

ROYAL GOLD INC
Form DEF 14A
October 07, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Royal Gold, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

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1660 Wynkoop Street, Suite 1000, Denver, CO 80202

Phone: 303-573-1660

www.royalgold.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

You are cordially invited to attend our 2016 Annual Meeting of Stockholders (the Annual Meeting). At the Annual Meeting, we will ask you to vote on:

1. The election of the two Class II Director nominees identified in the accompanying proxy statement;
2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending June 30, 2017;
3. The approval, on an advisory basis, of the compensation of the named executive officers;
4. The approval of an amendment to the Company's Restated Certificate of Incorporation to increase the total number of authorized shares from 110,000,000 shares to 210,000,000 shares, consisting of (i) 200,000,000 shares of common stock, and (ii) 10,000,000 shares of preferred stock, \$0.01 par value each; and
5. The transaction of such other business as may be brought properly before the meeting and any and all adjournments or postponements thereof.

Our board of directors has fixed the close of business on September 19, 2016 as the record date for determining the stockholders entitled to notice of and to vote at our Annual Meeting. Thus, you are eligible to vote at the Annual Meeting and any postponements or adjournments of the meeting if you are a holder of Royal Gold's common stock at the close of business on September 19, 2016.

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We are mailing our Notice of Internet Availability of Proxy Materials to stockholders on or about October 7, 2016, containing instructions on how to access our proxy materials online. We are also mailing a full set of our proxy materials to stockholders who previously requested paper copies of the materials. (Please see page 2 of the proxy statement for more information on how these materials will be distributed.) Our proxy materials can also be viewed on our Company website at www.royalgold.com under Investors Financial Reporting All SEC Filings.

BY ORDER OF THE BOARD OF DIRECTORS

Bruce C. Kirchhoff

Vice President, General Counsel and Secretary

October 7, 2016

THE ROYAL GOLD

2016 ANNUAL MEETING OF STOCKHOLDERS

Will be Held on Wednesday, November 16, 2016

at 9:00 a.m. MST

At the RITZ-CARLTON HOTEL

Located at 1881 Curtis Street, Denver, CO 80202

YOUR VOTE IS IMPORTANT!

It is important that your shares are represented and voted at the Annual Meeting. For that reason, whether or not you expect to attend in person, **please vote your shares as promptly as possible** by telephone or by Internet, or by signing, dating and returning the proxy card mailed to you if you received a paper copy of this proxy statement.

Attendance at the Annual Meeting

On the day of the Annual Meeting, you will be asked to sign in with a valid picture identification such as a driver's license or passport. Registration and seating will begin at 8:30 a.m. and the meeting will begin at 9:00 a.m. MST.

Voting Deadline

Proxies voted by mail, telephone or Internet must be received by 11:59 p.m. (Eastern Standard Time) on November 15, 2016.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL STOCKHOLDER MEETING TO BE HELD ON NOVEMBER 16, 2016: Our Notice of Annual Meeting, Proxy Statement and related exhibits, Annual Report including our Form 10-K, electronic proxy card and any other Annual Meeting materials are available on the Internet at www.proxyvote.com together with any amendments to any of these documents.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement before voting. For more complete information regarding the Company's 2016 performance, please review the Company's Annual Report on Form 10-K.

MEETING AGENDA AND VOTING MATTERS

	Board Vote Recommendation	Page Reference For more information
• Election of Two Class II Directors	<u>FOR</u> each Director Nominee	6
• Ratification of Ernst & Young LLP as auditor for 2017	<u>FOR</u>	18
• Advisory resolution to approve executive compensation	<u>FOR</u>	20
• Amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares	<u>FOR</u>	44
• Transact other business that properly comes before the meeting		

CLASS II DIRECTOR NOMINEES TO SERVE UNTIL THE 2019 ANNUAL MEETING

Our board of directors (the Board of Directors) is composed of eight members divided into three classes, with each class serving a term of three years (each, a Director). The following table summarizes important information about each director nominee standing for re-election to the Board for a three-year term expiring in 2019.

Class II Director Nominees	Experience and Qualifications	
William M. Hayes (age 71) Independent Director since 2008; Chair since 2014 Retired Mining Executive Chairman of the Audit & Finance Committee Serves on one other public company board	<ul style="list-style-type: none"> • Audit committee financial expertise • Public company board service • CEO/administration and operations • Corporate governance 	<ul style="list-style-type: none"> • Finance • Industry and mining experience • International business • Leadership • Reputation in the

		industry
Ronald J. Vance (age 64)	<ul style="list-style-type: none"> Public company board service Business development and marketing Corporate governance Finance Industry and mining experience 	<ul style="list-style-type: none"> Risk management International business Leadership Reputation in the industry Risk management
Independent Director since 2013 Retired Mining Executive Member of the Compensation, Nominating & Governance Committee Does not serve on any other public company board		

ATTRIBUTES OF ROYAL GOLD BOARD OF DIRECTORS

Independence	Average Board Tenure	Director Qualifications
All Directors other than the CEO are independent	The average tenure for our Directors service on our Board of Directors is approximately 5.5 years	Among other qualifications, every Director has substantial industry expertise (see diagram below)

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DIRECTOR QUALIFICATIONS AND EXPERIENCE

2016 COMPANY PERFORMANCE

Our Board of Directors and management continue to demonstrate strong commitment to increasing long-term stockholder value and returning capital to stockholders, as evidenced by some of our significant achievements during fiscal 2016:

- We closed and funded \$1.4 billion in new stream and royalty acquisitions in fiscal 2016.
- Three of our new streams, Wassa and Prestea, Andacollo, and Pueblo Viejo, already rank among our top five revenue generators, and accounted for 31% of our fiscal year 2016 revenue.
- We achieved record volume of 247,300 Net GEOs of production and record revenue of \$360 million.

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- We returned a record \$59 million to stockholders in the form of dividends, representing an increase of 5% over the prior year. Fiscal year 2016 was our 15th consecutive year of increasing dividends.
- Our share price recovered from a nine-year low of \$25.33 in January 2016 to \$72.02 at fiscal 2016 year end, due in part to:
 - gold price recovery from a six-year low of \$1,049 per ounce in December 2015;
 - recognition of immediate returns on certain of our new stream acquisitions; and
 - reduced uncertainty concerning the Mount Milligan Mine.
- We ended fiscal 2016 with a total shareholder return of over 19%.

Please refer to our Annual Report on Form 10-K, and to the discussion on page 23 of this Proxy Statement, for more detailed information concerning our financial results for fiscal 2016.

CORPORATE GOVERNANCE BEST PRACTICES HIGHLIGHTS

Corporate Governance Practices Designed to Protect and Promote Long-Term Stockholder Value

- Separate CEO and Chairman of the Board
- Seven of eight directors are independent, including all Committee members
- Annual advisory say on pay vote
- Significant Board refreshment over recent years; average director tenure is approximately 5.5 years

- Thorough orientation program for new directors
- Independent directors meet without management present
- Significant director and executive officer stockholding requirements
- Board Governance Guidelines, Committee Charters and Code of Business Ethics and Conduct
- Board oversight of robust Enterprise Risk Management Program
- Directors reaching age 72 submit offer of resignation which the Board has discretion to accept or reject
- Majority voting in uncontested director elections
- Active stockholder engagement
- Strong link between executive officer compensation and Company performance
- All Audit and Finance Committee members determined to be Audit Committee Financial Experts
- Anti-hedging and anti-pledging policies
- Annual Board and Committee self-evaluations
- No perquisites and no excise tax gross-ups for executive officers

- No stock option re-pricing without stockholder approval
- Both management and director succession planning are among the Board's priorities

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Stockholders are asked to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2017. Below is a summary of fees paid to Ernst & Young in fiscal year 2016.

