

CORPORATE GOVERNANCE

INTRODUCTION

In the year under review DRDGOLD's Board of Directors has demonstrated its commitment to the upholding and implementation of the principles of corporate governance which are recognised and practised throughout the international business world.

All the directors are fully aware that they are the custodians of corporate governance in the organisation and this is reflected in the way they execute their fiduciary duties which is with diligence, integrity and honour. The intention is that this filters down to all the employees. The upholding of such ideals puts the company in a position to improve organisational performance and deliver value to shareholders and stakeholders alike. DRDGOLD has set up systems and controls to promote discipline, transparency, accountability, responsibility and fairness for the protection of the interests of the shareholders, employees and the communities in which we operate.

The King Report on Corporate Governance for South Africa (the King II Report) is a codified body of principles which is intended to serve as guidelines for the enhancement of high standards of corporate governance. DRDGOLD's practices and policies have been tailored to comply with the King II Report throughout the year under review.

DRDGOLD is registered with the Securities and Exchange Commission (SEC) in the United States of America and its ordinary shares are quoted on the NASDAQ Capital Market (NASDAQ) in the form of an American

Depositary Receipts (ADR) Programme, administered by the Bank of New York. Accordingly, DRDGOLD is bound by the Sarbanes-Oxley Act of 2002 (SOX) and is developing the policies and procedures for implementing the requirements of that act.

DRDGOLD shares are quoted on the JSE, which is its primary listing. DRDGOLD shares are also quoted on the London Stock Exchange and as such DRDGOLD must comply with the Combined Code as provided by the listing rules of the United Kingdom Listing Authority.

DRDGOLD was listed on the Australian and Port Moresby Stock Exchanges until July 2006, when it delisted from both exchanges.

THE BOARD OF DIRECTORS

Current composition of the board

The Board of Directors currently comprises two executive directors, the Chief Executive Officer, Mr Mark Wellesley-Wood, and the Chief Financial Officer, Mr John Sayers; and four non-executive directors, Messrs Geoffrey Campbell, Robert Hume, Douglas Blackmur and James Turk. On 25 October 2005 Dr Paseka Ncholo resigned as Chairman of DRDGOLD and on 1 November 2005 he resigned as Non-executive director of DRDGOLD. On 5 September 2005 Mr Ian Murray was replaced by Mr John Sayers as Chief Financial Officer and he resigned as a director of DRDGOLD with effect from 30 November 2005.

The King II Report requires that the board be a unitary one with a balance between the executive and the non-executive directors and with a substantial number of independent non-executive directors.

COMPLIANCE WITH STOCK EXCHANGE REQUIREMENTS

Some of the recommendations contained in the King II Report have been adopted in the JSE Listings Requirements and, as a foreign listed company on NASDAQ in July 2005, the board has satisfied certain NASDAQ Rules as indicated below. This means that the board has had to reconcile the stock exchange rules of the JSE and NASDAQ.

- **Policy detailing the procedure for appointment to the board** – In compliance with both the NASDAQ and JSE requirements the Board of Directors has adopted a formal and transparent policy in terms of which the Remuneration and Nominations Committee identifies candidates, interviews them and recommends the short-listed candidates to the board. The board deliberates on the suitability of the candidates and appoints the most suitable persons.

