓	✓	✓	✓
J Turk <sup>1</sup>	✓	✓	–	–
TVBN Mnyango <sup>2</sup>	–	–	✓	✓
JJ Nel <sup>2</sup>	–	–	–	–
P Lebina <sup>2</sup>	–	–	–	–
JA Holtzhausen	✓	✓	✓	✓

✓ Includes attendances through teleconference or video conference facilities

<sup>1</sup> Service concluded 31 October 2018

<sup>2</sup> EA Jeneker and TVBN Mnyango resigned from committee on 28 August 2019 and were replaced by P Lebina and JJ Nel on the grounds that their appointments would bode well for DRDGOLD, taking cognisance of their respective skills and expertise

### Remuneration and Nominations Committee

**Chairman (Nominations):** GC Campbell

**Chairman (Remuneration):** TVBN Mnyango (Appointed 28 August 2019)  
Previously EA Jeneker

**Other members:** EA Jeneker and P Lebina (Appointed 28 August 2019), J Holtzhausen resigned effective 28 August 2019

#### Purpose of the Remunerations Committee:

To assist the Board to ensure the Company remunerates directors and executives fairly and responsibly and the disclosure of directors and executive remuneration is accurate, complete and transparent.

**Purpose of the Nominations Committee:**  
To assist the Board to ensure that the Board has the appropriate composition to execute its duties effectively.

#### Roles and responsibilities of the Remunerations Committee:

- Determine and develop the Company's remuneration policy
- Determine the criteria necessary to measure the performance of executive directors
- Incentivise executive directors and senior management
- Oversee the general operation of the share option scheme or any other similar incentive schemes
- Apply the principles of good corporate governance and best practice in respect of remuneration matters

The committee has an obligation to offer competitive packages that will attract and retain executives of the highest calibre, and encourage and reward superior performance.

Industry surveys are provided for comparative purposes, and to assist the committee in the formulation of remuneration policies that are market related.

#### Roles and responsibilities of the Nominations Committee:

- Ensure the establishment of a formal process for the appointment of directors
- Ensure that inexperienced directors are developed through a mentorship programme
- Ensure that directors receive regular briefings on changes in risks, laws and the appropriate contribution
- Drive an annual process to evaluate the Board, Board committees and individual directors
- Ensure that formal succession plans for the board, chief executive officer and

senior management appointments are developed and implemented

### Evaluation

For the year under review, the Remuneration and Nominations Committee members were all satisfied with the overall functioning of the committee.

### Social and Ethics Committee

**Chairman:** EA Jeneker

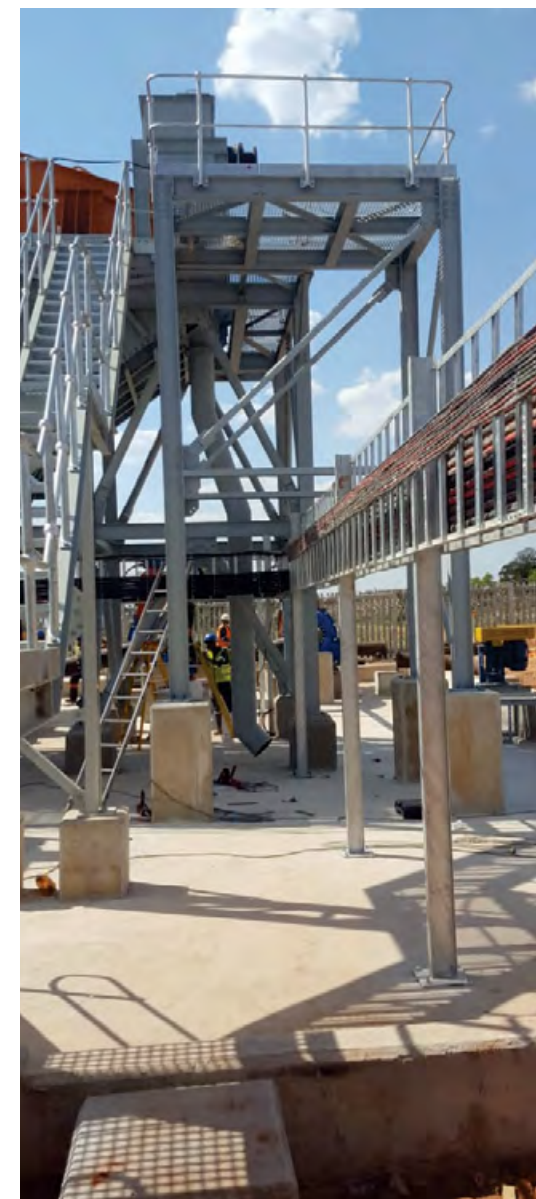
**Other members:** DJ Pretorius and TVBN Mnyango

#### Purpose of the committee:

The committee is tasked with the day to day operational sustainability of the business, to ensure the Company conducts its business in an ethical, responsible and properly governed manner and to have oversight for reviewing and/or developing policies, governance structures and practices for sustainability.

#### Roles and responsibilities:

- Promote transformation within the Group and economic empowerment of previously disadvantaged communities, particularly within the areas where the Group conducts business
- Strive towards achieving equality at all levels of the Group, as required by the South African Constitution and other legislation, taking into account the demographics of the country
- Conduct business in a manner that is conducive to the attainment of internationally acceptable environmental and sustainability standards



# CORPORATE GOVERNANCE CONTINUED

## Key activities include:

- To monitor the Group's activities with regard to the 10 principles set out in the United Nations Global Compact Principles and the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act 55 of 1998 and the Broad Based Black Economic Empowerment Act 53 of 2003
- Records of sponsorship, donations and charitable giving
- The environment, health and public safety, including the impact of the Group's activities and of its products or services
- Labour and employment
- Review and recommend the Group's Code of Ethics
- Review and recommend any corporate citizenship policies
- Review significant cases of employee conflicts of interests, misconduct or fraud, or any other unethical activity by employees of the Group

## Evaluation

For the financial year under review, the Social and Ethics Committee members were all satisfied with the overall functioning of the committee.

## ATTENDANCE BY MEMBERS AT SOCIAL AND ETHICS COMMITTEE MEETINGS HELD DURING FY2019

Director	24 Aug 2018	19 Oct 2018	8 Feb 2019	2 May 2019
EA Jeneker	✓	✓	✓	✓
DJ Pretorius	✓	✓	✓	✓
TVBN Mnyango	✓	✓	✓	✓



# REMUNERATION REPORT

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

## Chairman's letter

It is with pleasure that I present the annual remuneration report for 2019 on behalf of the Remuneration Committee and the Board of directors.

This report focuses on two sections: Part A focuses on remuneration governance and policy and Part B focuses on remuneration of Executive Directors, prescribed officers, senior management, and fees paid to Non-executive Directors.