Audit Fees	\$	692,512
Tax Fees		250,204
Total	\$	964,244

TRANSFORMATIVE CHANGES TO EXECUTIVE COMPENSATION

The Compensation, Nominating and Governance Committee of the Board of Directors (the CNG Committee) worked extensively with its independent compensation consultant during fiscal year 2015 to address concerns expressed during our engagement process by some stockholders and proxy advisors. The result of this work was the August 2015 introduction of the following significant changes to our executive compensation program:

Stockholder and Advisor Feedback	Resulting Changes to 2016 Executive Compensation Program
Simplify the program and enhance transparency of annual short-term incentive calculations	Developed a formulaic short-term incentive scorecard with pre-determined performance metrics and targets
Reduce multiple vesting opportunities and lengthen the measuring period for the performance shares	Introduced 5-year, 3-year and 1-year vesting periods for performance shares, and cliff vesting for one-half of performance shares awarded
Adopt relative total shareholder return (TSR) as a performance measure; consider multiple performance measures	Adopted relative TSR and growth in net revenue (expressed in terms of growth in production volume) as two new performance measures for performance shares
Link performance measures to specific strategic objectives that stockholders value: a balance of growth and financial discipline	Added production targets to short-term incentive scorecard and performance share measures; incorporated operating cash flow multiple as a short-term incentive measure
Continue benchmarking against peers in the precious metals industry with similar market capitalization	Maintained current Royal Gold-selected peer group, which reflects companies of similar market capitalization in the precious metals industry

Table of Contents**COMPENSATION OF NAMED EXECUTIVE OFFICERS**

Stockholders are asked to approve, on an advisory basis, the compensation of our Named Executive Officers (NEOs). The following table summarizes the total potential compensation package for fiscal year 2016 for each NEO.

Name and Principal Position	Salary	Stock and Option Awards	Bonus	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Tony Jensen President and Chief Executive Officer	\$ 700,000	\$ 2,105,350		\$ 750,000	\$ 32,436	\$ 3,587,786
Stefan Wenger Chief Financial Officer and Treasurer	\$ 425,000	\$ 813,750		\$ 345,000	\$ 36,036	\$ 1,619,786
Karli S. Anderson Vice President Investor Relations	\$ 310,000	\$ 593,931		\$ 250,000	\$ 26,546	\$ 1,180,477
William Heissenbuttel Vice President Corporate Development	\$ 450,000	\$ 861,843	\$ 100,000(1)	\$ 365,000	\$ 36,436	\$ 1,813,278
Bruce C. Kirchhoff Vice President, General Counsel and Secretary	\$ 375,000	\$ 717,483		\$ 305,000	\$ 31,211	\$ 1,428,694

(1) Represents a cash award of \$100,000 as special recognition of Mr. Heissenbuttel's extraordinary performance in overseeing the Company's acquisition of four new streaming interests and a further royalty interest on one of the Company's existing development projects, all during the first quarter of fiscal year 2016. For further information, see Special Cash Bonus on page 32.

IMPORTANT DATES FOR 2017 ANNUAL MEETING OF STOCKHOLDERS

Stockholder proposals submitted for inclusion in our 2017 proxy statement pursuant to SEC Rule 14a-8 must be received by us by June 5, 2017.

Notice of stockholder proposals to be raised from the floor at the 2017 Annual Meeting of Stockholders outside of SEC Rule 14a-8 must be received by us between July 19, 2017 and August 18, 2017.

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GENERAL INFORMATION

STOCKHOLDERS ENTITLED TO VOTE AS OF RECORD DATE

This Proxy Statement is furnished to holders of Royal Gold, Inc. common stock, par value \$0.01 per share (common stock), in connection with the solicitation of proxies on behalf of the Board of Directors of Royal Gold, Inc. (the Company or Royal Gold) to be voted at the 2016 Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held on Wednesday, November 16, 2016, at 9:00 a.m. MST. Stockholders of record holding shares of the Company s common stock, at the close of business on September 19, 2016 (the Record Date), are eligible to vote at the Annual Meeting and at all postponements and adjournments thereof. There were 65,315,629 shares outstanding on the Record Date.

INTERNET AVAILABILITY OF PROXY MATERIALS

We utilize the Securities and Exchange Commission (the SEC) rules allowing us to furnish proxy materials through a notice and access model via the Internet. On or about October 7, 2016, we will furnish a Notice of Internet Availability to our stockholders of record containing instructions on how to access the proxy materials and to vote. In addition, instructions on how to request a printed copy of these materials may be found in the Notice. For more information on voting your stock, please see Voting Your Shares below.

VOTING YOUR SHARES

Each share of Royal Gold common stock that you own entitles you to one vote. If you are a stockholder of record, your proxy card shows the number of shares of Royal Gold common stock that you own. If your stock is held in the name of your broker, bank or another nominee (a Nominee), the Nominee holding your stock will send you a voting instruction form. You may elect to vote in one of three methods:

- **By Phone or Internet** - You may vote your shares by following the instructions on your notice card, proxy card or voting instruction form. If you vote by telephone or via the Internet, you do not need to return your proxy card.
- **By Mail** - If this proxy statement was mailed to you, or if you requested that a proxy statement be mailed to you, you may vote your shares by signing and returning the enclosed proxy card or voting instruction form. If you vote by proxy card, your proxy (each or any of the individuals named on the proxy card) will vote your shares as you instruct on the proxy card. If you vote by voting instruction form, the Nominee holding your stock will vote your shares as you instruct on the voting instruction form. If you sign and return the proxy card, but do not give

instructions on how to vote your shares, your shares will be voted as recommended by the Board of Directors:

(1) FOR the election of Directors as described herein under Proposal 1 - Election of Directors; (2) FOR ratification of the appointment of the Company's independent registered public accountants described herein under Proposal 2 - Ratification of Appointment of Independent Registered Public Accountants; (3) FOR a non-binding advisory vote on the compensation of the Named Executive Officers described herein under Proposal 3 - Advisory Vote on Compensation of Named Executive Officers; and (4) FOR a proposal to amend our Restated Certificate of Incorporation to increase the number of authorized shares as described herein under Proposal 4 - Amendment to Restated Certificate of Incorporation to Increase Authorized Shares.

- **In Person** - You may attend the Annual Meeting and vote in person. We will give you a ballot when you arrive. If your stock is held in the name of a Nominee, you must present a proxy from that Nominee in order to verify that the Nominee has not voted your shares on your behalf.

REVOCATION OF PROXY OR VOTING INSTRUCTION FORM

If you are a holder of common stock, you may revoke your proxy at any time before the proxy is voted at the Annual Meeting. This can be done by submitting another properly completed proxy card with a later date, sending a written notice of revocation to the Vice President, General Counsel and Secretary of the Company with a later date, or by attending the Annual Meeting and voting in person. You should be aware that simply attending the Annual Meeting will not automatically revoke your previously submitted proxy; rather you must notify a Company representative at the Annual Meeting of your desire to revoke your proxy and vote in person. Written notice revoking a proxy should be sent to the Vice President, General Counsel and Secretary, Royal Gold, Inc., 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202.

