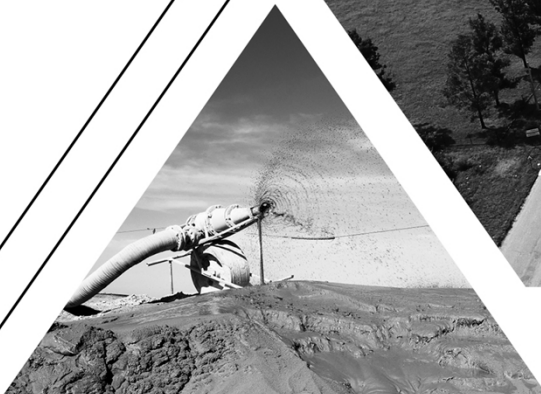




# 2019



NOTICE OF ANNUAL GENERAL MEETING

**Mine. Enhance. Sustain.**



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### FORWARD LOOKING STATEMENTS

Some of the information in this report may contain projections or other forward-looking statements regarding future events or other financial performance, including information relating to our company, that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. When used in this report, the words “estimate”, “project”, “believe”, “anticipate”, “intend”, “expect” and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, adverse changes or uncertainties in general economic conditions in the markets we serve, a drop in the gold price, a prolonged strengthening of the rand against the dollar, regulatory developments adverse to DRDGOLD or difficulties in maintaining necessary licences or other governmental approvals, changes in DRDGOLD’s competitive position, changes in business strategy, any major disruption in production at key facilities or adverse changes in foreign exchange rates and various other factors.

These risks include, without limitation, those described in the section entitled “Risk Factors” included in our Form 20-F for the fiscal year ended 30 June 2019, which we filed with the United States Securities and Exchange Commission (SEC) on 31 October 2019. You should not place undue reliance on these forward-looking statements, which speak only as of the date thereof. We do not undertake any obligation to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report or the occurrence of unanticipated events. Any forward-looking statement included in this report has not been reviewed or reported on by DRDGOLD’s auditors.

# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2019

## DRDGOLD LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1895/000926/06)

ISIN: ZAE000058723

JSE share code: DRD

NYSE trading symbol: DRD

("DRDGOLD" or the "company" or the "group")

1. Notice is hereby given to the shareholders of the company ("shareholders") that the annual general meeting ("AGM") of DRDGOLD will be held at the company's boardroom, 1 Sixty Jan Smuts Building, 2<sup>nd</sup> Floor - North Tower, 160 Jan Smuts Avenue, Rosebank, Johannesburg, South Africa at 09:00 am (South African time) on Monday, 02 December 2019 for the purposes of considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions set out below in accordance with the company's Memorandum of Incorporation ("MOI"), the Companies Act, No. 71 of 2008, as amended ("Act"), as read with the JSE Limited Listings Requirements ("JSE Listings Requirements"), and for the purpose of transacting any other business as may be conducted at the AGM ("Notice").
2. In terms of section 59(1) of the Act, the board of directors of the company ("directors" or "Board") has set the record date by when persons must be recorded as shareholders in the register of shareholders in order to be entitled to receive this Notice as Friday, 18 October 2019. The record date in order to be recorded in the register of shareholders to be entitled to attend, participate and vote at the AGM is Friday, 22 November 2019. Accordingly, the last day to trade in order to attend, participate and vote at the AGM is Tuesday, 19 November 2019.
3. Right to appoint a proxy
  - 3.1 Shareholders entitled to attend, participate and vote at the AGM may appoint one or more proxies to attend, participate and vote on their behalf, provided that each such proxy is appointed to exercise the rights attached to different shares held by that shareholder. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the AGM in person.
  - 3.2 A proxy need not be a shareholder.
  - 3.3 A form of proxy is enclosed herein. To appoint more than one proxy, the form of proxy may be photocopied or an additional form of proxy may be obtained by contacting the transfer secretaries. Details of where to send the completed form of proxy are set out in the form of proxy.
  - 3.4 Shareholders are advised that in terms of section 63(1) of the Act, meeting participants, being shareholders or proxies, will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.
4. Shareholders are advised that they or their proxies may participate in (but not vote at) the AGM by way of telephone conference and if they wish to do so:
  - must contact the company secretary, Ms Elise Beukes by email: [elise.beukes@drdgold.com](mailto:elise.beukes@drdgold.com) before 09:00 am (South African time) on Thursday, 28 November 2019 to receive dial-in instructions for the conference call;
  - will be required to provide reasonably satisfactory identification, as described above; and
  - will be billed separately by their own telephone service providers for their telephone call to participate in the AGM.

Please note that while it is possible to participate in the AGM through this medium, there is no facility for electronic voting and accordingly, shareholders are required to submit their forms of proxy to the transfer secretaries, as described below.

## APPROVALS REQUIRED FOR RESOLUTIONS

For the purposes of approving the ordinary resolutions, the support of more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the AGM is required, unless otherwise indicated.

In order for the special resolutions to be adopted, the support of at least 75% (seventy five percent) of the total number of votes, which the shareholders present in person, or represented by proxy, at the AGM are entitled to cast, is required.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

FOR THE YEAR ENDED 30 JUNE 2019

## **PART I: PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORT ON THE SOCIAL AND ETHICS COMMITTEE**

### **PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The consolidated and company annual financial statements for the year ended 30 June 2019 (“AFS”), including the reports of the directors and the auditor’s report, will be presented to the shareholders as required in terms of section 30(3)(d) of the Act.

Summary consolidated financial statements are included in this Notice on pages 10 to 21 in Annexure 1.

The full AFS are available on our website at <http://www.drdgold.com/investors-and-media/annual-reports/2019>.

### **SOCIAL AND ETHICS COMMITTEE**

In accordance with regulation 43(5)(c) of the Companies Regulations, 2011, promulgated under the Act, a member of the Social and Ethics Committee is required to report to shareholders at the AGM on the matters within the mandate of the Social and Ethics Committee. The Social and Ethics Committee’s report is contained on page 22 of this Notice in Annexure 3.

## **PART II: ORDINARY RESOLUTIONS AND SPECIAL RESOLUTIONS PROPOSED BY THE COMPANY**

### **ORDINARY RESOLUTION NUMBER 1: RE-APPOINTMENT OF INDEPENDENT AUDITORS**

“Resolved that KPMG Inc. (with the designated external audit partner being Riegert Stoltz) upon the recommendation of the company’s Audit and Risk Committee, be and are hereby re-appointed as the independent external registered auditors of the company for the ensuing period commencing from 02 December 2019 and terminating on the conclusion of the next AGM of the company.”

#### *Explanation*

In terms of section 90(1A) of the Act, a company which is required to have its annual financial statements audited annually in terms of the Act must appoint an external auditor each year at its AGM. The company is obliged to have its annual financial statements audited in terms of the Act as its public interest score exceeds the threshold above which this obligation applies.

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

### **ORDINARY RESOLUTION NUMBER 2: ELECTION OF DIRECTOR TO THE BOARD**

“Resolved that Mrs Kuby Prudence Lebina, be and is hereby elected as a non-executive director in accordance with clause 22 of the MOI. Mrs Lebina was appointed to the Board on 03 May 2019, after the previous AGM. The curriculum vitae (“CV”) of Mrs Lebina is provided on page 24 of this Notice in Annexure 4.”

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

### **RE-ELECTION OF DIRECTORS**

In terms of clause 25 of the MOI, one third of the directors (executive and non-executive) for the time being shall retire from office at each AGM. Furthermore, the Remuneration & Nominations Committee of the Board has reviewed the composition of the Board against corporate governance and transformation requirements and has recommended the re-election of the directors listed below to the Board. It is the view of the Board that the re-election of the Board would provide continuity, taking cognisance of size, gender and demographics.

### **ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DIRECTOR**

“Resolved that Mr Geoffrey Charles Campbell, who retires by rotation at the AGM in terms of clause 25 of the MOI and who is eligible and available for re-election, be and is hereby re-elected as a director with effect from 02 December 2019. The CV of Mr Campbell is provided on page 24 of this Notice in Annexure 4.”

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

### **ORDINARY RESOLUTION NUMBER 4: RE-ELECTION OF DIRECTOR**

“Resolved that Mr Edmund Abel Jeneker, who retires by rotation at the AGM in terms of clause 25 of the MOI and who is eligible and available for re-election, be and is hereby re-elected as a director with effect from 02 December 2019. The CV of Mr Jeneker is provided on page 24 of this Notice in Annexure 4.”

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

#### **ORDINARY RESOLUTION NUMBER 5: RE-ELECTION OF DIRECTOR**

“Resolved that Mr Adriaan Jacobus Davel, who retires by rotation at the AGM in terms of clause 25 of the MOI and who is eligible and available for re-election, be and is hereby re-elected as a director with effect from 02 December 2019. The CV of Mr Davel is provided on page 25 of this Notice in Annexure 4.”

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

#### **ORDINARY RESOLUTION NUMBER 6: GENERAL AUTHORITY TO ISSUE SECURITIES FOR CASH**

“Resolved that the directors be and are hereby authorised, as a general authority, to issue, as they in their discretion think fit, authorised but unissued shares in the capital of DRDGOLD, which currently comprises no par value ordinary shares (“**Shares**”), or grant options to subscribe for an existing issued class of DRDGOLD shares (“**Options**”), or to allot and issue instruments that are convertible to an existing issued class of DRDGOLD shares (“**Convertible Instruments**”) (Shares, Options and Convertible Instruments being collectively referred to as “**DRDGOLD Securities**”), for cash to such person or persons as and when suitable opportunities arise therefore, but subject to the requirements from time to time of the company, the Act and any stock exchange(s) on which DRDGOLD Securities may be quoted or listed from time to time, particularly the JSE Listings Requirements and the MOI on the following basis that:

1. The authority in terms of this resolution shall be valid only up to and including the date of the next AGM (whereupon this authority shall lapse, unless it is renewed at the aforementioned AGM), provided that it shall not extend beyond 15 (fifteen) months from the date on which this resolution is passed, whichever is the earlier date;
2. The issuance of DRDGOLD Securities may not in any one financial year in the aggregate exceed 15% (fifteen percent) of the number of issued Shares as at the date of this Notice, which amounts to no more than 103 043 227 (one hundred and three million forty three thousand two hundred and twenty seven) Shares. The number of DRDGOLD Securities that may be issued shall be determined in accordance with paragraph 5.52(c) of the JSE Listings Requirements;
3. The maximum discount at which the DRDGOLD Securities may be issued is 10% (ten percent) of the weighted average trading price of DRDGOLD Securities over the 30 (thirty) trading days prior to the date that the price of the issue is determined or agreed by the directors and the party subscribing for the DRDGOLD Securities or, if the DRDGOLD Securities have not traded in such 30 (thirty) trading day period, at a price to be determined in consultation with the JSE;
4. The issuance of Options or Convertible Instruments are subject to the same or similar requirements as those relating to the issue of Shares;
5. The DRDGOLD Securities which are the subject of the issue for cash must be of a class already in issue or must be Shares, Options, or Convertible Instruments that are convertible into a class already in issue;
6. Any such general issues are subject to the exchange control regulations and approvals applicable at that point in time; and
7. The issue shall be to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties.”

In accordance with the JSE Listings Requirements, the approval required for this resolution to be adopted is a 75% (seventy five percent) majority of the votes cast in favour of the resolution.

#### **ORDINARY RESOLUTIONS NUMBER 7.1 TO 7.3: ELECTION OF AUDIT AND RISK COMMITTEE MEMBERS**

“Resolved that, in terms of the Act and the JSE Listings Requirements, the following independent non-executive directors be and are hereby re-appointed as members of the company’s Audit and Risk Committee, with effect from the end of the AGM until the next AGM:

7.1 Mr Johan Andries Holtzhausen (Chairman);

7.2 Mr Jean Johannes Nel; and

7.3 Mrs Kuby Prudence Lebina.

Mr Edmund Abel Jeneker and Mrs Toko Victoria Buyiswa Nomalanga Mnyango resigned from membership of the Audit & Risk Committee at the meeting of the Board on 28 August 2019, on the grounds that the further appointments of Mr Nel and Mrs Lebina would bode well for DRDGOLD, taking cognisance of their respective skills and expertise.