During the past year, the Remuneration Committee has continued to review the Remuneration Policy to ensure alignment with the principles of King IV. DRDGOLD is committed to ensuring full compliance as King IV is implemented, and acknowledges that King IV is in line with best practice and governance standards.

With regard to remuneration, we have focused on aligning remuneration with performance as a key principle of DRDGOLD's Remuneration Policy and are proposing to refine or revise our incentive schemes from FY2020. The new scheme will be proposed at the AGM to be held on 2 December 2019. Remuneration comprises short-term and long-term incentives for executive management, prescribed officers and senior management,

based on agreed performance indicators that in turn are aligned with the short- and long-term goals and strategies of the Group. We believe that the Remuneration Policy has achieved its objectives.

In this challenging corporate environment, the actions of executive management are crucial for the success of the Company and for the benefit of shareholders, and all stakeholders. Specific successes in this regard, as mentioned in the report, relate to positive, free cashflow generation, stable operations resulting in increased gold production and lower costs per unit and also the successful acquisition of FWGR.

In the 2018 financial year, our Remuneration Policy received 82.37% Advisory Vote from our shareholders and our Implementation Report resolution received 99.83%. We recognise the challenges in regard to remuneration and acknowledge the feedback received from institutional shareholders and proxy advisors in the interests of good corporate governance and remuneration best practice.

**Toko Mnyango**

Chairman: Remuneration Committee  
24 October 2019

## Part A – Remuneration governance and policy

### Remuneration governance

The Remuneration and Nominations Committee consists of only independent Non-executive Directors and oversees DRDGOLD's Remuneration Policy, its implementation and ensuring remuneration best practice within the Group. The CEO and CFO are standing invitees to the meetings. They have no vote at the meetings and are not present when their remuneration is discussed. There were no deviations from the remuneration policy during the financial year. The Remuneration and Nominations Committee held four meetings during the financial year ending 30 June 2019 with attendance as follows:

Committee members	Meetings attended
Edmund Jeneker <sup>1</sup> (Chairman)	4/4
Geoffrey Campbell	4/4
James Turk <sup>2</sup>	2/4
Johan Holtzhausen	4/4

*All the members are independent Non-executive Directors*

<sup>1</sup> Resigned as Chairman of the committee on 28 August 2019 and replaced by Toko Mnyango

<sup>2</sup> J Turk ceased to hold office as a Non-executive Director with effect from 31 October 2018

## Remuneration policy

### Our remuneration policy is aligned with strategy

DRDGOLD is committed to remunerating fairly, responsibly and transparently in order to promote the achievement of strategic objectives and positive outcomes, and an opportunity to develop employees' careers resulting in rewards aligned with the attraction and retention of human capital. Our remuneration policy and practices are aligned with stakeholder interests.

While remuneration differentiation is based on objective and fair compensable factors, DRDGOLD pays equally for work of equal value. Remuneration is therefore fairly and equitably distributed within occupational levels. We will continue to ensure that competitive reward strategies are in place to facilitate the recruitment and retention of high-performing staff at all levels in support of good corporate governance and to safeguard stakeholders' interests. Each element of our remuneration structure is aligned with stakeholder value and appropriately linked to achieving our business strategy and goals.

### Non-executive remuneration

DRDGOLD focuses on rewarding Non-executive Directors fairly for their contribution to the performance of the Group. Non-executive Directors' fees are benchmarked annually against mining South African and non-South African industry non-executive director fees to ensure that they remain competitive. In addition, the complexity, scale and

locality of the Group's operations and the governance environment in which it functions are taken into account in order to ensure that candidates of the required experience and skill are sourced and retained for service on the board.

Non-executive Directors are paid fixed retainers made up of a base fee and committee fee.

In addition, Non-executive Directors are reimbursed for travel expenses on official business where necessary, as well as other direct business-related expenses. They do not participate in the short- or the long-term incentive schemes as participation could be seen to compromise their independence and the impartiality of their oversight role.

## Key elements of the remuneration policy

There are three main elements that make up DRDGOLD's reward approach, as follows:

### Reward element 1

#### Guaranteed pay – remuneration strategy

The guaranteed package is determined by the need to attract and retain the skills and competencies required in the organisation. Job grades, reflecting the level of responsibility and conceptual complexity of job roles, are established through the application of the Paterson methodology, which is used throughout the South African mining sector. In applying the above, benchmarking is measured annually by 21<sup>st</sup> Century to compare the fairness and



# REMUNERATION REPORT CONTINUED

market competitiveness of guaranteed packages at the different job levels. The board is satisfied that 21<sup>st</sup> Century are independent service providers.

During FY2019, we enlisted PricewaterhouseCoopers (PwC) to perform a benchmarking exercise on the remuneration of category 19 and above employees as well as the current short-term and long-term incentive schemes. The board is satisfied that PwC are independent service providers.

Benchmarking is based on South African national and industry companies. We believe these organisations are our competitors for sought-after skills, and therefore deemed to be a reasonable, relevant and defensible selection from which key skills could be gained or to whom key skills could be lost.

Within a range applicable to the job level, individual remuneration is decided with reference to compensable factors, which are neither arbitrary nor discriminatory in terms of the Employment Equity Regulations and the Employment Equity Act.

## Reward element 2

### Short-term incentive remuneration strategy













The CEO and CFO participate in an annual short-term incentive scheme. These payments are agreed and approved by the Remuneration Committee and are capped at 100% of their guaranteed

pay for on-target performance. Payments and awards in terms of this scheme are premised on two distinct components: the Group's ability to pay awards, considering its financial and operating performance, and the performance of the CEO and CFO, based on their individual key performance indicators (KPIs). KPIs are designed to reward performance in terms of short-term goals, most notably net free cash flow, production, costs, share price performance, internal controls over financial reporting, and safety and in terms of longer-term integrated sustainability goals, most notably resource optimisation, growth and strategic development, sustainability, environmental practice, risk management, resilience and social value. In terms of performance standards relating to, *inter alia*, safety and compliance, the incentive award is treated as a negative incentive, in the event of breaches or transgressions (in other words, it will cause the award, if any, to reduce).











In view of the fact that we pursue integrated or overlapping value creation, the Remuneration Committee does not allocate specific or fixed percentages to individual key performance areas or KPIs, electing instead to consider performance as a whole, determine which KPIs were met and which were not, and then determine an award which, in its view, is fair to both the Group and the individual.