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A majority of the outstanding shares of the Company's common stock entitled to vote, represented in person or by proxy, will constitute a quorum at a meeting of the stockholders. Abstentions and broker non-votes will be counted as being present in person for purposes of determining whether there is a quorum. A broker non-vote occurs when a Nominee holding shares for a beneficial owner does not vote those shares on a proposal because the Nominee does not have discretionary voting authority and has not received voting instructions from the beneficial owner with respect to that proposal.

Cumulative voting is not permitted for the election of Directors. Under Delaware law, holders of common stock are not entitled to appraisal or dissenters' rights with respect to the matters to be considered at the Annual Meeting.

PROPOSAL	VOTE REQUIRED TO APPROVE PROPOSALS AT A MEETING AT WHICH A QUORUM IS PRESENT	ABSTENTIONS AND BROKER NON-VOTES
#1 Election of Class II Director Nominees	The affirmative vote of a majority of the votes cast shall be the act of the stockholders. Please refer to page 6 for more information.	
#2 Ratification of Auditors	The affirmative vote of a majority of the votes cast shall be the act of the stockholders.	Do not count for these three proposals (no effect)
#3 Advisory Say on Pay	The affirmative vote of a majority of the votes cast shall be the act of the stockholders. However, as discussed in further detail in Proposal 3, this proposal is advisory in nature.	
#4 Amend Charter to Increase Authorized Shares	The affirmative vote of a majority of the outstanding shares of Royal Gold's common stock entitled to vote at the annual meeting is required.	Have the same effect as a vote AGAINST this proposal

TABULATION OF VOTES

Votes at the Annual Meeting will be tabulated and certified by Broadridge Financial Solutions, Inc.

SOLICITATION COSTS

In addition to solicitation of proxies by mail or by electronic data transfers, the Company's Directors, officers or employees, without additional compensation, may make solicitations by telephone, facsimile, or personal interview. The Company engaged Saratoga Proxy Consulting LLC, 520 8th Avenue, New York, NY 10018, to assist with the solicitation of proxies for a fee of \$15,000, plus expenses. All costs of the solicitation of proxies will be borne by the Company. The Company will also reimburse the banks and brokers for their reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of shares of common stock.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND
MANAGEMENT**

The following table shows the beneficial ownership, as of September 19, 2016, of the Company's common stock by each Director, each of the Company's NEOs, persons known to the Company, based upon the Company's review of documents filed with the SEC with respect to the ownership of the Company's common stock, to be the beneficial owner of more than 5% of the issued and outstanding shares of common stock, and by all of the Company's Directors and executive officers as a group. Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o Royal Gold, Inc., 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
Tony A. Jensen		
President, Chief Executive Officer and Director	338,818(1)	*
Gordon J. Bogden		
Director	13,374	*
M. Craig Haase		
Director	26,024(2)	*
William M. Hayes		
Chairman of the Board	31,689(3)	*
C. Kevin McArthur		
Director	10,814(4)	*
Jamie C. Sokalsky		
Director	4,205	*
Christopher M.T. Thompson		
Director	37,314(5)	*
Ronald J. Vance		
Director	10,164(6)	*
Stefan L. Wenger		
Chief Financial Officer and Treasurer	131,115(7)	*
Karli S. Anderson		
Vice President Investor Relations	24,974(8)	*
William H. Heissenbuttel		
Vice President Corporate Development and Operations	138,752(9)	*
Bruce C. Kirchhoff		
Vice President, General Counsel and Secretary	108,514(10)	*

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All Directors and Executive Officers as a Group including those named above (13 persons)	892,697(11)	1.37%
Van Eck Associates Corporation		
666 Third Avenue 9th Floor		
New York, New York 10017	4,938,274(12)	7.56%
BlackRock, Inc.		
55 East 52nd Street		
New York, New York 10055	4,842,450(13)	7.41%
The Vanguard Group		
100 Vanguard Boulevard		
Malvern, PA 19355	4,819,537(14)	7.38%
First Eagle Investment Management, LLC		
1345 Avenue of the Americas		
New York, New York 10105	4,246,460(15)	6.50%

* Less than 1% ownership of the Company's common stock.

(1) Includes 39,116 shares of restricted stock, 129,786 Stock Appreciation Rights (SARs) and options to purchase 7,317 shares of common stock that were exercisable as of September 19, 2016, or which become exercisable within 60 days from such date.

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- (2) Includes 965 shares of restricted stock.
- (3) Includes 965 shares of restricted stock.
- (4) Includes 965 shares of restricted stock.
- (5) Includes 965 shares of restricted stock.
- (6) Includes 965 shares of restricted stock.

- (7) Includes 20,166 shares of restricted stock, and 41,290 SARs and options to purchase 5,844 shares of common stock that were exercisable as of September 19, 2016, or which become exercisable within 60 days from such date.

- (8) Includes 10,425 shares of restricted stock, and 8,845 SARs and options to purchase 3,448 shares of common stock that were exercisable as of September 19, 2016, or which become exercisable within 60 days from such date.

- (9) Includes 20,527 shares of restricted stock, and 48,615 SARs and options to purchase 22,730 shares of common stock that were exercisable as of September 19, 2016, or which become exercisable within 60 days from such date.

- (10) Includes 19,094 shares of restricted stock and 40,644 SARs and options to purchase 9,730 shares of common stock that were exercisable as of September 19, 2016, or which become exercisable within 60 days from such date.

- (11) Includes 125,185 shares of restricted stock and 272,790 SARs and options to purchase 50,164 shares of common stock that were exercisable as of September 19, 2016, or which become exercisable within 60 days from such date.

- (12) As reported by Van Eck Associates Corporation on Form 13G/A filed with the SEC on February 11, 2016. As of December 31, 2015, Van Eck Associates Corporation has sole dispositive power over 4,938,274 shares of common stock, and sole voting power over 4,838,274 shares of common stock.

(13) As reported by BlackRock, Inc. on Form 13G/A with the SEC on February 10, 2016. As of December 31, 2015, BlackRock has sole dispositive power over 4,842,450 and sole voting power over 4,572,530 shares of common stock.

(14) As reported by The Vanguard Group on Form 13G/A filed with the SEC on February 10, 2016. As of December 31, 2015, the Vanguard Group has sole dispositive power over 4,773,287 shares of common stock, shared dispositive power over 46,250 shares of common stock and sole voting power over 46,830 shares of common stock.

(15) As reported by First Eagle Investment Management, LLC on Form 13G/A filed with the SEC on February 5, 2016. As of December 31, 2015, First Eagle Investment Management, LLC has sole dispositive power over 4,246,460 and sole voting power over 4,159,561 shares of common stock.

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EXECUTIVE OFFICERS

The following persons hold the executive officer positions at Royal Gold as of September 30, 2016:

Tony Jensen, 54, President, Chief Executive Officer and a Director. See page 8.

Stefan L. Wenger, 43, Chief Financial Officer and Treasurer since August 2007.