The CVs of each of the independent non-executive directors to be appointed to serve as members of the company’s Audit and Risk Committee are provided on page 24 and page 25 of this Notice in Annexure 4. The appointment of Mrs Lebina as a member of the company’s Audit and Risk Committee is subject to the adoption of Ordinary Resolution Number 2.”

The percentage of voting rights that will be required for these resolutions to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolutions.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

## FOR THE YEAR ENDED 30 JUNE 2019

### ORDINARY RESOLUTION NUMBER 8: ENDORSEMENT OF THE REMUNERATION POLICY

“Resolved that in accordance with the King IV Report on Corporate Governance for South Africa, 2016 (“**King IV**”) and JSE Listings Requirements, shareholder approval is sought for the company’s remuneration policy by way of a non-binding advisory vote. The non-binding vote enables shareholders to express their views on the company’s remuneration policy. The remuneration policy is set out in Section 4 (Governance - Remuneration Report) in the DRDGOLD 2019 Integrated Annual Report (“**Integrated Report**”).”

The percentage of voting rights that will be required for this non-binding advisory resolution to be adopted is more than 50% (fifty percent) of the votes exercised on the resolution.

In terms of King IV and the JSE Listings Requirements, should 25% (twenty five percent) or more of the votes cast be against the above non-binding advisory resolution, DRDGOLD undertakes to engage with the dissenting shareholders as to the reasons therefore and to make recommendations based on the feedback received.

### ORDINARY RESOLUTION NUMBER 9: ENDORSEMENT OF THE IMPLEMENTATION REPORT

“Resolved that in accordance with King IV and the JSE Listing Requirements, shareholder approval is sought for the company’s implementation report by way of a non-binding advisory vote. The non-binding vote enables shareholders to express their views on the company’s implementation report. The implementation report is set out in Section 4 (Governance - Remuneration Report) in the Integrated Report.”

The percentage of voting rights that will be required for this non-binding advisory resolution to be adopted is more than 50% (fifty percent) of the votes exercised on the resolution.

In terms of King IV and the JSE Listings Requirements, should 25% (twenty five percent) or more of the votes cast be against the above non-binding advisory resolution, DRDGOLD undertakes to engage with shareholders as to the reasons therefore and to make recommendations based on the feedback received.

### ORDINARY RESOLUTION NUMBER 10: AUTHORITY TO SIGN ALL REQUIRED DOCUMENTS

“Resolved that each director (acting individually or together with any others) be and is hereby authorised to sign all such documents and do all such things as may be necessary for, or incidental to, the implementation of all the approved special and ordinary resolutions contained in this Notice, in which this Ordinary Resolution Number 10 is included.”

The percentage of voting rights that will be required for this resolution to be adopted is more than 50% (fifty percent) of the voting rights exercised on the resolution.

### ORDINARY RESOLUTION NUMBER 11: ADOPTION OF THE DRDGOLD MANAGEMENT LONG-TERM INCENTIVE SCHEME

“Resolved that the Board be and is hereby authorised, in accordance with Schedule 14 of the JSE Listings Requirements, to establish the DRDGOLD Management Long-Term Incentive Scheme (“**Scheme**”), the salient features of which are included in this Notice and the complete document recording the terms of the Scheme, as approved by the JSE on 11 October 2019.”

Details of the salient features of the Scheme are set out in Annexure 5 to this Notice. The complete document recording the terms of the Scheme is available for inspection by shareholders, at the company’s registered offices, from 31 October 2019 to 14 November 2019, during business hours.

#### *Explanation*

This resolution is proposed in order to approve the establishment of the Scheme for purposes of driving the longer-term strategies of DRDGOLD; aligning the interests of participants of the Scheme (“**Participants**”) with shareholders’ interests; incentivising and motivating Participants; attracting and retaining of scarce human resources; and rewarding superior performance by the company and Participants.

In accordance with the JSE Listings Requirements, the approval required for this resolution to be adopted is a 75% (seventy five percent) majority of the votes cast in favour of the resolution.

## SPECIAL RESOLUTIONS

### SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY TO REPURCHASE ISSUED SECURITIES

“Resolved that, subject to the provisions of the Act, the JSE Listings Requirements and the MOI, the directors be and are hereby authorised to approve the acquisition by the company or by any subsidiary of the company from time to time, of such number of DRDGOLD Securities, where applicable, in the company at such prices and on such other terms and conditions as the directors may from time to time determine on the following basis:

1. The general authority in terms of this resolution shall extend up to and including the date of the next AGM of the company or 15 (fifteen) months from the date on which this resolution is passed, whichever is the earlier date;
2. The repurchase by the company or its subsidiaries of Shares in issue shall not exceed, in aggregate, 20% (twenty percent) of the relevant class of the company's issued share capital, at the beginning of the financial year, in any one financial year;
3. Acquisitions by the company or its subsidiaries shall not be made at a price greater than 10% (ten percent) above the weighted average of the market value of Shares on the exchange operated by the JSE for the 5 (five) business days immediately preceding the date on which the acquisition was effected;
4. Acquisitions by the subsidiaries of the company may not result in a subsidiary, together with all other subsidiaries of the company, holding more than 10% (ten percent) of the relevant class of the entire issued share capital of the company from time to time;
5. Acquisitions of Shares may not take place during a prohibited period, as defined in the JSE Listings Requirements from time to time, unless a repurchase programme in terms of which an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by the company, executes the repurchase programme, is in place where the dates and quantities of Shares to be traded during the relevant period are fixed and have been submitted to the JSE in writing prior to the commencement of the prohibited period;
6. As soon as the company and/or its subsidiary/ies has/have cumulatively repurchased 3% (three percent) of the number of the relevant class of Shares in issue as at the beginning of the financial year and, if approved, adopted, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, a SENS announcement containing the required details of such acquisitions will be published in compliance with the JSE Listings Requirements;
7. Such acquisitions will be effected through the order book operated by the trading system of the JSE, and done without prior understanding or arrangement between the company and the counter party (reported trades being prohibited);
8. The company shall only be entitled, at any point in time, to appoint one agent to effect any acquisition on its behalf pursuant to this resolution;
9. Any such general acquisitions are subject to the exchange control regulations and approvals applicable at that point in time;
10. Prior to any acquisition, a resolution is passed by the Board authorising the acquisition, and stating that the group has passed the solvency and liquidity test (as contemplated in section 4 of the Act) and that, since that test was performed, there have been no material changes to the financial position of the group; and
11. After having considered the effect of repurchases of up to 20% (twenty percent) of Shares pursuant to this general authority (assuming it were to take place), the directors are, in terms of the Act and the JSE Listings Requirements, of the opinion that, as at the date of this Notice:
  - 11.1 The company and the group would be able to repay their debts in the ordinary course of business for a period of 12 (twelve) months after the date of the acquisition;
  - 11.2 The assets of the company and the group, fairly valued, will be in excess of the liabilities of the company and the group for a period of 12 (twelve) months after the date of the acquisition. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited group AFS;
  - 11.3 The company and the group will have adequate capital and reserves for ordinary business purposes for a period of 12 (twelve) months after the date of the acquisition; and
  - 11.4 The working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the acquisition.”

#### *Explanation*

The reason for, and effect of, Special Resolution Number 1 is to enable the directors to approve the acquisition by the group of Shares in the company, subject to the limitations set out in the resolution.

The directors are of the opinion that opportunities to acquire the Shares, which could enhance the earnings per share and/or net asset value per share, may present themselves in the future. Accordingly, in order for the group be placed in a position to be able to utilise the provisions of the Act, and the JSE Listings Requirements, it is proposed that the directors be authorised by way of general authority, to acquire up to the maximum number of its Shares permitted by the JSE Listings Requirements.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

FOR THE YEAR ENDED 30 JUNE 2019

## SPECIAL RESOLUTIONS *continued*

### SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY TO REPURCHASE ISSUED SECURITIES *continued*

The following information is disclosed / incorporated by reference for compliance with paragraph 11.26 of the JSE Listings Requirements:

1. **Major shareholders** – refer to the shareholders information section in the AFS;
2. **Share capital of the company** – refer to the equity note in the AFS;
3. **Directors' responsibility statement** - The directors whose names are set out in annexure 4 of this Notice; collectively and individually, accept full responsibility for the accuracy of the information contained in this Special Resolution Number 1 and Notice and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statement in this Special Resolution Number 1 and Notice false or misleading and that they have made all reasonable inquiries to ascertain such facts have been made and that this Special Resolution Number 1 and Notice contains all information required by the JSE Listings Requirements; and
4. **Material changes** - Other than the facts and developments as reported in the subsequent events note in the AFS, there have been no material changes in the affairs, financial or trading position of the company and its subsidiaries from 30 June 2019 to the date of this Notice.

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution.

### SPECIAL RESOLUTION NUMBER 2: GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE ACT

"Resolved that the Board be and is hereby authorised, by way of a general approval in terms of sections 44 and 45 of the Act, but subject to compliance with the requirements of the MOI, the JSE Listings Requirements and the Act, to provide any direct or indirect financial assistance to any company or corporation that is related or inter-related to the company for any purpose or in connection with any matter, including but not limited to, the subscription of Options, or any DRDGOLD Securities issued or to be issued by the company or a related or inter-related company, or for the purchase of DRDGOLD Securities or a related or securities of inter-related company and on the basis that the directors shall have the authority to determine at the relevant time the terms and conditions for any such financial assistance, provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of 2 (two) years from the date of adoption of this Special Resolution Number 2. Such authority granted in terms hereof shall endure for 2 (two) years following the date on which this Special Resolution Number 2 is adopted."

#### *Explanation*

This resolution is proposed in order to comply with the requirements of sections 44 and 45 of the Act, as these sections require any financial assistance by the company to, *inter alia*, its related and inter-related companies and corporations to first be approved by a Special Resolution of its shareholders. Sections 44 and 45 of the Act provide, *inter alia*, that financial assistance which is provided to, *inter alia*, a company that is related or inter-related to the company or any of its directors must be approved by a Special Resolution of shareholders, adopted within the previous 2 (two) years. Special Resolution Number 2 does not authorise the provision of financial assistance to a director or prescribed officer of the company.

Special Resolution Number 2 is necessary for the sustainability of the business of the group, taking into account that the financial performance of the operations is dependent on numerous external factors, which include the gold price and the Rand/US\$ exchange rate.

The Board undertakes that it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that:

1. Immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in the Act;
2. The terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
3. Written notice of any such resolution by the Board shall be given to all shareholders of the company and any trade union representing its employees:
  - within 10 (ten) business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% (zero point one percent) of the company's net worth at the time of the resolution; or
  - within 30 (thirty) business days after the end of the financial year, in any other case.

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution.



### SPECIAL RESOLUTION NUMBER 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION

"Resolved that in terms of clause 30 of the MOI, sections 65(11)(h), 66(8) and 66(9) of the Act, the remuneration of the non-executive directors ("NEDs") of the company for their services as directors be approved as set out in Table A below with effect from 02 December 2019."

	Annual retainer fee	Fee per additional special meetings
	R	R
Chairman of the Board	1,388,518	23,142
Lead Independent Director	640,261	23,142
NEDs <sup>#</sup>	617,119	23,142
Audit & Risk Committee chairman <sup>#</sup>	30,856	23,142
Audit & Risk Committee member <sup>#</sup>	30,856	23,142
Remuneration & Nominations Committee chairman <sup>#</sup>	23,142	23,142
Remuneration & Nominations Committee member <sup>#</sup>	23,142	23,142
Social & Ethics Committee chairman <sup>#</sup>	23,142	23,142
Social & Ethics Committee member <sup>#</sup>	23,142	23,142

*# the chairman of the sub-committees receives fees as both chairman and member*

#### Explanation

In terms of section 65(11)(h) of the Act, read with sections 66(8) and 66(9) of the Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous 2 (two) years. In terms of section 66(9) of the Act the said Special Resolution is valid for a period of 2 (two) years from date of adoption. On 30 November 2017, the shareholders passed a resolution at the company's 2017 AGM approving remuneration for NEDs of the company. No special resolution was passed at the 2018 AGM to increase the NED remuneration.