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- **Policy evidencing a clear division of responsibility at board level** – The board has established committees with distinct terms of reference. The terms of reference give details of the duties and responsibilities which directors have to carry out in their respective areas of specialisation. The balance of power and authority at board level is illustrated by the separation of the position of Chief Executive Officer and Chairman as outlined below. The board is currently developing a Board Charter which will set out the directors' responsibilities and serve as standing guidelines for the benefit of directors.
- **The Chief Executive Officer must not hold the position of Chairman of the board** – On 17 February 2005 Dr Ncholo was appointed Non-executive Chairman and Mr Wellesley-Wood resumed his position as Chief Executive Officer. On 25 October 2005, Geoffrey Campbell was appointed as the independent Non-executive Chairman of the board. The appointment of an independent Chairman is in full compliance with the King II Report's recommendations. As the independent Chairman is not part of the executive, he inherently approaches the business of the company in an impartial and objective manner.
- **Appointment of committees** – The board has Audit, Risk, and Remuneration and Nominations Committees as recommended by the King II Report, required by the JSE Listings Requirements, and in line with the nature of our business. Each committee is governed by a set of terms of reference on its composition, duties and responsibilities.
- **A brief CV of each director** – This has been provided for in this report on pages 12 and 13.
- **Categorisation of each director's capacity** – This has been provided for in this report on pages 12 and 13.
- **Majority of independent directors according to the JSE Listings Requirements** – The majority of the DRDGOLD directors are independent as specified by the JSE Listings Requirements.
- **Listing Agreement** – DRDGOLD executed a Listing Agreement in the form designated by NASDAQ as prescribed by the rules of that stock exchange.
- **Independence and responsibilities of the Audit Committee** – All the members of the Audit Committee are independent according to the definition set out in the NASDAQ Rules. This committee takes up the responsibilities relating to the independent auditor, KPMG Inc. The Audit Charter dealing with all aspects relating to the committee was approved and adopted by the board in July 2005.

- **Regular board evaluation –**

The board invited an independent external facilitator to assess the performance of the directors collectively and individually. The facilitator started off the evaluation process with all of the directors together in a workshop-type setting with each director making an input in response to a set of questions. The session, in which the deliberations were frank and honest, included such issues as the performance of directors, independence and balance of expertise. Although certain areas were identified for improvement, the facilitator found that the directors were effective both individually and collectively.

COMPLIANCE WITH OTHER GOOD CORPORATE GOVERNANCE PRINCIPLES

All of the directors bring to the board a wide range of expertise as well as significant financial, commercial and technical experience and, in the case of the non-executive directors, independent perspectives and judgment.

The board is responsible for setting the direction of DRDGOLD through the establishment of strategic objectives and key policies. It monitors the implementation of strategies and policies through a structured approach to reporting on the basis of agreed performance criteria and defined, written delegations to management for the detailed planning and implementation of such objectives and policies.

The board retains full and effective control over DRDGOLD, meeting on a quarterly basis with additional ad hoc meetings being arranged when necessary, to review strategy and planning, and operational and financial performance. The board further authorises acquisitions and disposals, major capital expenditure, stakeholder communication, and other material matters reserved for its consideration and decision with regard to its terms of reference. The board also approves the annual budgets for the various operational units.

The board is responsible for monitoring the activities of executive management within DRDGOLD and ensuring that decisions on material matters are considered by the board. The board approves all the terms of reference for the various subcommittees of the board, including special committees tasked to deal with specific issues.

While the executive directors are involved with the day-to-day management of DRDGOLD, the non-executive directors are not, nor are they full-time salaried employees.

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The directors have a responsibility to become acquainted with all of their duties, as well as with the issues pertaining to the operations and business of DRDGOLD. The board operates in a field which is technically complex and the directors are continually exposed to information which enables them to fulfil their duties. To assist new directors, an induction programme has been established by DRDGOLD, which includes background materials, meetings with senior management, presentations by DRDGOLD's advisers and visits to operations.

In addition, the Remuneration and Nominations Committee formally evaluates executive directors and the alternate directors on an annual basis. This evaluation is based on objective criteria. All directors, in accordance with DRDGOLD's Articles of Association, are subject to retirement by rotation and re-election by shareholders. In addition, all directors are subject to re-election by shareholders at the first annual general meeting following their appointment. The appointment of new

directors is approved by the board as a whole. The names of the directors submitted for re-election are accompanied by sufficient biographical details in the notice of the forthcoming annual general meeting to enable shareholders to make an informed decision in respect of their re-election.

All directors have access to the advice and services of the Company Secretary, who is responsible to the board for ensuring compliance with procedures and regulations of a statutory nature. Directors are entitled to seek independent professional advice concerning the affairs of DRDGOLD at the group's expense, should they believe that course of action would be in the best interests of DRDGOLD. A structured and efficient procedure has been incorporated into the Board Charter which is currently being developed by directors.