In applying the above, the performance of the CEO and CFO was measured as follows:

### Short-term goals

Key performance indicator	Description	Measure	
		FY2019	FY2018
Net free cash flow	Free cash outflow of R14.7 million (after investment of R 330.7 million in FWGR) compared to free cash inflow of R93.4 million in FY2018		
Production	6% increase in gold produced compared to a 10% increase in gold produced in FY2018		
Costs	Both cash operating costs and all-in sustaining costs per kilogram increased, but contained in line with overall production		
Share price	Outperformed the index of gold stocks in FY2018, underperformed in FY2019		
Internal controls over financial reporting	No material non-compliance		
Safety	One fatality		

### Long-term goals

Key performance indicator	Description	Measure	
		FY2019	FY2018
Resource optimisation	Increase in Mineral Reserves by 82% resulting from acquisition of FWGR		
Growth and strategic development	FWGR reached date of commercial production before year end		
Sustainability	<ul style="list-style-type: none"> <li>Reduction in externally sourced potable water of 21%</li> <li>135.5ha land clearance certificates received for redevelopment</li> </ul>		
Environmental practice	Dust emissions stable at 0.65% of all samples taken through continuous vegetation and dust suppression		
Social value	<ul style="list-style-type: none"> <li>Poverty alleviation: urban farms established for more than 1 000 families</li> <li>Youth education: more than 900 learners at eight schools participating in mathematics, science and accountancy programmes</li> </ul>		



Achieved



Not achieved

# REMUNERATION REPORT CONTINUED

For the year ended 30 June 2019, the annual short-term incentive payment, as a percentage of guaranteed pay in respect of FY2019, was as follows:

- CEO: 75% (FY2018: 80%)
- CFO: 75% (FY2018: 80%)

## *Short-term incentive for senior management remuneration – strategy*

The short-term incentive for all employees in jobs graded 19 (Paterson DU) and above is measured by corporate performance against measures and modifiers in the business strategy. It is decided annually in advance and paid pro-rata to target short-term incentive measures and individual achievement against agreed goals (the performance rating in terms of the performance management system).

A pool-based incentive scheme, based on modified free cash flow, has been adopted because it drives a strong teamwork culture with all participants working primarily towards a single goal, maximising free cash flow which is an easy measure to understand, influence and maximise. Consistently increasing free cash flow should translate into an increasing share price, thereby aligning participant and shareholder interests.

To drive strategic initiatives, the short-term incentive pool is modified by up to 20% for isolated non-achievements of targets and up to 50% for systemic or repetitive non-compliance. The modifiers are approved in advance by the Remuneration Committee. These strategic initiatives and their

measures are assessed and approved by Exco at the beginning of each financial year to ensure that current strategies are driven in that year. These strategic modifiers and their weightings are communicated to participants at the beginning of each financial year to ensure understanding and compliance.

The Group performance measures for all senior employees were set out by the Remuneration Committee and the weightings for FY2019 are as follows:

- Environmental: 4%
- Safety: 4%
- Social development: 4%
- Labour development: 4%
- Transformation: 4%

A further modifier to the short-term incentive scheme for senior employees will reduce the cash pool by up to an additional 15% if certain production targets are not met. This provides flexibility between 96% and 100% of production budgets as indicated below:

- 0–95.99%: 15%
- 96–96.99%: 12%
- 97–97.99%: 9%
- 98–98.99%: 6%
- 99–99.99%: 0%

In addition, senior managers individual key performance ratings should meet the following criteria in order for the short-term incentive payment to be made:

- A: Rating 3 or more – 100% of the pro-rata pool allocation will be paid

- B: Rating 2 < 2.99 – only 25% of the pro-rata pool allocation will be paid
- C: Rating less than 2 – no allocation will be paid
- Short-term incentives for senior management are capped at 100% of their total guaranteed package

## *Governance and administration*

The Remuneration Committee has the authority to amend, in part or in its entirety, or withdraw the incentive scheme, at any time and will review the incentive scheme each year to ensure that the correct strategies of DRDGOLD are being driven by the incentive scheme.

Short-term incentive payments are made after DRDGOLD's provisional results have been signed off by the external auditors.

## *Current developments*

### *Changes to short-term incentive with effect from FY2020*

The short-term incentives for the CEO and CFO are determined by the Remuneration Committee holistically without allocating specific percentages to KPI's and thus in the past their short-term incentives do not form part of the cash flow-funded pool. In light of contemporary market practice which is to have uniform performance measures and a more integrated team-based approach to the short-term incentives of the management team, the short term incentives of both the CEO and CFO will be funded from a cash flow-funded pool. It will however be subject to further adjustments, upwards or downwards, which may be applied by

the Remuneration Committee at their discretion with reference to the following considerations:

- If compelling, exceptional and objective circumstances warrant such application of discretion
- To ensure that the short-term incentive amounts awarded are balanced and equitable

With effect from FY2020, a portion of up to 40% (at the discretion of the Remuneration Committee) of the CEO and CFO short-term incentive amounts may be awarded in deferred bonus shares, that will vest as follows:

- 50% after 9 months
- 50% after 18 months

The deferred bonus shares carry dividend rights that will vest/be released upon

vesting of the shares to which they relate. The vesting of deferred bonus shares is subject to service conditions.

In order to both appropriately penalise and reward production performance (compared to budget) and in matters over which management has direct control, the production modifier to the cash pool has been amended to be both penal as well as rewarding as indicated below:

- 0 to < 93%: -10%
- 93 to < 97%: -5%
- 97 to < 103%: 0%
- 103 to < 107%: +5%
- ≥ 107: +10%

In order to focus the Company's performance management system on improving performance and not only moderating



# REMUNERATION REPORT CONTINUED

short-term incentive benefits, adjustments have been made in order for the short-term incentive payment to be made:

- A: Rating 3 or more – 100% of the pro-rata pool allocation will be paid
- B: Rating 2.75 to < 3 – only 80% of the pro-rata pool allocation will be paid
- C: Rating of 2.5 to < 2.75 – only 60% of the pro-rata pool allocation will be paid
- D: Rating of 2.25 to < 2.5 – only 40% of the pro-rata pool allocation will be paid
- E: Rating of 2 to < 2.25 – only 20% of the pro-rata pool allocation will be paid
- F: Rating less than 2 – no allocation will be paid

Short-term incentives for senior management remain capped at 100% of their total guaranteed package.

In order to enforce DRDGOLD's commitment to safety and the protection and preservation of life of all our employees, a moderator has been introduced in terms of which the cash pool may be moderated in the event of the occurrence of work-related fatal accidents, as follows:

- Up to 25% per fatality, depending on the degree of culpability of the Company, as assessed by the Remuneration Committee and
- Fatality/ies that result from a breakdown in or disregard for a safety culture, may at the discretion of the Remuneration Committee's result in the pool being modified by up to 100% down to 0%.

When the short-term incentive scheme was implemented in 2015, it allowed for a discretionary element in terms of which up to 10% of the cash pool could be distributed to individual participants based on exceptional performance. This has been revised given the variables over which individuals exercise limited control and this feature of a 10% discretionary element is being re-introduced into the short-term incentive scheme with effect from FY2020.

## Reward element 3

### *Long-term incentive for key executives and senior management remuneration strategy*

Long-term incentives are designed to retain key staff and allow for an opportunity to earn rewards determined with reference to the share price performance of the Group through so-called "phantom" shares. It is indirectly the shareholders' reward of key executives and senior management staff through the value the market places on the DRDGOLD shares.