Mr. Wenger was Chief Financial Officer from June 2006 to August 2007, and Chief Accounting Officer and Treasurer of the Company from April 2003 until June 2006. Mr. Wenger was a manager with PricewaterhouseCoopers LLP from June 2002 until March 2003. From September 2000 until June 2002, he was a manager with Arthur Andersen LLP. Mr. Wenger has over 20 years of experience in the mining and natural resources industries working in various financial roles. He is a member of the Board of Directors of the Nevada Mining Association. Mr. Wenger holds a Bachelor of Science degree in Business Administration from Colorado State University, has completed the General Management Program at the Harvard Business School, and is a certified public accountant. He is a member of the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Karli S. Anderson, 43, Vice President Investor Relations since May 2013.

Ms. Anderson has over 15 years of experience in finance, investor relations and capital markets. She was Senior Director, Investor Relations, from August 2011 through April 2013 and Director, Investor Relations from May 2010 to August 2011 at Newmont Mining Corporation. From February 2008 to May 2010, she served as Director Investor Relations at Coeur d'Alene Mines Corporation. Ms. Anderson served as Director Investor Relations from January 2006 to February 2008 at Evergreen Energy Inc. From 2003 to 2006 she was Director of Strategic Analysis at Policy Studies, Inc. and from 2000 to 2001 she was an Associate at Goldman Sachs Investment Research. Ms. Anderson is currently the Chairman of the Denver Gold Group. Ms. Anderson holds a Master of Business Administration degree with a specialization in finance from the Wharton School at the University of Pennsylvania and a Bachelor of Science degree in Telecommunications Systems from Ohio University.

William H. Heissenbuttel, 51, Vice President Corporate Development since February 2007.

Mr. Heissenbuttel brings more than 25 years of corporate finance experience with 20 of those years in project and corporate finance in the metals and mining industry. From January 2015 to June 2016, he served as Vice President Operations, and from April 2006 through January 2007, he was Manager Corporate Development for the Company. Mr. Heissenbuttel served as Senior Vice President from 2000 to 2006 and Vice President from 1999 to 2000 at N M Rothschild & Sons (Denver) Inc. From 1994 to 1999, he served as Vice President and then as Group Vice President at ABN AMRO Bank N.V. From 1987 to 1994, he was a Senior Credit Analyst and an Associate at Chemical Bank Manufacturers Hanover. Mr. Heissenbuttel holds a Master of Business Administration degree with a specialization in finance from the University of Chicago

and a Bachelor of Arts degree in Political Science and Economics from Northwestern University.

Mark Isto, 56, Vice President Operations since July 2016.

Mr. Isto has 34 years of experience in mining engineering, mine management and project development, most of which included international experience. He previously served as Executive Director, Project Evaluation for RGLD Gold (Canada) Inc., a wholly owned subsidiary of the Company, since January 2015. Prior to that, he served as Vice President Operations for First Nickel Inc. from May 2012 to December 2014, and served at the Vice President and Senior Vice President levels in the Projects Group at Kinross Gold Corp. from October 2006 to May 2012. He served as Mine General Manager of Golden Sunlight Mines, Inc. (Placer Dome America) from January 2004 to October 2006, and he previously held numerous other management positions in Placer Dome's global operations, including Chief Engineer, Mine Superintendent, Project Director and Senior Advisor over a nearly 25 year career. Mr. Isto holds a Bachelor of Science degree in Mining Engineering from Montana College of Mineral Science and Technology, as well as a Master of Business Administration degree in Business Administration from the University of Nevada Reno.

Bruce C. Kirchhoff, 57, Vice President, General Counsel since February 2007 and Secretary since July 2013.

Mr. Kirchhoff has over 30 years of experience representing hardrock, industrial minerals, mineral exploration and development companies. From 2004 through 2007, Mr. Kirchhoff was a partner with the law firm Carver Kirchhoff Schwarz McNab & Bailey, LLC. From January to December 2003, Mr. Kirchhoff was a partner with the law firm Carver & Kirchhoff, LLC, and from April 1996 through December 2002, Mr. Kirchhoff was a partner in the law firm Alfery & Carver, LLC. Prior to private practice, Mr. Kirchhoff was a senior attorney with Cyprus Amax Minerals Company from 1986 through 1996. Mr. Kirchhoff holds a J.D. from the University of Denver, a Master of Science in Mineral Economics from the Colorado School of Mines, and a Bachelor of Arts degree in Anthropology from Colorado College.

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Proposal #1: ELECTION OF CLASS II DIRECTORS

The Company's Board of Directors consists of three classes of Directors, with each class of Directors serving for a three-year term and until their successors are duly elected and qualified. The Company's current Class I Directors are Messrs. Bogden, Jensen and Sokalsky; the Class II Directors are Messrs. Hayes and Vance; and the Class III Directors are Messrs. Haase, McArthur and Thompson.

If the proxy is properly completed and received in time for the Annual Meeting, and if the proxy does not indicate otherwise, the represented shares will be voted FOR William M. Hayes and Ronald J. Vance as Class II Directors of the Company. If either of the nominees for election as a Class II Director should refuse or be unable to serve (an event that is not anticipated), the proxy will be voted for a substitute nominee who is designated by the Board of Directors. Each Class II Director elected shall serve until the 2019 Annual Meeting, or until his successor is elected and qualified.

VOTE REQUIRED FOR APPROVAL

The Company's Amended and Restated Bylaws (Bylaws) require that each Director be elected by the majority of votes cast at a meeting at which a quorum is present with respect to such Director in uncontested elections. This means that the number of shares voted FOR a Director nominee must exceed the votes cast AGAINST that Director nominee. In a contested election (where the number of nominees exceeds the number of Directors to be elected), the standard for election of Directors would be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors. This year's election is expected to be an uncontested election, and the majority vote standard will apply. If a nominee who is serving as a Director is not elected at the Annual Meeting, Delaware law provides that the Director would continue to serve on the Board as a holdover Director. Under the Company's Bylaws, each Director nominee who is serving as a Director has submitted a conditional resignation that becomes effective if such Director is not elected and the Board accepts the resignation. In that situation, the CNG Committee would make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether to take other action. The Board of Directors will act on the CNG Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Absent a determination by the Board that it is in the best interest of the Company for a Director who has failed to be elected to remain on the Board, the Board will accept the resignation. The Director who tenders his resignation will not participate in the decision of the Board of Directors. If a nominee who was not already serving as a Director fails to receive a majority of votes cast with respect to his election at the Annual Meeting, Delaware law provides that the nominee does not serve on the Board as a holdover Director. Each of the Class II Director nominees are currently serving on the Board of Directors.

Information concerning the nominees for election as Directors is set forth below under Board of Directors.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR
EACH OF THE CLASS II DIRECTOR NOMINEES**

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BOARD OF DIRECTORS

Below, we provide the names, position with the Company, periods of service and experience of the Company's Directors. The persons who are nominated for election as Class II Directors at the Annual Meeting are indicated with an asterisk *. Each Director brings a strong and unique background and skillset to the Board including, among others, public company board service, long histories of significant leadership positions, and industry experience in the areas of mining, operations, accounting, administration, finance, business development and marketing, law, international business and risk management. The qualifications and experience of our Directors are summarized on page 11.