BOARD MEETINGS AND RESOLUTIONS

Board meetings are held quarterly in South Africa, the USA or Australia.

The structure and timing of DRDGOLD's board meetings, which are scheduled over two or three days, allows adequate time for the non-executive directors to interact without the presence of the executive directors.

An agenda and supporting papers are distributed to all directors prior to each board meeting. Appropriate explanations and motivations are provided for items of business requiring resolution at the meeting. This ensures that relevant facts and circumstances are brought to the attention of directors. In terms of good governance, the directors can conduct unrestricted inspections of all company property, information and records.

In addition to the quarterly board meetings, there is provision in the company's Articles of Association for decisions to be taken between meetings by way of directors' written resolutions. These resolutions are circulated to the directors, supported by full motivations and explanations, and the directors are afforded five days to apply their minds to the matter at hand before they approve the resolution.

DETAILS OF ATTENDANCE BY DIRECTORS AT THE BOARD MEETINGS HELD DURING THE 2006 FINANCIAL YEAR

Director	Designation	24 Aug 2005	26 Sept 2005	24 Oct 2005	10 Feb 2006	25 April 2006
M M Wellesley-Wood	CEO	✓	✓	✓	✓	✓
I L Murray ¹	CFO	✓	✓	✓	N/A	N/A
J W C Sayers ²	CFO	N/A	✓	✓	✓	A
M P Ncholo ³	Non-executive Chairman	✓	✓	✓	N/A	N/A
G C Campbell	Non-executive Chairman	✓	✓	✓	✓	✓
D J M Blackmur	Senior Independent Non-executive	✓	✓	✓	✓	✓
R P Hume	Independent Non-executive	✓	✓	✓	✓	✓
J Turk	Non-executive	✓	✓	✓	✓	✓

All meetings were held in Johannesburg, with the exception of the February 2006 board meeting, which was held in Cape Town, and the April 2006 board meeting, which was held in Brisbane.

A Apologies
 N/A Not applicable
 ✓ Includes attendance through teleconference or videoconference facilities

1 Resigned on 30 November 2005
 2 Appointed on 5 September 2005
 3 Resigned on 1 November 2005

BOARD COMMITTEES

The board has established a number of standing committees to enable it to discharge its duties and responsibilities properly and to fulfil its decision-making process effectively. Each committee acts within written terms of reference which have been approved by the board and under which specific functions of the board are delegated. Each committee has defined purposes, membership requirements, duties and reporting procedures. Minutes of the meetings of these committees are circulated to the members of the committees and made available to the board. Remuneration for non-executive directors for their services on the committees concerned is determined by the board. The committees are subject to regular evaluation by the board with respect to performance and effectiveness.

The following information reflects the composition and activities of these committees:

AUDIT AND RISK COMMITTEES

The Audit and Risk committees were merged in FY05. The members meet and the business of each section is handled with joint deliberations taking place on the issues raised. The Audit meeting is chaired by Mr R P Hume and the Risk meeting is chaired by Professor D J M Blackmur. The reason for the merger is that there was a great deal of overlap between the financial risks discussed at Audit Committee level and at Risk Committee level. The merger brings about better disclosure and ensures that DRDGOLD conforms more closely with the process prescribed by the Sarbanes-Oxley Act of 2002.

AUDIT COMMITTEE

The members are: R P Hume (Chairman); G C Campbell and D J M Blackmur.

The Audit Committee is composed solely of non-executive directors, all of whom are independent.

The primary responsibilities of the Audit Committee, as set out in the Audit Committee Charter, are to assist the board in carrying out its duties relating to the selection and application of accounting policies, internal financial controls, financial reporting practices, identification of exposure to significant financial risks and the preparation of accurate financial reporting and financial statements in compliance with all applicable legal requirements and accounting standards.

The Audit Committee meets every quarter with the external auditors, the company's Internal Audit and Compliance Manager and the Chief Financial Officer. The committee reviews the audit plans of the internal auditors to ascertain the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls and reviews the annual and interim financial statements prior to approval by the board.