The proposed remuneration to the NEDs is aimed at ensuring fair and competitive remuneration, as well as retaining the existing NEDs with relevant skills, experience and capabilities required to effectively conduct the business of the Board and lead DRDGOLD to meet its strategic objectives.

Shareholders are also referred to the Remuneration Report found in the Integrated Report, which is available on the company's website at <http://www.drdgold.com/investors-and-media/annual-reports/2019>.

In considering this Special Resolution Number 3, shareholders are requested to take the following factors into account:

1. The qualifications and expertise of the current incumbent directors as set out in their CVs in Annexure 4 of this Notice. The directors enable the company to responsibly maintain a mixture of business acumen, skills and experience relevant to the company and balance the requirements of continuity, gender diversity, transformation and succession planning.
2. The experience and involvement of current NEDs in the Industry is extensive and relevant.
3. The company is listed in the United States of America and must comply with the requirements of, *inter alia*, the Securities and Exchange Commission. DRDGOLD therefore needs to retain expertise with an international perspective.
4. Although the fee structure of DRDGOLD's individual NEDs is aligned to that of the Industry, DRDGOLD appointed six NEDs which is less than the aggregate of its peers in the Industry. Consequently, the total amount payable to NEDs is comparatively lower than its peers.
5. When taking the above into account, it becomes apparent that overall costs are kept to a minimum, in respect of the remuneration of NEDs.
6. All NEDs are in a position to devote a substantial amount of time to DRDGOLD.
7. The NEDs meet all the requirements of independence, diligence, skill, integrity and the ability to provide constructive and relevant guidance to the Board and lead the company according to its strategic agenda.
8. Meetings of the Board are held 4 (four) times a year. The meetings are held over a period of 2 (two) days. This enables the directors to address all issues adequately and properly in accordance with their duty of care and skill.
9. The political and regulatory climate within which the company operates has become more challenging, for example directors can be held personally liable for environmental pollution and degradation arising from the company's mining activities.

# NOTICE OF ANNUAL GENERAL MEETING *continued*

FOR THE YEAR ENDED 30 JUNE 2019

## **SPECIAL RESOLUTION NUMBER 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION** *continued*

Special Resolution Number 3 is proposed in order to comply with section 66(9) of the Act and the MOI which, *inter alia*, provides that remuneration payable to NEDs of a company in respect of their services as directors must be approved by a special resolution of shareholders within the previous 2 (two) years.

Should this resolution not carry, the company does not have a mandate to pay any NED fees and with effect from 30 November 2019, DRDGOLD's NEDs will go without pay.

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% (seventy five percent) of the voting rights exercised on the resolution.

## **VOTING AND PROXIES**

On a show of hands, every shareholder present in person or by proxy or represented shall have only one vote irrespective of the number of Shares he holds or represents and, on a poll, every shareholder present in person or by proxy or represented shall have one vote for every share held in DRDGOLD by such shareholder on the AGM record date.

Shareholders holding certificated Shares in their own name and shareholders who have dematerialised their Shares and have elected "own-name" registration in the sub-register through a Central Securities Depository Participants ("CSDP") may attend, participate and vote in person at the AGM, or may appoint one or more proxies (who need not be shareholders) to attend, participate and vote at the AGM in the place of such shareholder. A form of proxy to be used for this purpose is attached to this Notice. Duly completed forms of proxy must be lodged with the respective transfer secretaries at either of the addresses below at any time before the commencement of the AGM (or any adjournment of the AGM) or handed to the chairperson of the AGM before the appointed proxy exercises any of the relevant shareholder's rights at the AGM (or any adjournment of the AGM), provided that should a shareholder lodge a form of proxy with the transfer secretaries at the below addresses less than 24 hours before the AGM, such shareholder will also be required to furnish a copy of such form of proxy to the chairperson of the AGM before the appointed proxy exercises any of such shareholder's rights at the AGM (or any adjournment of the AGM), as follows:

- shareholders registered on the South African register, to Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg 2001 (PO Box 4844, Johannesburg, 2000), or email at [meetfax@linkmarketservices.co.za](mailto:meetfax@linkmarketservices.co.za), to reach them by no later than 09:00 am (South African Time) on Friday, 29 November 2019;
- shareholders holding Shares in the form of American Depositary Receipts, to The Bank of New York, Proxy Services Department, 101 Barclay Street, New York, NY 10286 to reach them by no later than 02:00 am (Eastern Standard Time) on Thursday, 28 November 2019; and
- shareholders registered on the United Kingdom register, to Link Market Asset Services (formerly called Capita Asset Services), The Registry PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU to reach them by no later than 09:00 am (Greenwich Mean Time) on Thursday, 28 November 2019.

Shareholders who have already dematerialised their Shares through a CSDP and who have not selected "own-name" registration in the sub-register through a CSDP or broker and shareholders who hold certificated Shares through a nominee who wish to attend the AGM must instruct their CSDP, broker or nominee to issue them with the necessary authority to attend or, if they do not wish to attend the AGM, they may provide their CSDP, broker or nominee with their voting instructions in terms of the custody agreement entered into between them and their CSDP, broker or nominee.

In respect of dematerialised Shares, it is important to ensure that the person or entity (such as a nominee) whose name has been entered into the relevant sub-register maintained by a CSDP completes the form of proxy in terms of which he appoints a proxy to vote at the AGM.

Depository receipt holders may receive forms of proxy printed by the depository bank, which should be completed and returned in accordance with the instructions printed on the forms of proxy.

The holder of a share warrant to bearer who wishes to attend or be represented at the AGM must deposit his share warrant at the bearer reception office of Link Market Asset Services (formerly called Capita Asset Services), The Registry PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, in both cases not later than 48 (forty eight) hours before the date appointed for the holding of the AGM (which period excludes Saturdays, Sundays and public holidays), and shall otherwise comply with the "conditions governing share warrants" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the AGM shall be issued.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the MOI, this Notice and the latest AFS of the company are available for inspection at the registered office of the company during normal business hours on any weekday (excluding public holidays) from the date of this Notice to the date of the AGM, at which the aforementioned documents will be tabled.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the Ordinary and Special Resolutions contained in this Notice and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that these resolutions contain all information required by law and by the JSE Listings Requirements.

### *Registered office and postal address:*

#### **In South Africa**

1 Sixty Jan Smuts Building,  
2nd Floor – North Tower  
160 Jan Smuts Avenue  
Rosebank  
2196  
(PO Box 390, Maraisburg, 1700)

### *Depositary bank:*

#### **American Depositary Receipts**

The Bank of New York  
101 Barclay Street  
New York  
10286  
United States of America

### *Transfer secretaries:*

#### **In South Africa**

Link Market Services South Africa (Proprietary) Limited  
13th Floor, Rennie House  
19 Ameshoff Street  
Braamfontein  
Johannesburg  
2001  
(PO Box 4844, Johannesburg, 2000)

#### **In the United Kingdom**

Link Market Asset Services  
(formerly called Capita Asset Services) The Registry PXS  
34 Beckenham Road  
Beckenham  
BR3 4TU  
By order of the Board

## **E BEUKES**

### **Company Secretary**

31 October 2019

# ANNEXURE 1 – SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

Amounts in R million	Note	2019	2018
Revenue		2,762.1	2,490.4
Cost of sales		(2,553.9)	(2,347.7)
<b>Gross profit from operating activities</b>		<b>208.2</b>	<b>142.7</b>
Other income	10	7.9	-
Administration expenses and other costs		(90.9)	(90.7)
<b>Results from operating activities</b>	3	<b>125.2</b>	<b>52.0</b>
Finance income		58.3	38.8
Finance expense		(78.4)	(58.4)
<b>Profit before tax</b>		<b>105.1</b>	<b>32.4</b>
Income tax		(26.6)	(25.9)
<b>Profit for the year</b>	3	<b>78.5</b>	<b>6.5</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss, net of tax</b>			
Net fair value adjustment on equity investments at fair value through other comprehensive income		(5.9)	-
<b>Items that will be reclassified subsequently to profit or loss, net of tax</b>			
Net fair value adjustment on available-for-sale investments		-	0.6
<b>Total other comprehensive income for the year</b>		<b>(5.9)</b>	<b>0.6</b>
<b>Total comprehensive income for the year</b>		<b>72.6</b>	<b>7.1</b>
<b>Earnings per share</b>			
Basic earnings per share (SA cents per share)	4	11.8	1.5
Diluted basic earnings per share (SA cents per share)	4	11.5	1.5

The accompanying notes are an integral part of these summary consolidated financial statements.

The preparation of the summary consolidated financial statements was supervised by our Chief Financial Officer, Mr Riaan Davel, CA(SA).

# ANNEXURE 1 – SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *continued*

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2019

Amounts in R million	Note	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>3,403.9</b>	1,734.1
Property, plant and equipment	2	2,775.3	1,452.7
Investments in rehabilitation obligation funds	2	587.5	244.0
Other assets		31.1	28.7
Deferred tax asset		10.0	8.7
<b>Current assets</b>		<b>656.1</b>	626.3
Inventories		304.6	233.0
Trade and other receivables		67.9	91.2
Current tax receivable		4.1	-
Cash and cash equivalents		279.5	302.1
<b>TOTAL ASSETS</b>		<b>4,060.0</b>	2,360.4
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>2,688.6</b>	1,267.3
Stated share capital		5,072.8	4,177.7
Other reserves		453.6	-
Retained earnings		(2,837.8)	(2,910.4)
<b>Non-current liabilities</b>		<b>913.2</b>	772.4
Provision for environmental rehabilitation	5	682.6	553.5
Deferred tax liability	3, 2	193.2	163.6
Employee benefits		37.4	40.6
Finance lease obligation		-	14.7
<b>Current liabilities</b>		<b>458.2</b>	320.7
Trade and other payables	2	419.2	303.3
Current tax Liability		5.4	4.2
Employee benefits		22.6	13.2
Finance lease obligation		11.0	-
<b>TOTAL LIABILITIES</b>		<b>1,371.4</b>	1,093.1
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,060.0</b>	2,360.4

The accompanying notes are an integral part of these summary consolidated financial statements.

# ANNEXURE 1 – SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *continued*

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

Amounts in R million	Note	Stated share capital	Other reserves	Retained earnings	Total equity
<b>Balance at 30 June 2017</b>		<b>4,177.7</b>	-	<b>(2,875.3)</b>	<b>1,302.4</b>
<b>Total comprehensive income</b>					
Profit for the year				6.5	6.5
Other comprehensive income				0.6	0.6
<b>Transactions with the owners of the parent</b>					
Dividend on ordinary share capital				(42.2)	(42.2)
<b>Balance at 30 June 2018</b>		<b>4,177.7</b>	-	<b>(2,910.4)</b>	<b>1,267.3</b>
<b>Total comprehensive income</b>					
Profit for the year				78.5	78.5
Other comprehensive income				(5.9)	(5.9)
<b>Transactions with the owners of the parent</b>					
Equity instruments issued as purchase consideration for the FWGR					
Acquisition	2	895.7	453.6		1,349.3
Share issue expenses		(0.3)			(0.3)
Treasury shares acquired through subsidiary		(0.3)			(0.3)
<b>Balance at 30 June 2019</b>		<b>5,072.8</b>	<b>453.6</b>	<b>(2,837.8)</b>	<b>2,688.6</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

Amounts in R million	Note	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		282.0	222.9
Finance income received		16.8	21.9
Finance expenses paid		(9.3)	(3.5)
Income tax paid		(1.2)	(7.5)
<b>Net cash inflow from operating activities</b>		<b>288.3</b>	<b>233.8</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(347.4)	(125.9)
Environmental rehabilitation payments to reduce decommissioning liabilities	5	(16.6)	(21.5)
Proceeds on disposal of property, plant and equipment	10	5.8	7.0
Funds received from rehabilitation obligation funds		55.2	-
<b>Net cash outflow from investing activities</b>		<b>(303.0)</b>	<b>(140.4)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings raised	6	192.0	-
Borrowings paid	6	(192.0)	-
Initial fees incurred on borrowings	6	(3.6)	-
Repayment of finance lease obligation		(3.7)	(2.8)
Share issue expenses		(0.3)	-
Acquisition of treasury shares		(0.3)	-
Dividends paid on ordinary share capital		-	(42.2)
<b>Net cash outflow from financing activities</b>		<b>(7.9)</b>	<b>(45.0)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(22.6)</b>	<b>48.4</b>
Cash and cash equivalents at the beginning of the year		302.1	253.7
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>279.5</b>	<b>302.1</b>

The accompanying notes are an integral part of these summary consolidated financial statements.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 1 BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (“**Listings Requirements**”) for abridged reports and the requirements of the Companies Act of South Africa. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“**IFRS**”) and the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, at a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements except for the adoption of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, with effect from 1 July 2018.