***WILLIAM M. HAYES**

Class II Director Nominee (Term expires 2016)

Independent Director since 2008

Retired Mining Executive

Chairman of the Board of Directors since May 2014

Chairman of the Audit and Finance Committee

Audit Committee Financial Expert

Mr. Hayes, 71, is an independent Director of Antofagasta PLC and a member of its Audit and Risk Committee, its Remuneration and Talent Management Committee and its Nomination and Governance Committee; he also previously served at various times since 2006 as Senior Independent Director and Chairman of the Board. He served in various management positions with Placer Dome Inc. from 1988 to 2006. He was Executive Vice President for Project Development and Corporate Affairs from 2004 to 2006. From 2000 to 2004, he served as Executive Vice President for USA and Latin America, and from 1994 to 2000 as Executive Vice President for Latin America. During this period (2000-2004), he served as President of Compania Mantos de Oro (La Coipa) and Compania Minera Zaldivar (Zaldivar Mine). From 1995 to 1999, he served as CEO of Mantos de Oro, Chile, at the La Coipa mine, and was Chief Financial Officer from 1988 to 1991. Mr. Hayes also served as Vice President and Treasurer of Placer Dome Inc. from 1991 to 1994. From 1972 to 1987, Mr. Hayes served in various financial positions with Exxon Corporation. Mr. Hayes holds a Bachelor of Arts and Master of Arts degree in International Management from the American Graduate School of International Management and a Bachelor of Arts degree in Political Science from the University of San Francisco.

Qualifications and Experience

Board Service Currently Chairman of the Board of Directors and Chairman of the Audit and Finance Committee of Royal Gold. An independent Director (since 2006), member of the Audit and Risk Committee, and Remuneration and Talent Management Committee and Nomination and Governance Committee of Antofogasta PLC (LON:ANTO), a FTSE 100 Company listed on the London Stock Exchange, engaged in mining, transportation, water distribution and energy. Also served at various times since 2006 as Senior Independent Director, Audit Committee Chairman and Chairman of the Board of Antofogasta. Also subsidiary Board membership of Antofogasta includes Chairman and Director of Tethyan Copper Company, a fifty-fifty joint venture between Antofogasta and Barrick related to the Reko Diq Project in Pakistan.

Leadership, Finance and International Business Experience - The Board of Directors has determined that Mr. Hayes is an Audit Committee Financial Expert. Prior service as Executive Vice President for U.S. and Latin America, Placer Dome Inc.; Executive Vice President, Project Development and Corporate Relations, Placer Dome Inc.; Vice President and Treasurer, Placer Dome Inc.; and Regional Treasurer and Controller, Exxon Minerals.

Industry Experience - Previously served as President of the Mining Council in Chile and President of the Gold Institute in Washington, D.C.

Mining Experience - Previously responsible for six operating mines in Chile and the U.S., and five development projects in the U.S., Chile, Dominican Republic and Africa.

Business Development and Marketing - Extensive experience in project development and corporate affairs.

GORDON J. BOGDEN

Class I Director (Term expires 2018)

Independent Director since August 2011
Audit and Finance Committee Member
Audit Committee Financial Expert

Retired Mining Executive

Mr. Bogden, 58, served as the President and CEO of Alloycorp Mining Inc., a mining company, from March 2014 to September 2015. He was formerly the Vice Chairman, Mining & Metals, Standard Chartered Bank, which acquired Gryphon Partners Canada Inc., an independent investment bank that Mr. Bogden co-founded, and where he was President and Managing Partner, from

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October 2008 to July 2012. From October 2003 to October 2007, he was Vice Chairman and Head of Global Metals and Mining at National Bank Financial Inc. Mr. Bogden served as President and Managing Director, Beacon Group Advisors Inc. from 2001 to 2003, Director, Investment Banking for Newcrest Capital Inc. from 1999 to 2000, Managing Director, N M Rothschild (Canada) from 1997 to 1999, and Managing Director, CIBC Wood Gundy Securities Inc. from 1990 to 1997. Mr. Bogden holds a Bachelor of Science (Engineering) degree in geophysics from Queen's University and the Institute of Corporate Directors Designation from the Rotman School of Management, University of Toronto. He is a member of the Professional Engineers Ontario.

Qualifications and Experience

Board Service Currently a member of the Audit and Finance Committee and a Director of Royal Gold. He is currently a Director of Orvana Minerals Corp. (TSE:ORV), and a previous board member of: Alloycorp Mining Inc., International Royalty Corporation, Aeroquest International Limited, Canplats Resources Corp., Camino Minerals Corp., IAMGold Corporation, Defiance Mining Corporation, BacTech Enviromet Corporation, High River Gold Ltd., NexGen Energy Ltd., Explorations Minière du Nord Ltée, and Volta Resources Inc.

Finance and International Business Experience The Board of Directors has determined that Mr. Bogden is an Audit Committee Financial Expert. Mr. Bogden has experience as a corporate advisor to mining companies on strategy and mergers and acquisitions, experience in raising capital in the international debt and equity markets, prior service as Vice Chairman, Mining & Metals, Standard Chartered Bank; Vice Chairman and Head of Global Metals and Mining for National Bank Financial Inc.; President and Managing Partner of Gryphon Partners Canada Inc.; President of Beacon Group Advisors Inc.; Managing Director of N M Rothschild & Sons (Canada) Limited; and Managing Director, Mining Group for CIBC Wood Gundy Securities.

Leadership Experience Extensive experience building businesses and managing professional teams focused on advisory assignments for Boards of Directors and senior management for some of the largest mining companies in the world on mergers, acquisitions, and restructurings.

Industry and Mining Experience Geophysicist and engineer designing and managing mining exploration and development programs for international mining companies.

TONY A. JENSEN

Class I Director (Term expires 2018)

Director (non-independent) since 2004

President and Chief Executive Officer of Royal Gold, Inc.

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Mr. Jensen, 54, has been President and CEO of the Company since July 2006. Previously he was President and Chief Operating Officer of the Company from August 2003 until June 2006. Mr. Jensen has over 31 years of mining industry experience, including 18 years with Placer Dome Inc. His corporate and operations experience was developed in the United States and Chile where he occupied several senior management positions in mine production, corporate development and finance. Before joining the Company, he was the Mine General Manager of the Cortez Joint Venture from 1999 to 2003. Mr. Jensen was Director, Finance and Strategic Growth and Treasurer for Placer Dome Latin America from 1998 to 1999 and SubGerente General de Operaciones for Compania Minera Mantos de Oro, a subsidiary of Placer Dome Latin America from 1995 to 1998. Mr. Jensen holds a Bachelor of Science degree in Mining Engineering from South Dakota School of Mines and Technology, and a Certificate of Finance from Golden Gate University.

Qualifications and Experience

Board Service - Currently a Director of Royal Gold, a Director of Golden Star Resources Ltd. (TSX: GSC; NYSE MKT: GSS; GSE: GSR), Director of the National Mining Association (NMA) and a member of the NMA Finance Committee, Director of the World Gold Council, prior Chairman and member of the Industrial Advisory Board and current member of the Advisory Board of the South Dakota School of Mines and Technology.

Leadership Experience - Extensive operations, corporate, and executive experience managing professional teams and large work forces with Placer Dome Inc., and current corporate and executive experience as President and CEO of Royal Gold.

Finance Experience - Actively involved in the financial review of Royal Gold's results. Current member of NMA's Finance Committee and past member of Golden Star's Audit Committee. Prior experience as Director, Finance and Strategic Growth, and Treasurer of Placer Dome Latin America. Experience raising capital in the debt and equity markets for Royal Gold.