DETAILS OF ATTENDANCE BY MEMBERS AT THE AUDIT COMMITTEE MEETINGS HELD DURING THE 2006 FINANCIAL YEAR

		22 Aug 2005	15 Sep 2005	24 Oct 2005	25 Oct 2005	28 Nov 2005	10 Feb 2006	21 Feb 2006	25 Apr 2006
R P Hume	Chairman	√	√	√	√	√	√	√	√
D J M Blackmur	Senior Independent Non-executive	√	√	√	√	√	√	√	√
G C Campbell	Independent Non-executive	√	√	√	√	√	√	√	√

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The committee is directly responsible for the appointment, re-appointment and removal of the external auditors as well as the remuneration and terms of engagement of the external auditors. The committee pre-approves all services provided by the external auditors and has implemented a policy regarding the provision of non-audit services by external auditors, and pre-approval thereof. DRDGOLD's external audit function is currently being undertaken by KPMG Inc.

DRDGOLD's internal audit function is co-sourced among in-house staff, Pro Optima Audit Services (Pty) Ltd, and Ernst & Young. Internal audits are performed at all of DRDGOLD's operating units and are aimed at reviewing, evaluating and improving the effectiveness of risk management, internal control and corporate governance processes. Significant deficiencies, material weaknesses, instances of non-compliance, exposure to high risk and development needs are brought to the attention of operational management for resolution. The committee members have access to all the records of the internal audit team.

DRDGOLD's internal and external auditors have unrestricted access to the Chairman of the Audit Committee

and, where deemed necessary, to the Chairman of the board and the Chief Executive Officer. All significant findings arising from audit procedures are brought to the attention of the committee and, if deemed necessary, to the board.

Reporting requirements necessary to ensure DRDGOLD's compliance with the Sarbanes-Oxley Act of 2002 are in the process of being implemented. A dedicated Disclosure Committee, which reports to the Audit Committee and then to the board, has been appointed to monitor the progress of this project. Section 404 of SOX stipulates that management should assess the effectiveness of the internal controls surrounding the financial reporting process. The results of such an assessment are to be reported in the form of a Management Attestation Report that is to be filed with the SEC as part of Form 20-F. Additionally, the company's external auditors are required to opine on management's assessment and operating effectiveness of internal controls over financial reporting. During the third quarter of the 2005 financial year, the SEC granted a one-year extension on the reporting deadline for Section 404 of SOX, thus deferring DRDGOLD's deadline to 30 June 2007. In the first quarter of the 2007 financial year, the SEC announced

that another one-year extension had been granted for auditor sign-off on management's assessment to the foreign private issuers meeting the definition of being an accelerated filer. Therefore, DRDGOLD's externally audited Section 404 initiative will only be reported as of 30 June 2008.

RISK COMMITTEE

The members are: D J M Blackmur (Chairman), M M Wellesley-Wood and J Turk

The Risk Committee was established during January 2004 and comprises two non-executive directors and one executive director, with a non-executive chairman who is independent. Its overall objective is to assist the board in the discharge of its duties relating to risk management and control responsibilities, assurance issues, health, safety and environmental compliance, and the monitoring and reporting of all these matters. The quality, integrity and reliability of the group's risk management are delegated to the Risk Committee by the Board of Directors. The Risk Committee facilitates communication between the board, the Audit Committee, internal auditors and other parties engaged in risk management activities.

DETAILS OF ATTENDANCE BY MEMBERS AT THE RISK COMMITTEE MEETINGS HELD DURING THE 2006 FINANCIAL YEAR

		22 Aug 2005	24 Oct 2005	10 Feb 2006	25 April 2006
D J M Blackmur	Chairman	√	√	√	√
J Turk	Non-executive	√	√	√	√
M M Wellesley-Wood	Executive	√	√	√	√

The Risk Committee ensures that:

- an effective risk management programme is implemented and maintained;
- risk management awareness is promoted amongst all employees;
- risk programmes (financing/ insurance) adequately protect the company against catastrophic risks;
- regular risk assessments are conducted;
- the total cost of risk in the long term is reduced;
- the protection of DRDGOLD's assets is promoted throughout the group;
- the health, safety and well-being of all stakeholders is improved; and
- DRDGOLD's activities are carried out in such a way so as to ensure the safety and health of employees.