On 4 November 2015, the 2012 share-option scheme was substituted by a simplified phantom share scheme aimed primarily at retaining key executives and senior members of management. Provided that, over the period during which the benefits in terms of this scheme vest, participants are substantially in compliance with their key duties, a retention benefit calculated with reference to the share price performance of DRDGOLD will become payable to the participating members on certain fixed dates. When vesting, these

awards are paid using the 7-day Volume weighted average price (VWAP) of the DRDGOLD share price on the JSE for the seven days preceding the date of the award.

In line with King IV recommendations, vesting of the phantom shares is measured over the three, four and five-year vesting periods subject to individual performance and service conditions. The scheme has a finite term of five years hence no top-up awards are made when the shares vest. In order for individuals to receive a settlement payment of vested phantom shares, they are required to be in active service and not under notice of resignation at the settlement payment date in order to receive such settlement payments.

The service conditions are as follows:

- **Dismissal and resignation** – all shares forfeited
- **Retrenchment and retirement** – Remco has discretion to allow vesting and payment of shares that would vest in the 12 months following the last day of service
- **Death** – Remco has discretion to allow vesting and payment to the estate for shares that would vest in the 12 months following the date of death

The fair value of the awards is mostly influenced by the 7 day VWAP of the DRDGOLD share price and the annualised forward dividend yield, which were estimated to be R4.37 and 4.3% at 30 June 2019 respectively. The fair value at grant date was determined using a R2.26 VWAP and a 4.3% dividend yield.

## *Executive management*

In terms of the revised phantom share scheme, executive management which comprises of the CEO, CFO, Operations Director and Group Legal Counsel and Company Secretary will receive the following long-term retention awards (as shown in the following table), being the equivalent value of DRDGOLD shares, as at the vesting date, each year:

	November 2019	November 2020
	Number	Number
CEO	464 602	696 903
CFO	261 007	391 510
Operations Director	261 007	391 510
Group Legal Counsel and Company Secretary <sup>1</sup>	228 938	398 230

<sup>1</sup> Reneiloe Masemane resigned effective 30 September 2019 and therefore forfeited all the awards outstanding on that date

## *Senior management*

An allocation of 16 899 966 phantom shares were made to senior management on 4 November 2015. The allocation of shares is as per the rules of the revised phantom share scheme, which are the same as the rules for the CFO and CEO as mentioned above.

The Remuneration Committee has the authority to amend, in part or in its entirety, or withdraw the long-term incentive scheme at any time.

The Remuneration Committee reviews the incentive scheme each year in order to ensure that the strategies of DRDGOLD are being driven by the incentive scheme.

## *Current developments*

The current long-term phantom share scheme has a finite life and comes to an end next year with the final vesting occurring in FY2020. A new long-term incentive scheme will be implemented, subject to approval by shareholders at this year's AGM on 30 November 2019. The features of the new long-term incentive scheme are designed to follow contemporary trends in executive remuneration and the rules of good governance. Its terms were decided following a benchmarking exercise by PwC and after further consultation with 21st Century. The essence of the scheme are as follows:

- A. Participants in the scheme will be incentivised by way of DRDGOLD equity in the form of Full Value Conditional shares



# REMUNERATION REPORT CONTINUED

B. Annual awards of Conditional Shares will be made, in two forms:

- 80% of the award will be in Performance Shares
- 20% of the award will be in Retention Shares

C. The target award value will be referenced to a market-related quantity of shares per level, and will be adjusted based upon individual performance as follows:

Individual rating	% of target value awarded
< 2.75	0
2.75 to < 3.00	50
3.0 to < 3.75	100
3.75 to < 4.5	133.33
4.5 to < 5.0	166.67
5.0	200

D. Conditional Shares will vest three years after the award date. The scheme also makes provision for 50% of the awards proposed to be made in calendar year 2019 to vest in calendar year 2021 (being 2 years after the award date) and the remaining 50% to vest in 2022 (being 3 years after the award date).

E. Performance Shares (80%) will vest subject to service and performance conditions as follows:

- DRDGOLD's Total Shareholder Return (TSR) over the three-year vesting period exceeding DRDGOLD's Weighted Average Cost of Capital – if achieved, 40% of the Conditional Shares awarded will vest

- DRDGOLD's TSR over the three-year vesting period compared to a comparator peer group, as follows:

Percentile of peers	% of Conditional Shares vesting
< 25th percentile	0
25th to < 50th percentile	10
50th to < 75th percentile	30
≥ 75th percentile	40

F. Retention Shares (20%) will vest subject to:

- Attaining a threshold individual performance rating over the three-year vesting period and
- The participant being in active service and not under notice of resignation at the settlement date

## Executive employment contracts

Executive Directors have minimum term employment contracts with DRDGOLD. Following expiry, such minimum period service agreements may be terminated upon notice of up to three months, provided that such termination is otherwise substantively and procedurally fair. Other than accumulated retrenchment entitlements, there are no lump sum payments on termination, loss of office awards, or automatic entitlement to short- and long-term incentives other than in terms of the Group's approved incentive plans.

Non-executive Director's role	Annual retainer Rand fee
Chairperson of the Board <sup>1</sup>	1 388 518
Lead independent director <sup>1</sup>	640 261
Board member <sup>1</sup>	617 119
Audit and Risk Committee Chairperson <sup>2</sup>	30 856
Audit and Risk Committee member	30 856
Remuneration and Nominations Chairperson <sup>2</sup>	23 142
Remuneration and Nominations member	23 142
Social and Ethics Chairperson <sup>2</sup>	23 142
Social and Ethics member	23 142

<sup>1</sup> The Chairman of the Board, lead independent Director and other Non-executive Directors receive committee fees

<sup>2</sup> The Chairman of the sub-committees receive fees as both Chairman and member

## NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY

In line with King IV, the remuneration policy and implementation are tabled for separate non-binding advisory votes by the shareholders at the DRDGOLD AGM.

DRDGOLD welcomes feedback from shareholders and, will seek to obtain support of at least 75% of shareholders present and voting support for the remuneration policy. In the event that this is not achieved at the AGM, we would welcome the opportunity to discuss this outcome with shareholders and would invite shareholders to forward their reasons or concerns in writing. DRDGOLD will then arrange for further engagement in this regard.

Fees for Non-executive Directors are considered annually and there were no increases between FY2015 and FY2017. On 30 November 2017, a 6% increase effective from 1 December 2017 was approved at the AGM. No fee increases are proposed for the 2019 AGM.