### **IFRS 9 Financial Instruments (Effective date 1 July 2018)**

The standard sets out requirements for recognising and measuring financial instruments. It also introduced three new classifications for financial assets: Amortised cost, fair value through profit or loss and fair value through other comprehensive income. The following changes have occurred as a result:

#### **Classification and measurement of financial assets and financial liabilities**

There are 3 categories of financial assets under IFRS 9: Financial assets at amortised cost, fair value through profit or loss and fair value through other comprehensive income. These categories replace the following categories under IAS 39: Held to maturity, loans and receivables and available for sale. There have been no significant changes to the measurement of financial liabilities.

This has had the following impact on the group:

- investments in listed and unlisted shares have been designated as equity instruments at fair value through other comprehensive income. As a result, fair value adjustments for the current year are included and presented in other comprehensive income as items that will not be reclassified to profit or loss unlike previously permitted under IAS 39. A significant consideration made in making this designation is that it is DRDGOLD’s business model to retain an interest in the entities for strategic reasons rather than for trade. As such IFRS 9’s new requirement in making such a designation that changes in fair value of the investment will never find their way into profit or loss would be appropriate;
- there has been no change in the accounting of other financial assets and financial liabilities as a result of the new classifications under IFRS 9. The group has the following other financial assets:
  - Cash and cash equivalents included in environmental rehabilitation obligation funds;
  - Cash and cash equivalents; and
  - Trade and other receivables.

The business model of the group is to hold these financial assets to obtain payment in accordance with the contract with the counterparty and such payments comprise solely of payments of principal and interest. These financial assets are therefore classified as financial assets measured at amortised cost and their measurement remained largely unchanged from their previous classifications under IAS 39. The group does not enter into hedging arrangements unless necessitated by increased liquidity risk brought into the group. There were no material hedging arrangements entered into at 1 July 2018.

The group elected to use the exemption not to restate comparative information for prior periods with respect to classification and measurement requirements. The standard has not had a material impact and therefore no adjustments have been recognised in retained earnings and reserves as at 1 July 2018 and no restatement has been made.

#### **Impairment of Financial Assets**

The method of determining impairment of other receivables has changed to reflect the “expected credit loss” model. Management has made an assessment of the magnitude of the changes to the impairment model and although the application of the expected credit loss model resulted in an increase in the impairment allowance, the increase was not material for the group.

### **IFRS 15 Revenue from contracts with customers (Effective date 1 July 2018)**

The standard contains a single model that applies to contracts with customers.

The group has assessed that there is no impact on adopting IFRS 15 *Revenue from contracts with customers*, and revenue recognition remains unchanged as follows:

- the group only has one performance obligation that is to deliver gold and silver to the buyer;
- the transaction price is based on the London Bullion Market Association Gold and Silver price and the entire transaction price is allocated to the one performance obligation;
- Rand Refinery Limited (“**Rand Refinery**”) is assessed as being an agent, selling gold and silver on behalf of the group; and
- revenue is recognised at a point in time, i.e. on the date that control of gold and silver passes to the buyer, which is the date on which Rand Refinery sells the gold and silver on the group’s behalf, i.e. the date the performance obligation is satisfied. This is the same date as when significant risks and rewards passes under IAS 18 *Revenue*.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2019

The group adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2018 has not been restated, i.e., it is presented, as previously reported, under IAS 18 and related interpretations.

### **New standards, amendments to standards and interpretations not yet effective**

#### **IFRS 16 Leases (Effective date 1 July 2019)**

This standard sets out the principles for recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). The standard supersedes the previous leases standard, IAS 17 *Leases* and related interpretations. The standard has one model for lessees which contains increased focus on the assessment of whether a transaction is a lease. Lessees will now recognise most leases on the statement of financial position and are required to recognise right-of-use assets and lease liabilities arising from lease contracts with additional disclosures about leasing arrangements.

The group has assessed the estimated impact of adopting the standard on 1 July 2019 as follows:

The group has identified the following material lease contracts which it is party to as a lessee, for which a right of use assets and lease liabilities will be recognised:

- Property rentals;
- Equipment hire; and
- Vehicle fleet

Based on the information currently available, the group estimates that it will recognise right of use assets and lease liabilities between R19 million and R35 million which was calculated as follows:

- The remaining minimum lease payments from the date of adoption to the end of the lease term;
- Applying an incremental borrowing rate, which was mainly based on the interest charge on current external borrowings to calculate the present value of these minimum lease payments; and
- Various sensitivities were performed on the incremental borrowing rate and the sensitivities indicated no significant impact in the change in the present value

The right of use asset will subsequently be measured under the cost model as set out in IAS 16 *Property, Plant and Equipment* and the lease liability will be subsequently measured at amortised cost, and therefore an interest charge will be recognised over the lease term and the liability will be decreased by the lease payments. . This will have the effect of no longer recognising the expenses related to the lease as operating expenses. Furthermore, the payments of leases will no longer be classified as outflows from operating activities but outflows from financing activities. There will be no impact on DRDGOLD's current debt covenant arrangement on the Revolving Credit Facility ("RCF"). No significant changes have been included for lessors.

DRDGOLD plans to transition to IFRS 16 by applying the modified retrospective method which has the following implications:

- No restatement of comparative information. Instead, the cumulative effect of initially applying IFRS 16 will be recognised by adjusting the opening balance of retained earnings at the date of initial application; and
- The incremental borrowing rate at adoption must be used to calculate the lease liability

DRDGOLD currently has a lease classified as a finance lease under IAS 17. DRDGOLD has elected to recognise a right of use asset measured initially at the previous carrying amount of this lease under IAS 17 and a lease liability measured at the previous carrying amount of the lease liability under IAS 17. Subsequently, the lease will be accounted for IFRS 16. The lease has been excluded in the range provided above.

DRDGOLD also plans to recognise the right of use assets at an amount equal to the lease liability at 1 July 2019; and will apply the following judgements and practical expedients:

- Leases for which the underlying asset is of low value;
- Short term leases;
- Where a lease contains a termination option, exercisable at DRDGOLD's discretion, that the termination option will not be exercised, after considering the nature of the asset and the practicality of purchasing the asset or leasing it from an alternative supplier on a lease by lease basis;
- Where a lease is on a month to month basis, the lease term is limited to one month's enforceable period, therefore that lease is excluded from the lease population; and
- Where a contract includes a renewal clause, management has concluded that the lease will be renewed for a period calculated based on historical renewal behaviour, considering the strategic nature of that asset

The summary consolidated financial statements have not been audited or reviewed and are extracted from the complete set of financial statements which have been audited by the company's auditor, KPMG Inc. The audited financial statements and the unqualified audit report on the financial statements are available for inspection at the registered office of the company. Shareholders are therefore advised that in order to obtain a full understanding of the financial results and the financial position of the group, as well as the nature of the auditor's work thereon, they should obtain a copy of the audited financial statements for the year ended 30 June 2019 which are available from the registered office of the company as well as our website: <http://www.drdgold.com/investors-and-media/annual-reports/2019>.



# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2019

The directors are responsible for the preparation of the summary consolidated financial statements and for correctly extracting the information from the underlying audited financial statements.

### 2 ACQUISITION OF ASSETS AND LIABILITIES

Effective 31 July 2018, DRDGOLD acquired gold assets and liabilities associated with Sibanye Gold Limited's trading as Sibanye-Stillwater ("Sibanye-Stillwater") West Rand Tailings Retreatment Project, subsequently renamed Far West Gold Recoveries Proprietary Limited ("FWGR") ("FWGR Acquisition").

As purchase consideration for the FWGR acquisition, DRDGOLD issued 265 million new ordinary shares equal to 38.05% of DRDGOLD's outstanding shares to Sibanye-Stillwater and granted Sibanye-Stillwater an option to subscribe for new ordinary shares up to a total of 50.1% of the total issued ordinary shares of DRDGOLD at a 10% discount to the prevailing market value, to be exercised within two years from the effective date of the acquisition.

The FWGR acquisition has been accounted for under IFRS 2 *Share-based Payment* as it represents a receipt of goods in exchange for equity instruments of DRDGOLD. The consequence thereof is that the assets and liabilities are recognised at their fair value using principles under IFRS 13 *Fair Value Measurement* as they are identifiable, and their fair value can be reliably measured. A corresponding increase in equity is also recognised. Included in equity is the fair value of the option using a binomial tree option pricing model which was based on a DRDGOLD spot share price of R3.38, an exercise price modelled using the 10% discount to the prevailing DRDGOLD share price throughout the two years to maturity date of 31 July 2020, a dividend yield of 0.69% per annum and volatility of 55.44%. Volatility was estimated using the historical DRDGOLD share price at the grant date. It is measured as the annualised standard deviation of the daily log-returns of a DRDGOLD share.

The fair value of property, plant and equipment was determined using the income approach present value technique by applying a nominal discounted cash flow model. The significant inputs to establish the cash flows as well as the timing thereof, were based mainly on the mineral reserves and resources estimates, estimates costs to produce and future capital expenditure as reported in the Competent Person's report for the West Rand Tailings Retreatment Project. The model was based on a forward-looking gold price of R562,481 per kilogram in year one, and operating costs escalating at an average of approximately 5.7% per annum over a discount period of 20 years, and a risk adjusted discount rate based on the nominal weighted average cost of capital of 15.03%. The discounted cash flow model is highly sensitive to changes in the forward-looking gold price and discount rate.

The fair value of investments in rehabilitation obligation funds approximated its carrying value due to the short-term nature of the investments.

The at-acquisition environmental rehabilitation liability was estimated based on fair value (i.e. what a market participant would pay for the liability). It was determined with the assistance of an independent expert and discounted to its net present value.

No deferred tax has been recognised on the FWGR acquisition as it has not been accounted for as a business combination under IFRS 3 *Business Combinations*, and therefore the initial recognition exemption applies in terms of IAS 12 *Income Taxes*.

The values as at the date of the acquisition included:

Amounts in million	2019
Property, plant and equipment	1,225.6
Investment in rehabilitation obligation funds	360.4
Inventories	14.2
Provision for environmental rehabilitation	(247.4)
Trade and other payables	(3.5)
Fair value of assets and liabilities acquired	1,349.3
Purchase consideration paid for assets and liabilities acquired	1,349.3
Ordinary shares issued at market value	895.7
Option issued	35.5
Shareholder contribution	418.1

### Date of commercial production

Construction of Phase 1 of FWGR commenced during August 2018 with R330.7 million spent on, *inter alia*, the reconfiguration of the Driefontein 2 plant ("DP2") and relevant infrastructure to process tailings from the Driefontein 5 slimes dam and deposit residues on the Driefontein 4 Tailings Storage Facility. During this construction phase, gold was produced at the adjacent Driefontein 3 plant ("DP3"). Early-stage commissioning commenced on 6 December 2018 with the pumping of reclaimed tailings into the carbon in leach ("CIL") circuit. Testing of the reconfigured plant and ramp-up of production continued during the third quarter of the year ended 30 June 2019. Management considered, *inter alia*, the design capacity of the plant, recoveries and the ability to sustain production in determining the date of commercial production.