The Risk Committee meets every quarter and reports back to the board. Additional ad hoc meetings may be arranged as and when required. Certain members of executive management are invited to attend Risk Committee meetings on a regular basis, including the Chief Financial Officer, the Group Risk Manager, the Group Financial Manager, the operational managers, the Group Legal Counsel and the Manager responsible for Safety, Health and Environment.

DRDGOLD has embarked on a risk management initiative directed by the Risk Committee and co-ordinated by a dedicated Group Risk Manager in line with the minimum practices as proposed by the King II Report.

The system to manage risk involves all significant business and operational risks which could undermine the achievement of business objectives and undermine the preservation of shareholder values. The significant risks facing DRDGOLD, including those

at an operational level, have been identified. People assigned have been appointed to each risk and the results of their work to improve controls are reviewed by senior management through regular risk meetings. The aim of the internal control systems is for management to provide reasonable assurance that the objectives will be met.

In addition to the above initiatives, DRDGOLD also employs third-party consultants to benchmark its operations against other mining operations throughout South Africa and more than 300 different mining companies worldwide.

An important aspect of risk management is the transfer of risk to third parties to protect the company from any major disaster. Therefore, DRDGOLD's major assets and potential business interruption and liability claims are covered by the group insurance policy which encompasses all operations worldwide. The majority of these policies are through insurance companies operating in Britain, Europe and the United States.

The various risk management initiatives undertaken in the group as well as the strategy to reduce cost

without compromising cover has been successful, resulting in substantial insurance cost savings for the group.

REMUNERATION AND NOMINATIONS COMMITTEE

The members are: D J M Blackmur (Chairman) and G C Campbell.

The Remuneration and Nominations Committee, which comprises only directors who are both independent and non-executive, is primarily responsible for approving the remuneration policies of DRDGOLD and the terms and conditions of employment of executive and non-executive directors and senior officers. Items considered by the committee include salaries, performance-based incentives and the eligibility and performance measures of the DRDGOLD (1996) Share Option Scheme applicable to senior management.

DETAILS OF ATTENDANCE BY MEMBERS AT THE REMUNERATION AND NOMINATIONS COMMITTEE MEETINGS HELD DURING THE 2006 FINANCIAL YEAR

		23 Aug 2005	24 Oct 2005	10 Feb 2006	27 April 2006
D J M Blackmur	Chairman	√	√	√	√
G C Campbell	Independent Non-executive	√	√	√	√

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The committee's objective is to evaluate and recommend to the board competitive packages that will attract and retain executives of the highest calibre, and encourage and reward superior performance. The committee also aims to ensure that criteria are in place to measure individual performance. The committee approves the performance-based bonuses of the executive directors based on such criteria. DRDGOLD's Group Strategic Manager: Human Resources provides the committee with access to comparative industry surveys, which assist in formulating remuneration policies. As and when required the committee may also engage the services of independent consultants to evaluate and review remuneration policies and related issues.

The committee meets quarterly, but may meet more often on an ad hoc basis if required. The committee may from time to time call for independent consultants to brief members on pertinent issues.

During 2002, DRDGOLD engaged the services of Deloitte and Touche Human Capital to assist in the drafting of a remuneration policy. This policy was approved by the board on 21 October 2004. The policy can be described as being based on a reward system comprising four principal elements:

- basic remuneration, as benchmarked against industry norms;
- bonuses or incentives, which are measured against agreed outcomes or key performance indicators, and are usually linked to the annual budget of the group;
- short-term rewards, which can be described as 'soft' rewards for exceptional performance (like the granting of travel vouchers); and

- long-term retention, which is the rationale underlying the share option scheme and share scheme for senior managers which is linked to criticality of skill and strategic value.