Ad-hoc work rates	Rand fees
Daily fee	23 142
Hourly rate	3 086
Half-day fee for participating by telephone in special board meetings	11 571

## Part B: Implementation report of remuneration policy for FY2019

### Total guaranteed pay outcomes

	Movement	2019	2018
Executive Directors	%	R'000	R'000
CEO	6.0	6 223	5 871
CFO	6.0	3 496	3 298
Operations director	6.0	3 496	3 298
Group Legal Counsel and Company Secretary	6.0	2 143	2 022
		2019	2018
Average salary increases	%	%	%
Prescribed officers (July each year)		6	6
Senior management (January each year)		6	6
Middle and junior management (July each year)		8.2	8.2
Unionised and non-unionised (July each year)		8.2	8.2
Consumer price Index		4.5	4.6

# REMUNERATION REPORT CONTINUED

## Total remuneration

### Directors' and prescribed officers' emoluments

Amounts R'000	2019			
Directors/prescribed officers	Total remuneration paid during the year <sup>1</sup>	Short-term incentives related to this cycle	Long-term incentives paid in this cycle	Total remuneration related to this cycle
<b>Executive Directors</b>				
DJ Pretorius	6 481	4 668	1 777	12 926
AJ Davel	3 669	2 622	998	7 289
	<b>10 150</b>	<b>7 290</b>	<b>2 775</b>	<b>20 215</b>
<b>Non-executive Directors</b>				
GC Campbell	1 514	–	–	1 514
J Holtzhausen	702	–	–	702
EA Jeneker	916	–	–	916
KP Lebina	104	–	–	104
TVBN Mnyango	690	–	–	690
JJ Nel	377	–	–	377
J Turk (ceased to hold office 31 October 2018)	280	–	–	280
<b>Total</b>	<b>4 583</b>	<b>–</b>	<b>–</b>	<b>4 583</b>
<b>Prescribed officers</b>				
WJ Schoeman	3 479	2 565	998	7 042
R Masemene	2 478	1 186	609	4 273
<b>Total</b>	<b>5 957</b>	<b>3 751</b>	<b>1 607</b>	<b>11 315</b>
<b>Grand Total</b>	<b>20 690</b>	<b>11 041</b>	<b>4 382</b>	<b>36 113</b>

Amounts R'000	2018			
Directors/prescribed officers	Total remuneration paid during the year <sup>1</sup>	Short-term incentives related to this cycle	Long-term incentives paid in this cycle	Total remuneration related to this cycle
<b>Executive Directors</b>				
DJ Pretorius	6 104	4 697	–	10 801
AJ Davel	3 429	2 639	250	6 318
	<b>9 533</b>	<b>7 336</b>	<b>250</b>	<b>17 119</b>
<b>Non-executive Directors</b>				
GC Campbell	1 446	–	–	1 446
J Turk	655	–	–	655
EA Jeneker	805	–	–	805
J Holtzhausen	718	–	–	718
TVBN Mnyango	651	–	–	651
<b>Total</b>	<b>4 275</b>	<b>–</b>	<b>–</b>	<b>4 275</b>
<b>Prescribed officers</b>				
WJ Schoeman	3 308	2 013	250	5 571
R Masemene	2 402	808	124	3 334
<b>Total</b>	<b>5 710</b>	<b>2 821</b>	<b>374</b>	<b>8 905</b>
<b>Grand Total</b>	<b>19 518</b>	<b>10 157</b>	<b>624</b>	<b>30 299</b>

<sup>1</sup> Total remuneration paid during the year includes encashed leave

# REMUNERATION REPORT CONTINUED

## DRDGOLD phantom share scheme

2019							
Directors/prescribed officers	Opening balance Number	Granted Number	Vested Number	Proceeds R	Average exercise price R/share	Forfeited/lapsed Number	Closing balance Number
<b>Executive Directors</b>							
DJ Pretorius	2 323 009	–	(464 602)	1 777 065	3.82	–	1 858 407
AJ Davel	1 305 033	–	(261 007)	998 331	3.82	–	1 044 026
	3 628 042	–	(725 609)	2 775 396		–	2 902 433
<b>Prescribed officers</b>							
WJ Schoeman	1 305 033	–	(261 007)	998 331	3.82	–	1 044 026
R Masemene	796 460	–	(159 292)	609 279	3.82	–	637 168
	<b>2 101 493</b>	–	<b>(420 299)</b>	<b>1 607 610</b>		–	<b>1 681 194</b>
<b>Total</b>	<b>5 729 535</b>	–	<b>(1 145 908)</b>	<b>4 383 006</b>		–	<b>4 583 627</b>

### Directors' service contracts

Service contracts have been concluded with executive directors as well as the Non-executive Directors. Contracts with the Executive Directors are minimum-term contracts (the Group undertakes not to terminate service before a fixed date, after which it continues indefinitely), whereas agreements with Non-executive Directors are fixed-term contracts (they expire unless expressly renewed). Details of the service contracts are set out in the following table.

The Directors had no conflicting interests during the year under review and up to the date of issue of the AFS.

Director	Title	Year first appointed	Unexpired term of service contract as at 30 June 2019
DJ Pretorius <sup>1</sup>	Chief Executive Officer	2008	0 months
AJ Davel <sup>1</sup>	Chief Financial Officer	2015	0 months
GC Campbell	Non-executive Chairman	2002	4 months
J Turk <sup>2</sup>	Non-executive Director	2004	0 months
J Holtzhausen	Non-executive Director	2014	10 months
EA Jeneke	Non-executive Director	2007	4 months
TVBN Mnyango	Non-executive Director	2016	17 months
KP Lebina	Non-executive Director	2019	22 months
J Nel	Non-executive Director	2018	17 months

<sup>1</sup> AJ Davel and DJ Pretorius contracts renewed for further minimum three years with effect 1 July 2019

<sup>2</sup> J Turk ceased to hold office as Non-executive Director with effect 31 October 2018





SECTION

# 5



## OTHER INFORMATION



# REPORTING IN LINE WITH GRI STANDARDS

The GRI's Sustainability Reporting Standards (core compliance) and their Mining Sector Supplement were adopted as the basis for DRDGOLD's Annual Integrated Report 2019.

KPMG has provided limited assurance (LA) on selected information – see the Independent assurance statement on pages 93-94.

GRI standard	Disclosure number	Disclosure title	Section and page
<b>GENERAL DISCLOSURES</b>			
<b>Organisational profile</b>	102-1	Name of the organisation	Throughout the report
	102-2	Activities, brands, products, and services	What we do: 18
	102-3	Location of headquarters	Administration and contact details: 95
	102-4	Location of operations	Where we operate: 17
	102-5	Ownership and legal form	What we do: 18
	102-6	Markets served	What we do: 18
	102-7	Scale of the organisation	Who we are: 15 Where we operate: 17 Financial performance: 8-12
	102-8	Information on employees and other workers	Employee relations: 42
	102-9	Supply chain	Social value-add: 49
	102-10	Significant changes to the organisation and its supply chain	Delivering on our strategy: 35
	102-11	Precautionary Principle or approach	Environmental value-add: 52
	102-12	External initiatives	About this report: 4 Our operating environment: 24
	102-13	Membership of associations	About this report: 4 Our operating environment: 24
<b>Strategy</b>	102-14	Statement from senior decision-maker	CEO's review: 6-7
	102-15	Key impacts, risks, and opportunities	Risks and mitigations: 28-31
<b>Ethics and integrity</b>	102-16	Values, principles, standards, and norms of behaviour	Corporate governance: 68