The date of commercial production for Phase 1 (excluding the milling section), which is the date when preproduction costs cease to be capitalised and depreciation commenced, was determined to be 1 April 2019.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2019

### 3 PROFIT FOR THE YEAR

Amounts in R million	2019	2018
Profit for the year includes:		
<b>A Increase in long term incentive scheme ("LTI") liability</b>		
The liability for employee benefits consists mainly of the LTI liability. The increase in the share-based payment expense is mainly due to the remeasurement of the LTI liability over the vesting period and an increase in the seven-day volume weighted average price (VWAP) of the DRDGOLD share from R3.71 at 30 June 2018 to R4.37 at 30 June 2019.	21.4	17.2
<b>B Transaction costs</b>		
Costs incurred related to the acquisition of the FWGR assets.	-	9.0
<b>C Deferred tax rate adjustment</b>		
<b>Tax charge due to the change in the forecast weighted average tax rate.</b>		
Tax charge due to the change in the forecast weighted tax rate:		
Deferred tax is recognised using the gold tax formula to calculate a forecast weighted average tax rate considering the expected timing of the reversal of temporary differences.		
The formula is calculated as: $Y = 34 - 170/X$ where Y is the percentage rate of tax payable and X is the ratio of taxable income, net of any qualifying capital expenditure that bears to mining income derived, expressed as a percentage.		
Due to the forecast weighted average tax rate being based on the expected future profitability, the tax rate can vary significantly year on year and can move contrary to current year financial performance.		
The forecast weighted average deferred tax rate increased from 20.3% to 22% as a result of an increase in forecast profitability of Ergo.	15.0	12.8

### 4 EARNINGS PER SHARE

Amounts in R million	2019	2018
<b>Basic earnings</b>		
The calculation of basic earnings per ordinary share is based on the following:		
Profit for the year	78.5	6.5
The basic earnings has been adjusted by the following to arrive at headline earnings:		
(Gain)/loss on disposal of property, plant and equipment (after tax)	(5.8)	0.5
- Gain/(loss) on disposal of property, plant and equipment	(5.8)	0.6
- Tax thereon	-	(0.1)
<b>Headline earnings</b>	<b>72.7</b>	<b>7.0</b>

#### Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares

Number of shares	2019	2018
Weighted and diluted weighted average number of ordinary shares in issue	664,553,283	422,068,696
Option granted to Sibanye-Stillwater to acquire up to 50.1% of ordinary shares	15,387,695	-
Diluted weighted average number of ordinary shares	679,940,978	422,068,696

SA cents per share	2019	2018
Basic earnings per share	11.8	1.5
Diluted earnings per share	11.5	1.5
Headline earnings per share	10.9	1.7
Diluted headline earnings per share	10.7	1.7

## 5 PROVISION FOR ENVIRONMENTAL REHABILITATION

Amounts in million	2019	2018
Opening balance	553.4	531.7
Asset Acquisition	247.4	-
Unwinding of provision	66.3	45.6
Change in estimate of environmental rehabilitation recognised in profit or loss (a)	(60.0)	(2.9)
Change in estimate of environmental rehabilitation recognised to decommissioning asset (b)	(97.0)	3.9
Environmental rehabilitation payments (c)	(27.5)	(24.9)
To reduce decommissioning liabilities	(16.6)	(21.5)
To reduce restoration liabilities	(10.9)	(3.4)
Closing balance	682.6	553.4

### (a) Change in estimate of environmental rehabilitation recognised in profit or loss

The change in estimate of environmental rehabilitation recognised in profit or loss is mainly as a result of updated vegetation and machine hire rates to recent service level agreements and actual rates incurred, as well as, in line with the Group's strategy to reduce externally sourced potable water, alternative water sources found to be viable to meet the Crown Complex post closure water requirements.

### (b) Change in estimate of environmental rehabilitation recognised to property, plant and equipment

The change in estimate of environmental rehabilitation recognised to property, plant and equipment is mainly as a result of a change in the methodology used to calculate the FWGR provision for environmental rehabilitation. The at acquisition provision was estimated based on what a market participant would pay for the liability and is now based on the FWGR individual rehabilitation plan which is in response to the current life of mine.

### (c) Environmental rehabilitation payments

The payments made against the provision for environmental rehabilitation consist mainly of rehabilitation work performed on the Brakpan/Withok Tailings Storage Facility and on the Crown Complex.

## 6 BORROWINGS

On 1 August 2018, DRDGOLD entered into a ZAR300 million Revolving Credit Facility ("RCF") secured with ABSA Bank Limited (acting through its Corporate and Investment Banking division) ("ABSA"). The purpose of the RCF was to finance the development of Phase 1 of FWGR and working capital requirements, replacing the R100 million overdraft facility that was in place during the year ended 30 June 2018. On 10 December 2018, DRDGOLD entered into an addendum to the ZAR300 million RCF. The purpose of the addendum to the RCF was to commit R125 million of the RCF facility to a performance guarantee to Ekurhuleni Metropolitan Municipality (refer note 7) that was issued on the same date by ABSA. The balance of the cash held in escrow was released to Ergo's operational bank account in January 2019.

Amounts in million	2019
Opening balance	-
Borrowings raised	192.0
Borrowings repaid	(192.0)
Finance costs incurred	(10.2)
Interest and related charges	(6.6)
Raising fees	(3.6)
Finance costs repaid	10.2
Closing balance	-

### Salient terms of the RCF

Interest rate	Jibar
Interest rate margin	3.25%
Final repayment date	1 August 2020
Security	Pledge and cession of DRDGOLD's shares in and shareholder claims against: <ul style="list-style-type: none"> <li>• Ergo Mining Proprietary Limited (guarantor to RCF)</li> <li>• Far West Gold Recoveries Proprietary Limited (guarantor to RCF)</li> </ul>

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2019

### 7 CONTINGENT ASSETS AND LIABILITIES

#### EKURHULENI METROPOLITAN MUNICIPALITY (“EKURHULENI”) ELECTRICITY TARIFF DISPUTE

##### The Main Application

There are primarily 3 (three) legal proceedings for which relief has been sought in the appropriate legal fora and all of which fall within the jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg.

- (a) The Main Application – case number 45277/ 2014
- (b) The First Summons – case number 19222/2017
- (c) The Second Summons – case number 22648/2019

##### The Main Application

ERGO is arguably the world’s largest gold surface tailings retreatment facility. Integral to this operation is ERGO’s metallurgical plant at Brakpan (“**ERGO Plant**”) within the jurisdiction of the City of Ekurhuleni Metropolitan Municipality (“**Municipality**”) where gold is extracted.

In order to operate the ERGO Plant and conduct its business operations, ERGO requires a reliable and steady feed of electricity of approximately 20 MVA (twenty mega volt amp) which it draws from the ERGO Central Substation.

Over the past several years the Municipality has charged ERGO for such electricity, at the Megaflex tariff at which ESKOM Holdings SOC Limited (“**ESKOM**”) charges its large power users plus an additional surcharge; as it still does; and ERGO paid therefor.

Pursuant to its own investigations, and after having sought legal advice on the matter, ERGO determined that only ESKOM may legitimately charge it for the electricity so drawn and consumed at the ERGO Plant, specifically from the ERGO Central Substation. Despite this, ESKOM refused to either accept payment from ERGO in respect of such electricity consumption or to conclude a consumer agreement with it.

ERGO then subsequently advised the Municipality that it would, forthwith with effect from December 2014, only pay for electricity consumption at the Megaflex tariff and would instead, and under protest, pay the additional surcharge into a trust account of its attorneys of record.

In December 2014, ERGO instituted legal proceedings by way of an application against the Municipality and ESKOM as well as the National Energy Regulator of South Africa (“**NERSA**”), the Minister of Energy, the Minister of Co-operative Governance & Traditional Affairs and the South African Local Government Association, the latter 4 (four) respondents against whom ERGO does not seek any relief.

ERGO seeks the under-mentioned relief –

- 1. declaring that the Municipality does not supply electricity to it at the ERGO Plant;
- 2. declaring that the Municipality is in breach of its temporary Distribution Licence (issued by NERSA) by purporting to supply electricity to ERGO at the ERGO Plant;
- 3. declaring that neither the Municipality nor ESKOM may lawfully insist that only the Municipality may supply electricity to ERGO at the ERGO Plant;
- 4. declaring that ESKOM presently supplies electricity to ERGO at the ERGO Plant;
- 5. directing ESKOM to conclude a consumer agreement with ERGO for the supply of electricity at the ERGO Plant at its Megaflex tariff.

Ergo also instituted a counterclaim against the Municipality for the recovery of the surcharges which were erroneously paid to the Municipality in the bona fide belief that they were due and payable prior to the Main Application of approximately R43 million (these surcharges were expensed for accounting purposes).

The hearing in respect of the Main Application was set down for hearing on 05 December 2018. The Main Application did not proceed on 05 December 2018.

The Main Application was postponed by agreement between the parties, after a proposal was addressed to the Deputy Judge President of the Gauteng Local Division of the High Court sitting in Johannesburg in November 2018 to have a case manager appointed to deal with both the Main Application and Action Matter, to determine a collaborative process to facilitate effective, efficient court scheduling and coordination; in the interests of the proper administration of justice.

##### The First Summons

In June 2017, the Municipality instituted action proceedings against ERGO by way of summons to recover an amount of approximately R74 million for alleged arrear amounts for the electricity consumption at the ERGO Central Substation in terms of section 3 of the By-Laws and further seeking an order by the Court declaring the Remaining Extent of Portion 183 of the Farm Witpoortje 117, Registration Division IR, measuring in extent 233.0033 Ha (two hundred and thirty three point zero zero three three hectares), held under Deed of Transfer T48746/2014 and on which the metallurgical plant is situated executable and capable of being sold to settle and pay the alleged full outstanding amount which the Municipality alleges is due and owing thereto.

The action was launched by the Municipality to arrest prescription, to avoid the claim for the alleged arrear surcharge amounts from becoming extinguished, as envisaged in the Prescription Act, 68 of 1969, by virtue of the expiration of a period of 3 years from 30 November 2014, being the date from which ERGO stopped paying the surcharge levied by the Municipality thereto and from which date the Municipality alleges that ERGO was making partial payments of the full account rendered to it by the Municipality in respect of the “supply” of electricity at the ERGO Central Substation.

Pursuant to the Constitutional Court ruling in January 2018 in respect of ERGO’s petition for leave to appeal thereto in the urgent application in terms of which the Municipality threatened to terminate and/or interfere with the supply of electricity at the ERGO Central Substation, ERGO was no longer entitled to withhold payment based on its allegation that the Municipality was not supplying electricity at the ERGO Central Substation, pending the final determination of the Main Application; the resultant effect of which was that ERGO would now run the risk of a discontinuation of supply if it did not pay the charges claimed.

ERGO continued to make payments to the Municipality, albeit under protest and without prejudice and/or admission of liability; based on the recently introduced “J-Tariff”, which, whilst still deemed to be disproportionate, was significantly lower than the previously imposed “D-Tariff”.

As a result of the conclusion of this latter “without prejudice” arrangement with the Municipality, ERGO brought an application for leave to amend its plea and counter claim; to which the Municipality objected. ERGO’s application was argued before Judge Spilg (the judicially appointed case manager) on 27 March 2019 and judgment in respect thereof is still awaited.

#### **The Second Summons**

In June 2019, the Municipality served the second summons on ERGO seeking an amount of R31.6 million in respect of electricity allegedly supplied to ERGO.

#### **The Consolidated Application**

ERGO has sought to apply for consolidation of the disputes. The Municipality is opposed to any consolidation.

At this stage no application for consolidation has been launched.

The parties have agreed, together with the case manager, that the judgments will first be handed down in regard to the aforementioned interlocutory applications, which will inform the parties as to the need to consolidate.

It is ERGO’s view that the first and second actions (First and Second Summons) should be consolidated. Accordingly, the action matters to be consolidated should be heard separately and in advance of the Main Application, as a decision in regard to the actions, will essentially be determinative of the Main Application.

The reasons for the consolidation are due to the fact that the parties are identical and the central dispute in both actions and the Main Application revolves around the same question, namely who supplies the electricity to the Plant. The evidence will be identical in all three matters.

The merits of the Main Application remain unchanged.

During December 2019, a bank guarantee to the value of the cash held in escrow (including interest) was issued in favour of the Municipality and in January 2019, the balance of the cash held in escrow was released to Ergo’s operational bank account.