Industry, Mining and International Business Experience - In addition to the active board memberships noted above, prior Chairman and Director of the Nevada Mining Association, Director of the Colorado Mining Association, and member of the University of Colorado Center for Commodities Advisory Board, as well as extensive industry, mining, acquisition, and international business experience through various roles with Royal Gold and Placer Dome Inc., including a foreign assignment in Chile from 1995 to 1999.

Operations - Prior domestic and international experience as mine engineer, operations supervisor, and mine general manager while based at three mining operations for Placer Dome Inc., as well as exploration, review, development and acquisition assignments at various other operations and properties.

Business Development and Marketing - Extensive experience in corporate development for Royal Gold and Placer Dome.

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M. CRAIG HAASE

Class III Director (Term expires 2017)

**Independent Director since 2007
Chairman of the CNG Committee**

Retired Mining Executive

Mr. Haase, 73, served as Director, Executive Vice President and Chief Legal Officer of Franco-Nevada Mining Corporation, a publicly-traded precious metals royalty company, for more than 15 years prior to its merger with Newmont Mining Corporation in 2002. He served as a Director of Newmont from March 2002 until he retired in May 2003. He served as Director, Executive Vice President and Chief Legal Officer of Euro-Nevada Mining Corporation from 1987 to 1999, when Euro-Nevada merged with Franco-Nevada. Mr. Haase was also Chairman, CEO and Director of Gold Marketing Corporation of America, Inc., a physical gold export company, from 1994 to 2002. Mr. Haase served as Vice Chairman of both Franco-Nevada Mining Corporation, Inc. (1990-2002) and Euro-Nevada Mining Corporation, Inc. (1990-1999). He was engaged in private law practice from 1971 to 1990 (the last nine years as senior and managing partner of M. Craig Haase Ltd., a law firm, and Haase and Harris Ltd., a law firm), with an emphasis in mining and commercial law and litigation. Mr. Haase holds a J.D. from the University of Illinois and a Bachelor of Arts degree in Geology from Northwestern University.

Qualifications and Experience

Board Service Currently Chairman of the CNG Committee and a Director of Royal Gold. Previous board member of Newmont Mining (NYSE:NEM), Euro-Nevada (TSE:EN), Franco-Nevada (TSE:FN) and Gold Marketing Corporation of America.

Leadership Experience - Prior service as CEO, Executive Vice President and Chief Legal Officer of international mining companies. Senior and managing partner of Haase and Harris, a law firm, from 1984 to 1990.

Industry and Mining Experience - More than 20 years of executive experience in the mining industry.

Law - Extensive experience as a practicing attorney, with more than 35 years representing numerous international mining companies in property management, acquisition and merger transactions, mining finance, capital acquisition, credit transactions, and litigation.

Geology - Research geologist with U.S. Army Corps of Engineers for two years.

Industry Association Participation - Past Director of Western State Colorado University Foundation; past Advisory Director of Professional Land and Resource Management Program at Western State Colorado University; past Vice Chairman of Hard Minerals Committee of the American Bar Association; past Trustee-at-Large of the Rocky

Mountain Mineral Law Foundation and member of the Executive Committee; past Director of Nevada Mining Association; and past Director of Northwest Mining Association; member of the Nevada State, U.S. District Court, Ninth Circuit Court of Appeals, U.S. Tax Court, and U.S. Supreme Court bars.

C. KEVIN MCARTHUR

Class III Director (Term expires 2017)

**Independent Director since March 2014
CNG Committee Member**

Executive Chair and a Director of Tahoe Resources Inc.

Mr. McArthur, 61, founded Tahoe Resources Inc., has been Executive Chair since April 2015, a director since 2009, and served as CEO from August 2015 to August 2016. He previously served as President and CEO from 2009 to early 2014, and Vice Chair and CEO from early 2014 to April 2015. He was President, CEO and a director of Goldcorp Inc. from 2006 until his retirement in 2008. He was President and CEO of Glamis Gold Ltd. from 1998 and served in a variety of management positions with Glamis until its acquisition by Goldcorp in 2006. He also served as a director of (i) Consolidated Thompson Iron Mines Limited from 2009 until 2011, (ii) Cloud Peak Energy Inc. from 2009 until 2010, and (iii) Pembroke Mining Corp from 2009 to 2014. Prior to working with Glamis, Mr. McArthur held various operating and engineering positions with BP Minerals and Homestake Mining Company. Mr. McArthur holds a B.S. in Mining Engineering from the University of Nevada.

Qualifications and Experience

Board Service Currently a member of the CNG Committee and a Director of Royal Gold. He has also served as a director of Tahoe Resources Inc. (NYSE:TAHO; TSX, BVL:THO) since 2009, and is a past director of Goldcorp Inc. (TSX:G; NYSE:GG), Glamis Gold Inc., Consolidated Thompson Iron Mines Limited (TSX:CLM), Cloud Peak Energy Inc. (NYSE:CLD) and Pembroke Mining Corp. Prior Board assignments included serving as the chairman of: the Pembroke audit committee, the Pembroke and Consolidated Thompson Iron Mines governance committees, the Cloud Peak health, safety, environment and communities committee and the Consolidated Thompson special committee during an M&A transaction, as well as serving on the Pembroke and Consolidated Thompson compensation committees and the Cloud Peak governance and nominating committees.

Leadership Experience - Extensive experience as a president and CEO of international mining companies since 1998. He founded and is Executive Chair and a director, and also served as President and CEO of Tahoe Resources Inc. He served as President, CEO and a director of Goldcorp Inc.; President and CEO of Glamis Gold Ltd, and as a director of

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Consolidated Thompson Iron Mines Limited, Cloud Peak Energy Inc. and Pembroke Mining Corp.

Industry and Mining Experience - More than 17 years of CEO experience in the mining business; over 30 years of operational, senior management and executive experience in the mining industry, including mine financing, mine construction and operations, mining engineering and mergers and acquisitions.

Business Development and Marketing Extensive experience in corporate development for Tahoe Resources, Goldcorp and Glamis Gold Ltd.

JAMIE C. SOKALSKY

Class I Director (Term expires 2018)

Independent Director since August 2015
Audit and Finance Committee Member
Audit Committee Financial Expert

Retired Mining Executive

Mr. Sokalsky, 59, is a member of the board of directors of Pengrowth Energy Corporation and Agnico-Eagle Mines Limited, and is chairman of the board of directors of Probe Metals, Inc. He served as CEO and President of Barrick Gold Corporation from 2012 to 2014, and held executive roles including treasurer (from 1993 to 1999), chief financial officer and executive vice president (from 1999 to 2012) of Barrick. Mr. Sokalsky has over 20 years experience as a senior executive in the mining industry, including finance, corporate strategy, project development and mergers, acquisitions and divestitures. He is a past member of the International Council on Mining and Metals and a past director of the World Gold Council. Mr. Sokalsky holds a Bachelor of Commerce degree (Honors) from Lakehead University and holds a Chartered Professional Accountant designation.

Qualifications and Experience

Board Service Mr. Sokalsky is currently a Director of Royal Gold. He is also a member of the board of directors of Pengrowth Energy Corporation (NYSE:PGH) and Agnico-Eagle Mines Limited (NYSE:AEM), and is chairman of the board of Probe Metals, Inc. (TSX-V:PRB). Mr. Sokalsky is a past director of the World Gold Council and a past member of the International Council on Mining and Metals.