GRI standard	Disclosure number	Disclosure title	Section and page
<b>Governance</b>	102-17	Mechanisms for advice and concerns about ethics	Corporate governance: 68
	102-18	Governance structure	Corporate governance: 69
	102-19	Delegating authority	Corporate governance: 69
	102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate governance: 69
	102-21	Consulting stakeholders on economic, environmental, and social topics	Our stakeholder groups: 33-34
	102-22	Composition of the highest governance body and its committees	Board composition: 70-71
	102-23	Chair of the highest governance body	Corporate governance: 73
	102-24	Nominating and selecting the highest governance body	Board composition: 70-71
	102-25	Conflicts of interest	Board composition: 70-71
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance: 69-73
	102-27	Collective knowledge of highest governance body	Directors and management: 66-69
	102-28	Evaluating the highest governance body's performance	Corporate governance: 74-77
	102-29	Identifying and managing economic, environmental, and social impacts	Social and ethics committee: 76-77
	102-30	Effectiveness of risk management processes	Risks and mitigations: 28-31
	102-31	Review of economic, environmental, and social topics	Social and ethics committee: 76-77
	102-32	Highest governance body's role in sustainability reporting	Social and ethics committee: 76-77
	102-33	Communicating critical concerns	Our stakeholder groups: 33-34
	102-34	Nature and total number of critical concerns	Our stakeholder groups: 33-34
	102-35	Remuneration policies	Remuneration report: 78-84

# REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
	102-36	Process for determining remuneration	Remuneration report: 78-84
	102-37	Stakeholders' involvement in remuneration	Remuneration report: 78-84
	102-38	Annual total compensation ratio	Remuneration report: 78-84
	102-39	Percentage increase in annual total compensation ratio	Remuneration report: 78-84
Stakeholder engagement	102-40	List of stakeholder groups	Our stakeholder groups: 33-34
	102-41	Collective bargaining agreements	Employee relations: 44-45
	102-42	Identifying and selecting stakeholders	About this report: 4 Our stakeholder groups: 33-34
	102-43	Approach to stakeholder engagement	Our stakeholder groups: 33-34
Reporting practice	102-44	Key topics and concerns raised	Our stakeholder groups: 33-34
	102-45	Entities included in the consolidated financial statements	About this report: 4
	102-46	Defining report content and topic boundaries	About this report: 4
	102-47	List of material topics	About this report: 4 Our stakeholder groups: 33-34
	102-48	Restatements of information	None
	102-49	Changes in reporting	About this report: 4
	102-50	Reporting period	About this report: 4
	102-51	Date of most recent report	About this report: 4
	102-52	Reporting cycle	About this report: 4
	102-53	Contact point for questions regarding the report	About this report: 4
	102-54	Claims of reporting in accordance with the GRI Standards	About this report: 4
	102-55	GRI content index	Reporting in line with GRI Standards: 86-90
	102-56	External assurance	Independent assurance statement: 91-92

GRI standard	Disclosure number	Disclosure title	Section and page
MANAGEMENT APPROACH			
	103-1	Explanation of the material topic and its boundary	Our stakeholder groups: 33-34 Throughout this report
	103-2	The management approach and its components	Our stakeholder groups: 33-34 Throughout this report
	103-3	Evaluation of the management approach	Our stakeholder groups: 33-34 Throughout this report
ECONOMIC PERFORMANCE			
Economic performance	201-1	Direct economic value generated and distributed	Value creation and distribution: 21
	201-2	Financial implications and other risks and opportunities due to climate change	Our operating environment: 26 Risks and mitigations: 31 Environmental value-add: 56
	201-3	Defined benefit plan obligations and other retirement plans	Remuneration report: 78-84
	201-4	Financial assistance received from government	None
Market presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Remuneration: 45 Remuneration policy: 78
	202-2	Proportion of senior management hired from the local community	None
Indirect economic impacts	203-1	Infrastructure investments and services supported	Our business model: 20 Far West Gold Recoveries: 39-41 Social value-add: 49-51
	203-2	Significant indirect economic impacts	Social value-add: 49-51
Procurement practices	204-1	Proportion of spending on local suppliers	Value added statement: 21 Social licence to operate: 49
Anti-corruption	205-1	Operations assessed for risks related to corruption	Corporate governance: 68
	205-2	Communication and training about anti-corruption policies and procedures	Corporate governance: 68



# REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
	205-3	Confirmed incidents of corruption and actions taken	Corporate governance: 68
<b>Anti-competitive behaviour</b>	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Corporate governance: 68
<b>ENVIRONMENTAL PERFORMANCE</b>			
<b>Materials</b>	301-1	Materials used by weight or volume	Primary reagents: 57
	301-2	Recycled input materials used	Environmental value-add: 53-54
	301-3	Reclaimed products and their packaging materials	Operational performance: 37-38 Far West Gold Recoveries: 39-41
<b>Energy</b>	302-1	Energy consumption within the organisation	Energy consumption: 56
	302-2	Energy consumption outside of the organisation	Energy consumption: 56
	302-3	Energy intensity	Energy consumption: 56
	302-4	Reduction of energy consumption	Energy consumption: 56
	302-5	Reductions in energy requirements of products and services	Energy consumption: 56
<b>Water</b>	303-1	Water withdrawal by source	Environmental value-add: 53-54
	303-2	Water sources significantly affected by withdrawal of water	Environmental value-add: 53-54
	303-3	Water recycled and reused	Environmental value-add: 53-54
<b>Biodiversity</b>	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental value-add: 52-57
	304-2	Significant impacts of activities, products, and services on biodiversity	Environmental value-add: 52-57
	304-3	Habitats protected or restored	Rehabilitation: 55-56
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None

GRI standard	Disclosure number	Disclosure title	Section and page
	MM1	Amount of land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated	Rehabilitation: 55-56
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Rehabilitation: 55-56
<b>Emissions</b>	305-1	Direct (Scope 1) GHG emissions	Energy consumption: 56
	305-2	Energy indirect (Scope 2) GHG emissions	Energy consumption: 56
	305-3	Other indirect (Scope 3) GHG emissions	Energy consumption: 56
	305-4	GHG emissions intensity	Energy consumption: 56
	305-5	Reduction of GHG emissions	Energy consumption: 56
	305-6	Emissions of ozone-depleting substances (ODS)	None
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Energy consumption: 56
<b>Effluents and waste</b>	306-1	Water discharge by quality and destination	Far West Gold Recoveries: 41 Environmental value-add: 53-54
	306-2	Waste by type and disposal method	Environmental value-add: 53-54
	306-3	Significant spills	None Corporate governance: 68
	306-4	Transport of hazardous waste	Environmental value-add: 52-57
	306-5	Water bodies affected by water discharges and/or runoff	Environmental value-add: 53-54
	MM3	Total amounts of overburden, rock, tailings and sludges, and their associated risks	Far West Gold Recoveries: 41 Environmental value-add: 53-54
<b>Environmental compliance</b>	307-1	Non-compliance with environmental laws and regulations	Corporate governance: 68 None

# REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
	MM10	Number and percentage of operations with closure plans	Rehabilitation: 55-56
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	None
	308-2	Negative environmental impacts in the supply chain and actions taken	Corporate governance: 68 None
<b>SOCIAL PERFORMANCE</b>			
Employment	401-1	New employee hires and employee turnover	Recruitment: 44
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration: 45 Remuneration policy: 78
Labour/ management relations	402-1	Minimum notice periods regarding operational changes	Employee engagement: 43
	MM4	Number of strikes and lockouts exceeding one week's duration by country	Remuneration: 45 None
Occupational health and safety	403-1	Workers representation in formal joint management-worker health and safety committees	Health and safety review: 47
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and safety review: 47-48
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and safety review: 48
	403-4	Health and safety topics covered in formal agreements with trade unions	Our stakeholder groups: 33-34
Training and education	404-1	Average hours of training per year per employee	Employee relations: 43

GRI standard	Disclosure number	Disclosure title	Section and page
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee relations: 43
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee relations: 43
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Board composition: 72-73 Employee relations: 44
	405-2	Ratio of basic salary and remuneration of women to men	Remuneration report: 78
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	None
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	None
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	None
Security practices	410-1	Security personnel trained in human rights policies or procedures	None
Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	None
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	None Employee relations: 44
	412-2	Employee training on human rights policies or procedures	None

# REPORTING IN LINE WITH GRI STANDARDS CONTINUED

GRI standard	Disclosure number	Disclosure title	Section and page
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	None
Local communities	413-1	Operations with local community engagement, impact assessments, and development programmes	Social value-add: 49-51
	413-2	Operations with significant actual and potential negative impacts on local communities	Environmental value-add: 52-57 Throughout the report
	MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	None
Supplier social assessment	414-1	New suppliers that were screened using social criteria	None
	414-2	Negative social impacts in the supply chain and actions taken	None

GRI standard	Disclosure number	Disclosure title	Section and page
Public policy	415-1	Political contributions	None
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	Not material
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
Marketing and labelling	417-1	Requirements for product and service information and labelling	Not material
	417-2	Incidents of non-compliance concerning product and service information and labelling	None
	417-3	Incidents of non-compliance concerning marketing communications	None
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	None Corporate governance: 68





# INDEPENDENT ASSURANCE STATEMENT



## Independent Assurance Provider's Limited Assurance Report on Selected Sustainability Key Performance Indicators

### To the Directors of DRDGOLD Limited

We have undertaken a limited assurance engagement on selected sustainability key performance indicators ("KPIs"), as described below, and presented in the 2019 Annual Integrated Report of DRDGOLD Limited ("DRDGOLD") for the year ended 30 June 2019 ("the Report"). This engagement was conducted by a multidisciplinary team including social, environmental, carbon and assurance specialists with relevant experience in sustainability reporting.

### Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the selected KPIs set out in Table 1 below, which are marked with a 'LA' on the relevant pages in the Report. The selected sustainability KPIs described below have been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines, supported by DRDGOLD's internally developed guidelines (collectively referred to as "DRDGOLD's reporting criteria").

**Table 1: Scope of the KPIs prepared for the 2019 reporting period**

Category	Selected Sustainability KPIs	Coverage / Reporting Boundary
Natural Capital	Total water used	Ergo Mining (Pty) Ltd
	Potable water sourced externally	
	Electricity consumption	
	Diesel consumption	
	Natural gas consumption	
	Scope 1 CO <sub>2</sub> e emissions	
	Scope 2 CO <sub>2</sub> e emissions	
	Total CO <sub>2</sub> e emissions	
	Total dust exceedances	
	Cyanide consumption	
Human Capital	Fatalities	Ergo Mining (Pty) Ltd
	Lost Time Injury Frequency Rate ("LTIFR")	
	Reportable Injury Frequency Rate ("RIFR")	
Social Capital	Rand value spent on socio-economic development projects ("Total socio-economic development spend")	DRDGOLD Limited
Financial Capital	Total economic value distributed and value distributed to employees – salaries, wages and other benefits	DRDGOLD Limited

## Directors' Responsibilities

The directors are responsible for the selection, preparation and presentation of the selected sustainability KPIs in accordance with DRDGOLD's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability KPIs and for ensuring that those criteria are publicly available to the Report users.

## Inherent Limitations

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

KPMG Services Proprietary Limited applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and the carbon emission assurance portion of our engagement in accordance with the International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410")*, issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability KPIs are free from material misstatement.

# INDEPENDENT ASSURANCE STATEMENT CONTINUED



A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of DRDGOLD's use of its reporting criteria as the basis of preparation for the selected sustainability KPIs, assessing the risks of material misstatement of the selected sustainability KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability KPIs.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management in our interviews;
- Conducted interviews with relevant key personnel and data owners to understand data collection and report preparation processes, as well as the associated key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Corroborated certain sustainability KPIs with information included in the audited financial statements;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability KPIs;
- Undertook site visits to Ergo, which was the central site, to complete the above mentioned procedures; and
- Evaluated whether the selected sustainability KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at DRDGOLD.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether DRDGOLD's selected sustainability KPIs have been prepared, in all material respects, in accordance with DRDGOLD's reporting criteria.

## Limited Assurance Conclusion

Based on the procedures we have performed and evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability KPIs, as set out in Table 1 in the subject matter section above are not prepared, in all material respects, in accordance with DRDGOLD's reporting criteria.

## Other Matter

The maintenance and integrity of the DRDGOLD website is the responsibility of DRDGOLD's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of presentation on the DRDGOLD website.

## Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability KPIs to the Directors of DRDGOLD in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than DRDGOLD, for our work, for this report, or for the conclusion we have reached.