These four elements interact in a matrix, which aims to reward all employees for their efforts and provides a transparent framework which is reviewed and approved by the Remuneration and Nominations Committee.

ANNUAL FINANCIAL STATEMENTS

The directors are required by the South African Companies Act of 1973, to maintain adequate accounting records and are responsible for the preparation of the annual financial statements which fairly present the state of affairs of the group at the end of the financial year, and the results of its operations and cash flows for the year, in conformity with IFRS and the South African Companies Act referred to above. The directors are of the opinion that these financial statements, contained on pages 77 to 146 of this report, fairly present the financial position of the group as at 30 June 2006, and the results of its operations and the cash flow information for the year then ended.

In terms of the JSE Listings Requirements full compliance with IFRS is required for financial years beginning on or after 1 January 2005. As a consequence, DRDGOLD has produced IFRS compliant financial statements for the year ending 30 June 2006, including restated comparative information.

DRDGOLD provided project sponsorship, strategic guidance and technical support. The project itself was accountable to the Audit Committee and DRDGOLD's external auditors participated in every phase of the project.

The directors have reviewed the group's business plan and cash flow forecast for the year to 30 June 2007. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the group is a going concern and has adequate resources available to ensure its continued operational existence.

To comply with requirements for reporting by non-US companies registered with the SEC, DRDGOLD prepares annual financial statements on a Form 20-F in accordance with United States Generally Accepted Accounting Principles (US GAAP). This report will be available from the Bank of New York and on the worldwide web at www.sec.gov to holders of DRDGOLD's securities listed in the form of American Depositary Receipts on the NASDAQ Capital Market.

REMUNERATION REPORT EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of the executive directors comprises a basic salary and a semi-annual performance bonus. The full details of the total executive directors' remuneration for the year ended 30 June 2006 are provided in a table on page 78 of this report.

BASIC SALARY:

Each executive director receives a basic salary as recommended by the Remuneration and Nominations Committee in accordance with the remuneration policy. All salaries are reviewed annually, with the salaries of executive directors being benchmarked to external market surveys.

SEMI-ANNUAL PERFORMANCE BONUS:

Executive directors' service contracts provide that the executive shall be eligible for a discretionary bonus based on agreed key performance indicators.

This bonus is approved by the Remuneration and Nominations Committee.

SHARE OPTION OR SCHEME:

At its annual general meeting on 26 November 2004, DRDGOLD changed the option scheme name to DRDGOLD (1996) Share Option Scheme. An option is awarded on the basis of the critical nature and scarcity of an employee's particular skills and knowledge, as well as the strategic value of his or her position to the company during the review period. According to the JSE Listings Requirements' options awarded to an individual employee are subject to a cumulative upper limit of 2% of the company's issued share capital. Details of options held by directors are contained in a table on page 81 of this report.

OTHER BENEFITS:

All directors are members of the Group Life Scheme. All directors are reimbursed for reasonable business expenses they incur.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The fees paid to non-executive directors are determined by the board as a whole and are reviewed as and when necessary. The current fees payable, effective 1 November 2005, are as follows:

- a basic fee of US\$30 000 a year; subcommittee fees of US\$2 000 a year for each subcommittee of which the non-executive director is a member;

- US\$4 000 a year for each sub-committee which the non-executive director chairs;
- a basic fee of US\$33 000 a year for a senior independent non-executive director;
- a daily rate of US\$1 000 for additional duties performed; and
- both the executive and non-executive are eligible to receive a cash amount as determined by the Remuneration and Nominations Committee from time to time to enable them to buy shares in DRDGOLD.

Details of non-executive directors' remuneration can be found on page 78. Previously non-executive directors were granted share options over DRDGOLD's ordinary shares, details of the directors with unexercised options are shown on page 81.

DIRECTORS' SERVICE CONTRACTS

Service contracts have been concluded with the executive as well as the non-executive directors. Details of the service contracts are set out in the table on page 80.

CODE OF ETHICS

The following highlights aspects of the group's Code of Ethics, a complete copy of which will be made available on request or can be accessed on the company's website at www.drdgold.com. Any contravention of this code is regarded as a serious matter.