Leadership Experience Over 30 years of senior executive experience in finance, capital markets, corporate strategy, project development, acquisitions and divestitures, including extensive board, CEO and CFO experience with international mining organizations, and board experience serving as a director for four public companies, two of which were metals mining companies.

International Mining Experience More than 20 years experience in international gold mining, encompassing strategy, finance, operations and investment.

Finance Experience The Board of Directors has determined that Mr. Sokalsky is an Audit Committee Financial Expert. He has extensive finance experience as treasurer and subsequently CFO of Barrick Gold Corporation.

Business Development and Marketing Extensive experience in corporate development for Barrick Gold Corporation.

CHRISTOPHER M.T. THOMPSON

Class III Director (Term expires 2017)

Independent Director since May 2014
Audit and Finance Committee Member
Audit Committee Financial Expert

Retired Mining Executive

Mr. Thompson, 68, is a member of the board of Jacobs Engineering Group Inc. He is also a member of the Colorado School of Mines Foundation Board of Governors. He was a director of Teck Resources from 2003 to April 2015, and a director of Golden Star Resources from 2010 to May 2015. Mr. Thompson served as the Chairman of Gold Fields Limited from 1998 to 2005 and as Chairman and CEO from 1998 to 2002. He was Chairman of the World Gold Council from 2002 to 2005. From 1992 to 1998 he was the Founder and CEO of Castle Group, which managed three venture capital funds that employed various structures, including royalties, to finance the development of new gold mines. Mr. Thompson received his undergraduate Bachelor's degree in law and economics from Rhodes University, South Africa, and a Master's Degree in Management Studies from Bradford University in the UK.

Qualifications and Experience

Board Service Currently a member of the Audit and Finance Committee and a Director of Royal Gold. Also currently a member of the board of Jacobs Engineering (NYSE:JEC), and a member of the Colorado School of Mines Foundation Board of Governors. Previously, he served as a director of Teck Resources (NYSE:TCK) and of Golden Star Resources (NYSEMKT:GSS), and he served as chairman of Gold Fields Limited (NYSE:GFI) and was chairman of the World Gold Council.

Leadership Experience Extensive board and CEO experience with international mining organizations since 1985 and board experience serving as a director for over 25 public gold mining companies.

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International Mining Experience More than 40 years experience in international gold producing operations, gold mining investment and venture capital fields.

Finance Experience The Board of Directors has determined that Mr. Thompson is an Audit Committee Financial Expert. Extensive experience evaluating new mining projects; member of the Company's Audit and Finance Committee; member of the audit committee for Jacobs Engineering; founder and CEO of Castle Group which managed three venture capital funds that employed various structures, including royalties, to finance development of new gold mines.

Business Development and Marketing Extensive experience in corporate development for Gold Fields, Castle Group and numerous board positions.

***RONALD J. VANCE**

Class II Director Nominee (Term expires 2016)

**Independent Director since April 2013
CNG Committee Member**

Retired Mining Executive

Mr. Vance, 64, retired as Senior Vice President, Corporate Development for Teck Resources Limited in early 2014, which position he held since 2006. From 2000 to 2005, he was Managing Director/Senior Advisor of Rothschild Inc. and from 1991 to 2000 he was Managing Director of Rothschild (Denver) Inc. Mr. Vance served as Vice President Project Development from 1989 to 1991 and Vice President Marketing from 1983 to 1989 for Newmont Mining Corporation. From 1978 to 1983 he was Director, Copper Sales and Manager, Specialty Copper Sales for Amax Copper Inc. Mr. Vance holds a Master of Business Administration degree from Columbia University and a Bachelor of Arts degree from Hobart College.

Qualifications and Experience

Board Service Currently a member of the CNG Committee and a Director of Royal Gold.

Finance and International Business Experience Expertise in managing the generation, negotiation and execution of complex, large-scale transactions. Experience building strategic commercial relationships with a broad range of international companies and developing and executing corporate and structured financing arrangements.

Leadership Experience Extensive experience as a senior executive of international mining companies and Managing Director of an investment banking team.

Industry and Mining Experience - More than 30 years of executive experience in the mining industry.

Business Development and Marketing Extensive experience in corporate development, strategic planning, project development and marketing of precious metals.

Industry Association Participation - Past Director of the Gold Institute and World Gold Council; past member of Denver Gold Group and of various trade association committees.

SUMMARY OF DIRECTOR QUALIFICATIONS AND EXPERIENCE

DIRECTOR QUALIFICATIONS AND EXPERIENCE	Gordon J. Bogden	M. Craig Haase	William M. Hayes	Tony A. Jensen	C. Kevin McArthur	Jamie C. Sokalsky	Christopher M.T. Thompson	Rona
Audit Committee Financial Expert								
Board Service on Public Companies								
Business Development and Marketing								
CEO/Administration and Operations Experience								
Corporate Governance Experience								
Finance Experience								
Geology, Geophysics and Mining Engineering								
Industry and Mining Experience								
Industry Association Participation								
International Business Experience								

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DIRECTOR QUALIFICATIONS

AND EXPERIENCE

Gordon J. Bogden M. Craig Haase William M. Hayes Tony A. Jensen C. Kevin McArthur Jamie C. Sokalsky Christopher M.T. Thompson Rona

Leadership Experience

Legal and Compliance

Experience

Reputation in the Industry

Risk Management

BOARD OF DIRECTORS COMPOSITION AND PRACTICES

Meetings and Attendance

During the fiscal year ended June 30, 2016 (fiscal year 2016), the Board of Directors held four regular meetings, two of which included executive sessions of the independent Directors, four special meetings and took action six times by unanimous written consent. Each Director attended, in person or by telephone, at least 75% of the aggregate number of meetings of the Board of Directors and of the Committee(s) of the Board of Directors (each, a Committee) on which he served. It is the Company s policy that each Director attends each Annual Meeting, and all Directors attended last year s Annual Meeting.

Independence of Directors

The Board of Directors has determined that each Director, except for Mr. Jensen, who is the President and CEO of the Company, is independent under the listing standards of the NASDAQ Stock Exchange (NASDAQ). The Board of Directors has determined that the Directors designated as independent have no relationship with the Company that would interfere with the exercise of their independent judgment in carrying out the responsibilities of a Director.

Board Structure

The Board of Directors does not have a prescribed policy on whether the roles of the Chairman and CEO should be separate or combined, but recognizes the value to the Company of having a non-executive Chairman. Mr. Hayes has served as Chairman of the Board since May 2014, as Chairman of the Audit and Finance Committee since November 2013, and as a Director of the Company since 2008. The Board of Directors has determined that Mr. Hayes is independent under the NASDAQ listing standards and that no relationship exists that would impair Mr. Hayes s independence.

The Board believes its leadership structure is appropriate because it effectively allocates authority, responsibility and oversight between management and the independent Directors.

Board Orientation

The Company conducts a thorough Board orientation program to efficiently introduce new directors to the Company, its management, business model and corporate strategy, financial condition, corporate organization and constituent documents, and its governance policies and practices.

Board Composition and Qualification

Every Director of the Company has held significant leadership positions and has substantial experience in the international mining business, corporate governance and risk management, in addition to other qualifications and expertise responsive to the needs of the Company.