## KPMG Services Proprietary Limited

Per P Lalla  
Chartered Accountant (SA)  
Director

KPMG Crescent  
85 Empire Road  
Parktown  
Johannesburg  
2193

31 October 2019

# GLOSSARY OF TERMS AND ABBREVIATIONS

Abbreviation	Description	Abbreviation	Description
AFS	Annual Financial Statements	EMP	Environmental management plan
AGM	Annual general meeting	Ergo	Ergo Mining Proprietary Limited, an operating company owned by DRDGOLD, which includes the City Deep, Knights and Brakpan sites from 3 July 2012
AISC	All-in sustaining costs	ERPM	East Rand Proprietary Mines Limited, wholly-owned by DRDGOLD and the subject of a sale of its underground mineral and prospecting rights
AMCU	Association of Mineworkers and Construction Union	ERM	Enterprise-wide risk management
AMD	Acid mine drainage	FWGR	Far West Gold Recoveries Proprietary Limited, an operating company owned by DRDGOLD acquired on 31 July 2018. Includes sites in the Carltonville area of Gauteng
BBBEE	Broad-Based Black Economic Empowerment	GHG	Greenhouse gas emissions
BEE Act	Broad-Based Economic Empowerment Act	GRI	Global Reporting Initiative
CEO/CFO	Chief Executive Officer/Chief Financial Officer	HDP	historically disadvantaged people
CIL	Carbon in leach: a process for extracting gold from slurry material	HDSA	Historically disadvantaged South African
Competent Person	The SAMREC Code defines a competent person as a person who is registered with any one of the following: South African Council for Natural Scientific Professions, Engineering Council of South Africa, The South African Council for Professional Land Surveyors and Technical Surveys or any other statutory South African or international body recognised by SAMREC. A competent person should have a minimum of five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking	IFRS	International Financial Reporting Standards
cps	Cents per share	IIRC	International Integrated Reporting Council
CSI	Corporate social investment	IWUL	Integrated water use licence
Db(A)	Decibel	JSE	Johannesburg Stock Exchange Limited
DMR	Department of Mineral Resources	KPI	Key performance indicator
DRDGOLD	DRDGOLD Limited	KPMG Inc	External auditors for DRDGOLD
DP2	Driefontein plant 2	KPMG Services Proprietary Limited	Independent Assurance provider for selected sustainability key performance indicators in this report
DWS	Department of Water and Sanitation	LA	Limited assurance
EBDA	Ergo Business Development Academy NPC	LoM	Life-of-mine. Number of years that the operation is planning to mine and treat gold bearing material, taken from the current mine plan
EBITDA	Earnings before interest, taxes, depreciation and amortisation	LED	Local economic development
ECSA	Engineering Council of South Africa	LTIFR	Lost time injury frequency rate
EMO	Ergo Mining Operations Proprietary Limited (subsidiary of DRDGOLD)		



# GLOSSARY OF TERMS AND ABBREVIATIONS CONTINUED

Abbreviation	Description
<b>Metallurgical plant</b>	Processing plant used to treat gold bearing material and extract the contained metals
<b>Mineral Reserve</b>	A mineral reserve is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral reserves are subdivided in order of increasing confidence into probable mineral reserves and proved mineral reserves
<b>Mineral Resource</b>	A mineral resource is a concentration (or occurrence) of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories
<b>Mining Charter</b>	The Broad-based Socio-economic Empowerment Charter for the South African Mining Industry developed in terms of Section 100 of the Mineral and Petroleum Resources Development Act of 2002, to set the framework, targets and timetable for effecting the entry of HDSAs into the mining industry
<b>MOI</b>	Memorandum of Incorporation
<b>Moz</b>	Million ounces
<b>MPRDA</b>	Mining and Petroleum Resources Development Act 28 of 2002
<b>NEMA</b>	National Environmental Management Act
<b>NNR</b>	National Nuclear Regulator
<b>NGO</b>	Non-governmental organisation
<b>NIHL</b>	Noise-induced hearing loss
<b>NOM</b>	Notice of meeting
<b>NOx</b>	Nitrogen oxides
<b>NUM</b>	National Union of Mineworkers, a labour union
<b>NYSE</b>	New York Stock Exchange

Abbreviation	Description
<b>Orotree</b>	OroTree Limited
<b>Ounce/oz</b>	One troy ounce which equals 32.1507 grams
<b>Rand Refinery</b>	Rand Refinery Proprietary Limited
<b>RCF</b>	Revolving Credit Facility secured with ABSA Bank Limited (Acting through its corporate and Investment Banking division)
<b>Rehabilitation</b>	The process of restoring mined land to allow appropriate post-mining usage. Rehabilitation standards are determined and audited by the Department of Mineral Resources and address ground and surface water, topsoil, final slope gradients, waste handling and revegetation issues
<b>RIFR</b>	Reportable injury frequency rate
<b>RTSF</b>	Regional Tailings Storage Facility
<b>PwC</b>	PricewaterhouseCoopers
<b>SACG</b>	South African Council of Geomatics
<b>SACNASP</b>	South African Council for Natural Scientific Professions
<b>SAIMM</b>	Southern African Institute of Mining and Metallurgy
<b>SAMREC Code</b>	The South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, including the guidelines contained therein
<b>SEC</b>	United States Securities and Exchange Commission
<b>SED</b>	Social economic development
<b>SENS</b>	Stock Exchange News Service
<b>SLP</b>	Social and labour plan
<b>SOx</b>	Sulphur oxides
<b>TCTA</b>	Trans-Caledon Tunnel Authority
<b>Tailings</b>	Finely ground rock from which valuable minerals have been extracted, may still include mineral particles
<b>TSF</b>	Tailings storage facility
<b>TSR</b>	Total Shareholder Return
<b>Tailings dam</b>	Dams or dumps created from residue after the economically recoverable metal has been extracted from tailings material, also known as tailings deposition sites/facilities
<b>TCTA</b>	Trans-Caledon Tunnel Authority
<b>UASA</b>	UASA – The Union, formerly the United Association of South Africa, a labour union

# ADMINISTRATION AND CONTACT DETAILS

## OFFICES

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## DIRECTORS

### Geoff Campbell\*

Independent Non-executive Chairman <sup>2#</sup>

### Niël Pretorius

Chief Executive Officer <sup>3</sup>

### Riaan Davel

Chief Financial Officer

### Johan Holtzhausen

Independent Non-executive Director <sup>1#</sup>

### Edmund Jeneker

Independent Non-executive Director <sup>2,3#</sup>

### Jean Nel

Independent Non-executive Director <sup>1</sup>

### Prudence Lebina

Independent Non-executive Director <sup>1,2</sup>

### Toko Mnyango

Independent Non-executive Director <sup>2#,3</sup>

## COMPANY SECRETARY

Elise Beukes

*\* British*

### Committee memberships during FY2019

<sup>#</sup> Denotes committee Chairman

<sup>1</sup> Member of the Audit and Risk Committee

<sup>2</sup> Member of the Remuneration and  
Nominations Committee

<sup>3</sup> Member of the Social and Ethics Committee

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## STOCK EXCHANGE LISTINGS

### JSE

Ordinary shares

Share Code: DRD

ISIN: ZAE000058723

### NYSE

ADRs

Trading Symbol: DRD

CUSIP: 26152H301

DRDGOLD's ordinary shares are listed on the JSE and on the NYSE, in the form of ADRs. The Company's shares are also traded on the Regulated Unofficial Market on the Frankfurt Stock Exchange, and the Berlin and Stuttgart OTC markets.

## SHARE TRANSFER SECRETARIES

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## GENERAL

### JSE sponsor

One Capital

### Auditor

KPMG Inc.

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