COMPLIANCE WITH LAWS AND REGULATIONS

Directors, officers and employees must comply with all laws and regulations that are applicable to their activities on behalf of the group.

THE COMPANY AND ITS EMPLOYEES

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 AND THE COMMUNITY

The group recognises that we all share a very real responsibility to contribute to the local communities and the group encourages employees to participate in, amongst 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.

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 positions or knowledge gained through their employment with the group for their private or personal advantage.

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OUTSIDE EMPLOYMENT AND DIRECTORSHIP

Employees may not take up outside employment or hold outside directorships without prior approval of management. Directors who hold outside directorships must disclose same at the quarterly board meetings.

RELATIONSHIPS WITH CLIENTS, CUSTOMERS AND SUPPLIERS

Employees should ensure that they are independent of any business organisation having a contractual relationship with the group or providing goods or services to the group.

GIFTS, HOSPITALITY AND FAVOURS

An employee should neither accept nor solicit any non-minor gifts, hospitalities or other favours from suppliers of goods or services.

PERSONAL INVESTMENTS IN SHARES AND SHARE DEALINGS

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 this 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.

CONFIDENTIAL INFORMATION AND EXTERNAL COMMUNICATION

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 communications 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 general manager: investor relations 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.

STAKEHOLDER COMMUNICATION

DRDGOLD gives substance to its commitment to transparency through implementation of an integrated and sustained programme of communication directed at its various stakeholders. This programme takes full cognisance of all of the obligations placed on the group by its various listings and the regulatory environments in which it operates.

The group's communication activities with its shareholders is premised on a clear understanding of shareholders' desire to maximise returns on their investment in the group and that, in order to be able to do this, they and/or their investment advisors require equitable, timely access to operating, financial and other information.

Information defined or deemed to be influential on DRDGOLD's share price is released to international markets in the first instance via the news dissemination mechanisms of the various stock exchanges on which it is listed, and as soon as possible thereafter to all addressees on the group's extensive electronic database. These addressees include shareholders, fund managers, analysts and media representatives internationally. All information is also available on the website.

Information relating to DRDGOLD's operating and financial performance is released proactively to the market at least once a quarter in the same way, and sometimes more frequently, as determined by circumstance. Quarterly reporting of the group results is augmented at half year and year end by face-to face briefings by group executives in a least two of the markets in which it is listed, and by teleconferences and webcasts. At the end of every other quarter, results commentary is accessible via teleconferences and webcasts.

Between quarters, DRDGOLD's, Chief Executive Officer and Strategic Development Officer travel extensively in the United States, Europe and Australasia, addressing investor and other relevant conferences, and meeting with investors and potential investors in both one-on-one and group meetings. From time to time, other senior representatives of the group are included in these activities.

A primary channel for communication to shareholders and the investing community at large is through DRDGOLD's website. This contains current information on DRDGOLD and its operations, as well as all announcements and publications, such as the annual report and the investor bulletins, which are produced every second month. Interactivity is a primary feature that adds currency to the website and complements the substantial archive. All investor teleconferences are recorded and are

available, together with webcasts, on the website for a period of time.

Employees and their elected representatives constitute another important stakeholder constituency for DRDGOLD. While a climate of mature industrial relations ensures that considerable, effective communication is achieved through the collective bargaining process, DRDGOLD is careful to maintain its prerogative, indeed its obligation, to communicate directly, regularly and effectively with its employees.

A company-wide workplace briefing system with feedback mechanisms, quarterly results briefings, the website, and employee publications are among the primary media used.

Effective, two-way communication with the communities within which it operates is an area of growing importance to the group. While much of this communication, increasingly, is required by regulation and statute and takes the form of formal consultation with interested and affected parties, operational management has come to recognise the value of community understanding and support for managements' actions, and of the role that effective communication plays in securing these.

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of DRDGOLD and its subsidiaries. The financial statements presented on pages 77 to 146, have been prepared in accordance with IFRS and include amounts based on judgements and estimates made by management.