## **8 FINANCIAL RISK MANAGEMENT FRAMEWORK**

### **COMMODITY PRICE SENSITIVITY**

The group’s profitability and cash flows are primarily affected by changes in the market price of gold which is sold in US dollars and then converted to rand. In line with our long-term strategy of being an unhedged gold producer, we generally do not enter into forward gold sales contracts to reduce our exposure to market fluctuations in the US dollar gold price or the exchange rate movements. However, during periods when medium-term debt is incurred to fund growth projects and hence introduce liquidity risk to the group, we may mitigate this liquidity risk by entering into facilities to achieve price protection. The need for medium-term borrowings for the first phase development of FWGR introduced some liquidity risk to the group.

In September 2018, DRDGOLD committed 50 000 ounces of gold under a zero-cost collar with a floor and ceiling of approximately R565 000/kg and a R609 000/kg respectively, spread equally until the end of May 2019. The collar was traded to mitigate the liquidity risk brought about by the medium-term borrowings secured for the development of FWGR. The collar was accounted for as a financial asset or financial liability at fair value through profit or loss and constituted level 2 in the fair value hierarchy.

No collar exists at 30 June 2019 as it expired at the end of May 2019. The net impact of the collar for the year ended 30 June 2019 was a gain of R2.1 million recognised as a gain on financial instruments and included in other income in the statement of profit or loss and other comprehensive income.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2019

### 9 FAIR VALUES

The group's assets that are measured at fair value at reporting date consist of equity instruments at fair value through other comprehensive income included in financial assets on the statement of financial position. Of this line item, R3.3 million (2018: R9.2 million) relate to Fair value hierarchy Level 1 instruments and R0.2 million (2018: R0.2 million) relate to Fair value hierarchy Level 3 instruments.

### 10 DISPOSAL OF MINERAL RIGHTS

In December 2018 DRDGOLD concluded revised agreements to dispose of certain East Rand Proprietary Mines Limited's ("ERPM") underground assets to OroTree Limited ("Orotree"). The revised agreements consisted of a disposal of ERPM's underground mining and prospecting rights and an option agreement, at the sole discretion of Orotree, to purchase the underground mining infrastructure exercisable on or before 30 June 2019.

The disposal of the underground mining and prospecting rights was concluded in the second half of the financial year ended 30 June 2019. Orotree did not exercise its option to purchase the underground mining infrastructure and a non-refundable amount of USD0.5 million that was paid by Orotree was recognised as a gain on disposal of property, plant and equipment.

### 11 RELATED PARTIES

Sibanye-Stillwater and its subsidiaries and associates became related parties to DRDGOLD on 31 July 2018 when DRDGOLD issued 265 million new ordinary shares equal to 38.05% of its outstanding shares to Sibanye-Stillwater, making Sibanye-Stillwater a material shareholder of the company, as defined in the Listings Requirements.

### 12 SUBSEQUENT EVENTS

There were no subsequent events between the reporting date of 30 June 2019 and the date of issue of these condensed consolidated financial statements other than included in the notes above and described below.

#### Dividend

On 28 August 2019, the Board declared a final dividend for the 2019 financial year of 20 SA cents per share, payable on 30 September 2019.

### 13 OPERATING SEGMENTS

**Ergo** is a surface gold retreatment operation which treats old slime dams and sand dumps to the south of Johannesburg's central business district as well as the East and Central Rand goldfields. The operation comprises three plants. The Ergo and Knights plants continue to operate as metallurgical plants. The City Deep plant continues to operate as a pump/milling station feeding the metallurgical plants.

**FWGR** is a surface gold retreatment operation and treats old slime dams in the West Rand goldfields. Phase 1, which entails the reconfiguration of the Driefontein 2 plant and relevant infrastructure to process tailings from the Driefontein 5 slimes dam and deposit residues on the Driefontein 4 Tailings Storage Facility, excluding the milling section, was commissioned on 1 April 2019.

**Corporate office and other reconciling items** (collectively referred to as "**Other reconciling items**") are taken into consideration in the strategic decision-making process of the chief operating decision maker and are therefore included in the disclosure here, even though they do not earn revenue. This includes taking into consideration the group's adjusted EBITDA for the purpose of the covenants imposed by the company's Borrowings (refer note 6) that was entered into to finance the development of Phase 1 of FWGR and working capital requirements of the group and subsequently amended for the issue of the performance guarantee to Ekurhuleni Metropolitan Municipality (refer note 7).

### 13 OPERATING SEGMENTS *continued*

2019 Amounts in R million	Ergo	FWGR	Other reconciling items	Total
Revenue (External)	2,577.5	184.6	-	2,762.1
Cash operating costs	(2,311.1)	(111.8)	-	(2,422.9)
Movement in gold in process and finished inventories - Gold Bullion	16.4	16.2	-	32.6
Operating profit	282.8	89.0	-	371.8
Retrenchment costs	(1.6)	(4.7)	-	(6.3)
Administration expenses and other costs	(12.0)	(2.3)	(76.6)	(90.9)
Interest income <sup>1</sup>	6.5	-	10.4	16.9
Interest expense <sup>2</sup>	(2.4)	-	(3.2)	(5.6)
Current tax	1.6	-	-	1.6
Working profit/(loss) before additions to property, plant and equipment	274.9	82.0	(69.4)	287.5
Additions to property, plant and equipment	(22.8)	(330.7)	(0.2)	(353.7)
Working profit/(loss) after additions to property, plant and equipment	252.1	(248.7)	(69.6)	(66.2)
<small>1 Interest income excludes the unwinding of the Payments made under protest 2 Interest expense excludes the discount recognised on Payments made under protest</small>				
<b>Reconciliation of profit/(loss) for the year to working profit/(loss) before additions to property, plant and equipment</b>				
Profit/(loss) for the year	82.3	28.7	(32.5)	78.5
- Deferred tax	16.2	13.4	(1.4)	28.2
- Other operating costs/(income) including care and maintenance costs	40.2	15.4	(25.7)	29.9
- Ongoing rehabilitation expenditure	16.6	1.7	-	18.3
- Discount recognised on Payments made under protest including subsequent unwinding	3.5	-	-	3.5
- Unwinding of provision for environmental rehabilitation	45.4	19.6	1.3	66.3
- Growth in environmental rehabilitation trust funds and reimbursive right	(11.3)	(22.5)	(4.6)	(38.4)
- Other income	(2.2)	-	(5.7)	(7.9)
- Change in estimate of environmental rehabilitation recognised in profit or loss	(58.6)	-	(1.4)	(60.0)
- Depreciation	142.8	25.7	0.6	169.1
Working profit/(loss) before additions to property, plant and equipment	274.9	82.0	(69.4)	287.5
<b>Statement of cash flows</b>				
Cash flows from operating activities	221.7	89.3	(22.7)	288.3
Cash flows from investing activities	(39.4)	(324.4)	60.8	(303.0)
Cash flows from financing activities	(291.7)	236.7	47.1	(7.9)
<b>Reconciliation of profit for the year to adjusted EBITDA</b>				
<b>Profit for the year</b>				78.5
Income tax				26.6
<b>Profit before tax</b>				105.1
Finance expense				78.4
Finance income				(58.3)
<b>Results from operating activities</b>				125.2
Depreciation				169.1
Share-based payment expense (increase in Long-Term Incentive liability)				21.4
Change in estimate of environmental rehabilitation recognised in profit or loss				(60.0)
Gain on financial instruments at fair value through profit or loss				(2.1)
Gain on disposal of property, plant and equipment				(5.8)
Retrenchment costs				6.3
<b>Adjusted EBITDA<sup>1</sup></b>				<b>254.1</b>

1 Adjusted EBITDA (that was considered from the current reporting period following the RCF agreement) may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is not a measure of performance under IFRS and should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity.

## ANNEXURE 2 – PRINTING AND DISTRIBUTION OF REPORTS

### DEAR SHAREHOLDER

31 October 2019

#### Printing and distribution of reports

This booklet includes the following:

- detailed notice of AGM 2019; and
- form of proxy.

In a continuous drive to contain costs, we have rationalised the printing and postage of our various reports and neither the Integrated Report, nor the audited financial statements for the year ended 30 June 2019 have been printed. Both these reports are available on the company's website as pdf files and may be printed as required. Alternatively, you may contact the company secretary, Ms Elise Beukes to request a copy/copies.

Tel: +27 (0)11 470 2600 / email: [elise.beukes@drdgold.com](mailto:elise.beukes@drdgold.com)

Certificated shareholders may elect not to receive any copies of the aforementioned communications. Dematerialised shareholders, who do not wish to receive copies of reports, should advise their CSDP or stockbroker to amend their records accordingly.

Yours sincerely

**Ms E Beukes**

Company Secretary

## ANNEXURE 3 – SOCIAL AND ETHICS COMMITTEE REPORT

### INTRODUCTION

In terms of the Companies Act, No. 71 of 2008 the Social and Ethics Committee must report to shareholders at the company's AGM on the matters within its mandate. This report should be considered within the context of the company's Integrated Report and King IV.

### ETHICS

Our Code of Conduct was the subject of consultation with management. Each employee must receive and sign for a copy of the Code of Conduct when he or she becomes an employee of the group. The Code of Conduct is available on the DRDGOLD at website. [www.drdgold.com/about-us/governance](http://www.drdgold.com/about-us/governance)

Included in the Code of Conduct are the following provisions:

- Directors, officers and employees must comply with all laws and regulations that are applicable to their activities on behalf of the group.
- DRDGOLD acknowledges that all employees have a right to work in a safe and healthy environment. All employees are entitled to fair employment practices and have a right to a working environment free from discrimination and harassment.
- The group recognises that DRDGOLD and its people have a responsibility to contribute to local communities. Employees are encouraged to participate in, among others, religious, charitable, educational and civic activities, provided that such participation does not make undue demands on their work time or create a conflict of interest.
- The group expects employees to perform their duties in accordance with the best interests of the group and not to use their position, or knowledge gained through their employment with the group, for their private or personal advantage.
- Employees may not take up outside employment without prior approval of the CEO or hold outside directorships without prior approval of the Board. Directors who hold outside directorships must disclose these at the quarterly Board meetings.
- Employees should ensure that they are independent of any business organisation which has a contractual relationship with the group or provides goods or services to the group.
- An employee should neither accept nor solicit any non-minor gifts, hospitality or other favours from suppliers of goods or services.



- While directors and employees are encouraged to invest in and own shares in the group, such investment decisions must not contravene the conflict of interest provisions of the code, any applicable legislation, or any policies and procedures established by the various operating areas of the group, and must not be based on material non-public information acquired by reason of an employee's connection with the group.
- Directors and employees are expected to treat all information pertaining to the group, which is not in the public domain, in the strictest confidence and may not divulge such information to any third party without permission, even after the termination of their services with the group.
- The group strives to achieve timely and effective communication with all parties with whom it conducts business, as well as with governmental authorities and the public. No sensitive communication may be made to the media or investment community other than by DRDGOLD's CEO, CFO, or the appointed investor/public relations consultants. All other communications to the media or investment community must be made within the ambit of the group's announcements framework.

Further awareness campaigns and engagement with employees on the issues of bribery, corruption, fraud and other inappropriate conduct is ongoing within the group. The whistle-blower facility which is managed by Deloitte on our behalf continues to work, although there are some challenges. For example, we need to encourage employees to report dishonest conduct but to desist from spurious reporting.

## **HUMAN RIGHTS AND LABOUR**

The company recognises two representative trade unions – the National Union of Mineworkers and UASA. The company consults and interacts with these trade unions in respect of all material matters relating to labour relations. The company does not operate in jurisdictions which abuse human rights. We are also not complicit in human rights abuses, employment of child labour or forced and compulsory labour.

## **EMPLOYMENT EQUITY**

The company recognises and subscribes to the objectives of the Employment Equity Act, the Broad-Based Black Economic Empowerment Act, the Mineral and Petroleum Resources Development Act and all other laws which are meant to promote diversity and correct the injustices of the apartheid regime. The committee monitors the company's performance in this regard at all its quarterly meetings. However, in its efforts to promote equity and representation, the committee is mindful of avoiding inequality and unfair discrimination.

## **COMMUNITY DEVELOPMENT**

The company's role in this area is addressed in the social value-add section of the Integrated Report.

## **HEALTH AND SAFETY**

These issues are discussed in more detail in the employee relations section of the Integrated Report.

## **ENVIRONMENT**

These issues are discussed in more detail in the environmental value-add section of the Integrated Report.

## **SHAREHOLDER QUESTIONS**

The Act requires the committee to report to shareholders at its AGM on the matters within its mandate. This report will therefore be tabled at the AGM to be held on Monday, 02 December 2019. Shareholders may raise questions on the report at the meeting or by sending questions in advance of this date. Questions may be emailed to [elise.beukes@drdgold.com](mailto:elise.beukes@drdgold.com), sent by mail to PO Box 390 Maraisburg, 1700, Republic of South Africa, to arrive no later than Friday, 29 November 2019.

### **E A Jeneker**

Chairman: Social and Ethics Committee

## ANNEXURE 4 – DIRECTORS

### NON-EXECUTIVE DIRECTORS



**Geoff Campbell (58)**

*BSc (Geology)*

**INDEPENDENT NON-EXECUTIVE CHAIRMAN**

*Chairman: Nominations Committee*

*Member: Remuneration and Nominations Committee*



**Johan Holtzhausen (73)**

*BSc, BCompt (Hons), CA (SA)*

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Chairman: Audit and Risk Committee*



**Edmund Jeneker (57)**

*Chartered Director (SA)  
BHons, IEDP, M.Inst.D., SAIPA*

**LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Chairman: Social and Ethics Committee*

*Member: Remuneration and Nominations Committee*



**Prudence Lebina (38)**

*BCom; CA (SA)*

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Member: Audit and Risk Committee*

*Member: Remuneration and Nominations Committee*

Geoff Campbell was appointed a Non-executive Director in 2002, a senior independent Non-executive Director in December 2003 and Non-executive Chairman in October 2005. A qualified geologist, Geoff has worked on gold mines in Wales and Canada. He spent 15 years as a stockbroker before becoming a fund manager, managing the Merrill Lynch Investment Managers Gold and General Fund, one of the largest gold mining investment funds. He was also research director for Merrill Lynch Investment Managers. Geoff is a director of Oxford Abstracts Limited.

Johan Holtzhausen was appointed independent Non-executive Director on 25 April 2014. He has more than 42 years' experience in the accounting profession, having served as a senior partner at KPMG Services Proprietary Limited, and held the highest Generally Accepted Accounting Principles (United States), Generally Accepted Auditing Standards and Sarbanes-Oxley Act accreditation required to service clients listed on stock exchanges in the United States. His clients included major corporations listed in South Africa, Canada, the United Kingdom, Australia and the United States. Johan currently serves as a voluntary independent director and chairman of the Audit and Risk Committee of the Tourism Enterprise Partnership. He also chairs the Audit and Risk Committee of Tshipi é Ntle Manganese Mining Proprietary Limited. He is a non-executive director of Caledonia Mining Corporation Plc, a Canadian corporation listed in the United States, Canada and the United Kingdom, and he chairs its Audit and Risk Committee.

Edmund Jeneker was appointed Non-executive Director in November 2007 and lead independent Non-executive Director in August 2017. He has more than 30 years' experience as an executive in banking, business strategy, advisory and management at Grant Thornton South Africa Proprietary Limited, Swiss Re Corporate Solutions Advisors South Africa Proprietary Limited, the World Bank Competitiveness Fund and Deloitte South Africa. More recently, he completed almost 14 years at Absa Bank and Barclays Africa Group, where he was managing executive and served as director on the boards of several subsidiaries in the Barclays Africa Group. Edmund is active in community social upliftment and served as a member of the Provincial Development Commission of the Western Cape Provincial Government. He currently serves on the Advisory Board of the Institute of Directors Southern Africa, investment committee of BADISA and The Cape Philharmonic Orchestra. He is a Chartered Director (SA).

Prudence Lebina was appointed independent Non-executive Director on 3 May 2019. She qualified as a chartered accountant in December 2005 after serving her articles at PricewaterhouseCoopers Incorporated. A member of the South African Institute of Chartered Accountants, with extensive experience in corporate finance and investor relations in investment banking and the mining industry, Prudence is currently Chief Executive Officer of GAIA Infrastructure Capital Limited.

## ANNEXURE 4 – DIRECTORS

### NON-EXECUTIVE DIRECTORS



**Toko Mnyango (54)**

*Dip Juris, BJuris*

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Chairman: Remuneration Committee*

*Member: Social and Ethics Committee*



**Jean Johannes Nel (47)**

*B. Acc. (Hons), CA (SA), CFA (AIMR)*

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

*Member: Audit & Risk Committee*



**Niël Pretorius (52)**

*BProc, LLB*

**CHIEF EXECUTIVE OFFICER**

*Member: Social and Ethics Committee*



**Riaan Davel (43)**

*BCom (Hons), M Com, CA (SA)*

**CHIEF FINANCIAL OFFICER**

Toko Mnyango was appointed independent Non-executive Director on 1 December 2016. Toko began her career as a prosecutor for the KaNgwane homeland, before becoming a legal advisor for the Eastern Cape Development Corporation. She has held directorships on company boards including Gijima, EOH Mthombo Proprietary Limited, AllPay Eastern Cape Proprietary Limited, a subsidiary of ABSA Limited, and the Ryk Neethling Foundation. She currently holds the position of CEO of Vitom Technologies Proprietary Limited and Vitom Brands Communication Proprietary Limited.

Jean Nel was appointed as an independent Non-executive Director on 30 November 2018. Jean qualified as a CA(SA) in 1998 and obtained the CFA (AIMR) qualification. Mr. Nel has 20 years of mining finance and mining executive and operational management experience. He was appointed to the Aquarius Platinum Board in April 2012 and became CEO of the Group in November 2012, a position he held until Aquarius Platinum was acquired by Sibanye-Stillwater in April 2016. From April 2016 to January 2017 Mr. Nel was the CEO of the Platinum division of Sibanye Stillwater. He is currently a non-executive director of Mimosa Investments which owns the Mimosa platinum mine in Zimbabwe and Northam Platinum.

Niël Pretorius has two decades of experience in the mining industry. He was appointed CEO designate of DRDGOLD on 21 August 2008 and CEO on 1 January 2009. Having joined the company on 1 May 2003 as legal advisor, he was promoted to Group Legal Counsel on 1 September 2004 and General Manager: Corporate Services on 1 April 2005. Niël was appointed CEO of Ergo Mining Operations (formerly DRDGOLD SA) on 1 July 2006 and became Managing Director on 1 April 2008.

Riaan Davel joined DRDGOLD in January 2015. Before joining DRDGOLD, he gained 17 years' experience in the professional services industry, the majority obtained in the mining industry in Africa. As part of gaining that experience, Riaan provided assurance and advisory services, including support and training on IFRS to clients and teams across the African continent. He spent seven years at KPMG as an audit partner, performing, *inter alia*, audits of listed companies in the mining industry, including SEC registrants. Riaan has also gained experience as an IFRS technical partner and represented the South African Institute of Chartered Accountants on the International Accounting Standards Board's project on Extractive Activities from 2003 to 2010. Riaan also served on committees that compile/update the South African Codes for reporting and valuation of mineral reserves and resources.

# ANNEXURE 5 – SALIENT FEATURES OF THE NEW DRDGOLD MANAGEMENT LONG-TERM INCENTIVE SCHEME

## Introduction

DRDGOLD Limited (“**DRDGOLD**” or the “**Company**”) proposes to introduce a new long-term incentive scheme (“**Scheme**”) for purposes of replacing the current long-term phantom share scheme (“**Phantom Scheme**”). The Phantom Scheme has a finite life and comes to an end next year with the final vesting occurring in FY2020. The Scheme will be implemented, following approval by shareholders at the 2019 annual general meeting (“**AGM**”). The salient features of the new long-term incentive scheme are as follows:

## Equity settled

The Scheme will be equity-settled (“**Settled**” or “**Settlement**”). Equity-settlement will be implemented by way of the acquisition on the market of ordinary shares in the issued share capital of DRDGOLD (“**Shares**”) or through the issue of authorised but unissued Share capital or of Shares held as treasury shares.

## Participants

Persons eligible to participate in the Scheme will be permanent employees (which, for the avoidance of doubt, includes an executive director, but excludes a non-executive director) of the Company and its subsidiaries, in Category 19 and above (“**Participants**”).

## Award of Conditional Shares

Pursuant to the Scheme, the Company’s Remuneration Committee (“**Remco**”) will resolve, on an annual basis, to award “**Conditional Shares**” (“**Award**”) which are comprised of:

- “**Performance Shares**” which are subject to conditions, as set out in the rules of the Scheme and performance conditions; and
- “**Retention Shares**” which are subject to conditions, as set out in the rules of the Scheme.

Participants are not required to pay for Awards or Shares Settled in terms of vested Awards.

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

- 80% of the Award will be comprised of Performance Shares
- 20% of the Award will be comprised of Retention Shares

The target award value will be referenced to market-related award quanta, 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%

## Dividend and Voting Rights

Being Conditional Shares, the final Settlement of which is dependent upon performance and service conditions, the Conditional Share Awards carry no dividend or voting rights, until Settled, and therefore any transfer and other rights associated with the Conditional Shares will only vest following Settlement thereof.

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## Vesting of the Conditional Shares

Conditional Shares will vest 3 years after the date of Award (“Award Date”), subject to the rules of the Scheme (“Vest” or “Vesting”). The Scheme also makes provision for 50% of the Awards proposed to be made in 2019 to Vest in 2021 (being 2 years after the Award Date) and the remaining 50% to Vest in 2022 (being 3 years after the Award Date).

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

- DRDGOLD’s Total Shareholder Return (“TSR”) over the 3-year vesting period exceeding DRDGOLD’s Weighted Average Cost of Capital (“WACC”) – if achieved, 40% of the Conditional Shares awarded will vest, subject to the remaining conditions for vesting applicable to Performance Shares having being fulfilled;
- DRDGOLD’s TSR over the 3-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%

- Attaining a threshold individual performance rating over the 3-year vesting period; and
- The Participant being in active service and not under notice of resignation at the Settlement date.

Retention Shares (20%) will vest subject to service and performance conditions as follows:

- Attaining a threshold individual performance rating over the 3-year vesting period; and
- The Participant being in active service and not under notice of resignation at the Settlement date.

Awarded Conditional Shares which do not Vest to the Participant, as a result of forfeiture or which lapse, revert back to the Scheme.

## Share Limits

### Overall Company Limit

The aggregate number of Shares at any one time which may be awarded for Settlements under the Scheme shall not exceed 34,500,000 (thirty four million, five hundred thousand) Shares (representing approximately 4.95% of the total issued share capital of the Company at the date of this Notice).

### Individual Limit

The aggregate number of Shares at any one time which may be awarded for Settlements under the Scheme to any one Participant shall not exceed 14,500,000 (fourteen million, five hundred thousand) Shares (representing approximately 2.1% of the total issued share capital of the Company at the date of this notice).

### Adjustments to Share Limits

The following adjustments to the Share limits will apply:

- In the event of a sub-division or consolidation of Shares, adjustment to the number of Shares that may be utilised for purposes of the Scheme will be made, whereby such adjustment will give a Participant entitlement to the same proportion of the equity capital as that to which he was previously entitled.
- In the event of a capitalisation issue, a special dividend, a rights issue or reduction of capital, an adjustment to the fixed maximum number that may be awarded to a Participant will be made, whereby such adjustment will give a Participant entitlement to the same proportion of equity capital as that to which he was previously entitled.

In the event of an issue of Shares as consideration for an acquisition, the issue of Shares for cash and the issue of Shares for a vendor consideration placing, such event will not be regarded as a circumstance requiring adjustment to the Share limits contemplated above.

The Company’s Auditor, or other independent advisers acceptable to the JSE will confirm to the JSE, in writing, that any adjustments to Share limits in terms of the above are in accordance with the provisions of the Scheme. Such written confirmation must be provided to the JSE at the time that any such adjustment is finalised and will be reported on in DRDGOLD’s annual financial statements in the year during which the adjustment is made.

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## Special Provisions

The below special provisions will apply in the following circumstances:

### *Liquidation and Business Rescue*

If DRDGOLD passes a resolution for voluntary winding up or to be placed into business rescue in terms of the Companies Act 71 of 2008, all unvested Conditional Shares will cease to exist, and the Scheme will terminate.

### *De-Listing from the JSE*

Should DRDGOLD become de-listed from the securities exchange operated by the JSE, immediately prior to de-listing, all unvested Conditional Shares shall vest and be Settled in terms of these Rules.

### *Takeover of DRDGOLD*

Should DRDGOLD be the subject of a merger, takeover and corporate actions (“**Event**”), at the sole discretion of Remco, either:

- The Scheme shall continue in operation until all unvested Awards in issue at the time of the Event Vest; or
- All unvested Awards shall immediately vest before the Event is implemented.

## Termination of Employment

- If a Participant’s employment terminates as a result of death, retirement, permanent disability or retrenchment, Remco has discretion to allow vesting of Awards that would vest in the following 12 months following the last day of service.
- If a Participant’s employment terminates as a result of dismissal, all unvested Awards will be forfeited.
- If a Participant’s employment terminates as a result of resignation, vesting of Awards will be subject to the Participant being in active service and not under notice of resignation at the date of Settlement.
- If a Participant’s is involved in any disciplinary action, all vesting of Awards will be suspended pending the outcome of any disciplinary action, as follows:
  - If subsequently dismissed, all unvested Awards will be forfeited; or
  - If not dismissed, vesting of Awards occurs in accordance with the rules of the Scheme, and participation continues.

## General

The complete document recording the rules of the Scheme is available for inspection by shareholders, at the Company’s registered offices, from 31 October 2019 to 14 November 2019, during business hours.

# FORM OF PROXY



Incorporated in the Republic of South Africa  
 (Registration number 1895/000926/06)  
 JSE share code: DRD  
 ISIN: ZAE000058723  
 NYSE trading symbol: DRD  
 ("DRDGOLD" or the "company" or the "group")

## FORM OF PROXY FOR DRDGOLD SHAREHOLDERS

For use only by DRDGOLD shareholders registered on the United Kingdom register and with regard to the South African register, for use only by DRDGOLD shareholders holding share certificates and Central Securities Depository Participant ("CSDP") nominee companies, brokers' nominee companies and DRDGOLD shareholders who have dematerialised their share certificates and who have selected "own-name" registration through a CSDP at the annual general meeting of DRDGOLD shareholders to be held in the company's boardroom, 1 Sixty Jan Smuts Building, 2<sup>nd</sup> Floor North-Tower, 160 Jan Smuts Avenue, Rosebank, 2196 on Monday, 02 December 2019 at 09:00 am (South African time) (the "AGM").

DRDGOLD shareholders on the South African register who have already dematerialised their share certificates through a CSDP or broker and who have not selected "own-name" registration and DRDGOLD shareholders who hold certificated ordinary shares through a nominee must not complete this form of proxy but must instruct their CSDP, broker or nominee to issue them with the necessary authority to attend the AGM or, if they do not wish to attend the AGM, they may provide their CSDP, broker or nominee with their voting instructions in terms of the custody agreement entered into between them and their CSDP, broker or nominee.

I/We (BLOCK LETTERS please)

of

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being the holder/s or custodians of

shares hereby appoint (see note 1 overleaf):

1. or failing him/her,
2. or failing him/her,
3. the chairman of the annual general meeting of DRDGOLD shareholders,

as my/our proxy to attend, participate and vote on a show of hands or on a poll for me/us and on my/our behalf at the AGM to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the DRDGOLD shares registered in my/our name as follows (see note 2 overleaf):

	For	Against	Abstain
Ordinary resolution number 1 – Re-appointment of Independent Auditors			
Ordinary resolution number 2 – Election of Director – Mrs Kuby Prudence Lebina			
Ordinary resolution number 3 – Re-election of Director – Mr Geoffrey Charles Campbell			
Ordinary resolution number 4 – Re-election of Director – Mr Edmund Abel Jeneker			
Ordinary resolution number 5 – Re-election of Director – Mr Adriaan Jacobus Davel			
Ordinary resolution number 6 – General authority to issue securities for cash			
Ordinary resolution number 7.1 – Election of Audit and Risk Committee member – Mr Johan Andries Holtzhausen (chairman)			
Ordinary resolution number 7.2 – Election of Audit and Risk Committee member – Mr Jean Johannes Nel			
Ordinary resolution number 7.3 – Election of Audit and Risk Committee member – Mrs Kuby Prudence Lebina			
Ordinary resolution number 8 – Endorsement of the Remuneration Policy			
Ordinary resolution number 9 – Endorsement of the Implementation Report			
Ordinary resolution number 10 – Authority to sign all required documents			
Ordinary resolution number 11 – Adoption of the DRDGOLD Management Long-Term Incentive Scheme			
Special resolution number 1 – General authority to repurchase issued securities			
Special resolution number 2 – General authority to provide financial assistance in terms of sections 44 and 45 of the Act			
Special resolution number 3 – Approval of non-executive directors' remuneration			

and generally to act as my/our proxy at the said AGM.

(Tick whichever is applicable). If no directions are given, the proxy holder will be entitled to vote or to abstain from voting, as that proxy holder deems fit. (See note 2 overleaf).

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2019  
 Signature \_\_\_\_\_

Assisted by (where applicable)

Each DRDGOLD shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of DRDGOLD) to attend, participate and vote in the place of that DRDGOLD shareholder at the AGM. Unless otherwise instructed, the proxy may vote as he deems fit.

## NOTES TO THE FORM OF PROXY

1. A DRDGOLD shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the AGM", but any such deletion must be initialed by such shareholder. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A DRDGOLD shareholder's instruction to his proxy must be indicated in the appropriate box by inserting the number of shares in respect of which the shareholder wishes his proxy to cast his votes.
3. Should there be no indication in the appropriate box as to how the shareholder wishes his votes to be cast by his proxy then the proxy will be deemed to have been authorised to vote or abstain from voting at the AGM as the proxy deems fit.
4. A DRDGOLD shareholder may instruct the proxy to vote in respect of less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A DRDGOLD shareholder who gives no indication as to the number of shares in respect of which the proxy is entitled to vote will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the shareholder's votes exercisable at the AGM.
5. A complete form of proxy, to be effective, must reach the transfer secretaries in South Africa and the United Kingdom at least 24 hours and 48 hours, respectively, before the time appointed for the holding of the AGM (which period excludes Saturdays, Sundays and public holidays) or be handed to the chairman of the AGM before the appointed proxy exercises any of the relevant shareholder's rights.
6. The completion and lodging of this form of proxy by DRDGOLD shareholders holding share certificates, CSDP nominee companies, brokers' nominee companies and DRDGOLD shareholders who have dematerialised their share certificates and who have elected "*own-name*" registration through a CSDP or broker, will not preclude the relevant shareholder from attending the AGM and participating and voting in person thereat to the exclusion of any proxy appointed in terms thereof. DRDGOLD shareholders who have dematerialised their share certificates and who have not elected "*own-name*" registration through a CSDP or broker and DRDGOLD shareholders who hold certificated ordinary shares through a nominee who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary authority to attend.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity (such as power of attorney or other written authority) must be attached to this form of proxy unless previously recorded by DRDGOLD.
8. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
9. When there are joint holders of shares only one of such persons may sign this form of proxy in respect of such shares as if such person were the sole holder, but if more than one of such joint holders submits a form of proxy, the form of proxy, if accepted by the chairman of the AGM, submitted by the holder whose name appears first in the register of the company will be accepted.
10. The holder of a share warrant to bearer who wishes to attend or be represented at the AGM must deposit his share warrant at the bearer reception office of Link Market Assets Services, The Registry PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, not later than 48 hours before the date appointed for the holding of the AGM (which period excludes Saturdays, Sundays and public holidays), and shall otherwise comply with the "conditions governing share warrants" currently in force. Thereupon a form of proxy or an attendance form under which such share warrant holder may be represented at the AGM shall be issued.
11. Depository receipt holders will receive forms of proxy printed by the depository bank, which should be completed and returned in accordance with the instructions printed on the forms of proxy.



## SUMMARY OF SECTION 58 OF THE ACT

1. A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.
2. Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.
3. Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.
4. If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.
5. A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
6. If the instrument appointing a proxy has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's Memorandum of Incorporation to be delivered to a shareholder must be delivered by such company to:
  - the relevant shareholder; or
  - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so
7. If a company issues an invitation to its shareholders to appoint 1 (one) or more persons named by the company as a proxy, or supplies a form of proxy instrument:
  - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
  - the invitation or form of proxy instrument supplied by the company must:
    - bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
    - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
    - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
  - the company must not require that the proxy appointment be made irrevocable; and
  - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.



# ADMINISTRATION AND CONTACT DETAILS

DRDGOLD LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1895/000926/06)

## OFFICES

### Registered and corporate

1 Sixty, Jan Smuts Building  
2<sup>nd</sup> Floor, North-Tower  
160 Jan Smuts Avenue  
Rosebank, 2196  
Johannesburg  
South Africa  
(PO Box 390, Maraisburg, 1700)  
South Africa  
Tel: +27 (0) 11 470 2600  
Fax: +27 (0) 86 524 3061

## OPERATIONS

### Ergo Mining Proprietary Limited

PO Box 12442  
Selcourt  
1567, Springs  
South Africa  
Tel: +27 (0) 11 742 1003  
Fax: +27 (0) 11 743 1544

### Far West Gold Recoveries Proprietary Limited

PO Box 390  
Maraisburg  
1700  
South Africa  
Tel: +27 (0) 10 822 8440  
Fax: +27 (0) 86 524 3061

## 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

## INVESTOR AND MEDIA RELATIONS

### James Duncan

R&A Strategic Communications  
Tel: +27 (0) 11 880 3924  
Fax: +27 (0) 11 880 3788  
Mobile: +27 (0) 79 336 4010  
E-mail: james@rasc.co.za

### United Kingdom/Europe

#### Phil Dexter

St James's Corporate Services  
Limited  
Suite 31, Second Floor  
107 Cheapside  
London EC2V 6DN  
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Tel: +44 (0) 20 7796 8644  
Fax: +44 (0) 20 7796 8645  
Mobile: +44 (0) 7798 634 398  
E-mail:  
phil.dexter@corpserv.co.uk

## 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 Johannesburg Stock Exchange (JSE) and on the New York Stock Exchange (NYSE), in the form of American Depositary Receipts (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

### South Africa

Link Market Service South Africa  
Proprietary Limited  
13th Floor, Rennie House  
19 Ameshoff Street Braamfontein  
2001 Johannesburg  
South Africa  
Tel: +27 (0) 11 713 0800  
Fax: +27 (0) 86 674 2450

### United Kingdom

(and bearer office)  
Link Market Asset Service  
The Registry PXS,  
34 Beckenham Road  
Beckenham BR3 4TU  
United Kingdom  
Tel: +44 (0) 20 8639 3399  
Fax: +44 (0) 20 8639 2487

### Australia

Computershare Investor Service  
Proprietary Limited  
Level 2  
45 St George's Terrace  
Perth, WA 6000  
Australia  
Tel: +61 8 9323 2000  
Tel: 1300 55 2949  
(in Australia)  
Fax: +61 8 9323 2033

### ADR depositary

The Bank of New York Mellon  
101 Barclay Street  
New York 10286  
United States of America  
Tel: +1 212 815 8223  
Fax: +1 212 571 3050

## GENERAL

JSE sponsor  
One Capital

### Auditor

KPMG Inc.

### Attorneys

ENSAfrica Inc.  
Malan Scholes  
Mendelow Jacobs  
Skadden, Arps, Slate, Meagher  
and Flom (UK) LLP

### Bankers

ABSA Capital  
Standard Bank of South Africa  
Limited

Website [www.drdgold.com](http://www.drdgold.com)  
\* British

### Committee memberships during FY2019

# Denotes committee chairman

<sup>1</sup> Member or 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



[www.drdgold.com](http://www.drdgold.com)