Board Self-Assessments

The Board and Committees conduct annual self-assessments to evaluate the qualifications, experience, skills and balance of the Board and each Committee, and to ensure that the Board and each Committee is working effectively.

Table of Contents**Board Oversight of Risk Management**

The Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. The Board of Directors relies upon the President and CEO to supervise day-to-day risk management. The President reports directly to the Board and certain Board Committees on such matters, as appropriate.

The Board of Directors delegates certain oversight responsibilities to its Committees. For example, while the primary responsibility for financial and other reporting, internal controls, compliance with laws and regulations, and ethics rests with the management of the Company, the Audit and Finance Committee provides risk oversight with respect to the Company's financial statements, the Company's compliance with certain legal and regulatory requirements and corporate policies and controls, and the independent auditor's selection, retention, qualifications, objectivity and independence. Similarly, the Compensation, Nominating and Governance Committee provides risk oversight with respect to the Company's compensation program, governance structure and processes, the Company's compliance with certain legal and regulatory requirements, and succession planning.

The Board also oversees a robust enterprise risk management program to identify, define, manage and, when necessary, mitigate risks confronting the Company. The enterprise risk management program is administered, reviewed and updated by management on an ongoing basis, and reviewed by the Board of Directors quarterly.

Audit and Finance Committee (AF Committee)

The AF Committee is a standing committee of the Board of Directors, consisting of the following persons:

Director	Independent under the NASDAQ listing standards and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended	Has been determined to be an audit committee financial expert as defined in Item 407(d) of Regulation S-K	Satisfies the NASDAQ financial literacy and sophistication requirements
William M. Hayes, Chairman	Yes	Yes	Yes
Gordon J. Bogden	Yes	Yes	Yes
Jamie C. Sokalsky	Yes	Yes	Yes
Christopher M.T. Thompson	Yes	Yes	Yes

The AF Committee held six meetings during fiscal year 2016. The Audit and Finance Committee Charter is available on the Company's website at www.royalgold.com under "Governance" - Committees.

The AF Committee assists the Board of Directors in its oversight of the integrity of the Company's financial statements and compliance with legal and regulatory requirements and corporate policies and controls. The AF Committee has the direct responsibility to retain and terminate the Company's independent registered public accountants, review reports of the independent registered public accountants, approve all auditing services and related fees and the terms of any agreements, and to pre-approve any non-audit services to be rendered by the Company's

independent registered public accountants. The AF Committee monitors the effectiveness of the audit process and the Company's financial reporting, reviews the adequacy of financial and operating controls and evaluates the effectiveness of the AF Committee. The AF Committee is responsible for confirming the independence and objectivity of the independent registered public accountants. The AF Committee is also responsible for preparation of the AF Committee report for inclusion in the Company's Proxy Statement.

The AF Committee also reviews and provides oversight of the Company's financial strategy, capital structure and liquidity position, including review and oversight of transactions involving public offerings of the Company's equity and debt securities, transactions involving material debt obligations, dividend policies and practices, liquidity and cash flow position, tax strategy and tax compliance, and investment policies and strategy. The AF Committee also reviews and provides oversight of transactions and expenditures specifically delegated to it by the Board of Directors and performs such other financial oversight responsibilities as the Board of Directors may request.

In addition, the AF Committee reviews and approves all related-party business transactions in which any of the Company's officers, Directors or nominees for Director have an interest and that may be required to be reported in the Company's periodic reports and reports to the full Board of Directors about whether it has approved such a transaction. The standards applied by the AF Committee when reviewing and approving related-party transactions are found in the Audit and Finance Committee Charter, which provides, in pertinent part, that the Audit and Finance Committee shall review and approve any related-party business transactions, preferably in advance, in which the corporation's officers or Directors have an interest and that would be required to be reported by the corporation in its periodic reports pursuant to the rules and regulations of the SEC. Beyond this, when reviewing and approving transactions with related persons, the AF Committee will use applicable standards under Delaware law

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to approve or reject related-party transactions, including disinterested Director approval based on fairness to the Company and the best interests of the Company and its stockholders.

Compensation, Nominating and Governance Committee (CNG Committee)

The Board of Directors has a standing CNG Committee consisting of the following persons:

Director	Considered an outside Director as defined under Section 162(m) of the Internal Revenue Code	Considered a non-employee Director as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended	Independent under applicable NASDAQ listing standards
M. Craig Haase, Chairman	Yes	Yes	Yes
C. Kevin McArthur	Yes	Yes	Yes
Ronald J. Vance	Yes	Yes	Yes

The CNG Committee held six meetings during fiscal year 2016 and took action by unanimous written consent twice. The CNG Committee Charter is available on the Company's web site at www.royalgold.com under Governance Committees.

The CNG Committee oversees the Company's compensation policies, plans and programs, reviews and determines the compensation to be paid to executive officers, and recommends compensation to be paid to the Company's Directors. The full Board reviews and considers the CNG Committee's director compensation recommendations prior to making final determinations. The CNG Committee also administers and implements the Company's incentive compensation and equity-based plans. The CNG Committee is responsible for overseeing preparation of the Compensation Discussion and Analysis and for preparing the report on executive compensation for public disclosure in the Company's Proxy Statement.

The CNG Committee may form subcommittees and delegate to its subcommittees such power and authority as it deems necessary or advisable. The CNG Committee has no current intention to delegate any of its authority with respect to determining executive officer compensation to any subcommittee. The CNG Committee does not delegate its responsibilities with respect to executive compensation to any executive officer of the Company.

In addition to compensation matters, the CNG Committee also identifies or reviews individuals proposed to become members of the Board of Directors and recommends Director nominees. In selecting Director nominees, the CNG Committee assesses the nominee's independence and considers his or her experience and areas of expertise, including experience in the mining industry, diversity, perspective, broad business judgment and leadership, personal qualities and reputation in the business community, and ability and willingness to commit adequate time to Board and Committee matters, all in the context of the perceived needs of the Board of Directors at that time. The Company does not have a stand-alone policy regarding the consideration of diversity in selecting Director nominees. However, the CNG Committee considers a wide range of criteria in nominee selection including diversity, social, technical, political, management, legal, governance, finance and broader business experience as well as other areas of expertise. These matters are considered through discussions at CNG Committee meetings.

The CNG Committee will consider Director candidates recommended by stockholders using the same criteria outlined above, provided such written recommendations are submitted to the Vice President, General Counsel and Secretary of the Company in accordance with the advance notice and other provisions of the Company's Bylaws.

The CNG Committee also advises the Board of Directors regularly on various corporate governance matters and principles, including regulatory actions impacting the Company. The CNG Committee reviews the content of and compliance with the Company's Board of Directors Governance Guidelines annually.

Compensation Committee Interlocks and Insider Participation

No member of the CNG Committee is or has been an officer or employee of the Company. No interlocking relationship existed between our Board of Directors or our CNG Committee and the Board of Directors or compensation committee of any other company during fiscal year 2016.

Succession Planning

One of the primary responsibilities of the Board and management is to ensure that the Company has qualified leadership possessing the appropriate knowledge, experience and skills to successfully execute its business and strategic plans. Management is actively engaged in leadership development, including regular discussions concerning the development and retention of critical talent to promote future success, and the creation of opportunities for individual personal and professional development. In addition, the Board regularly reviews and discusses succession plans for both the Board and senior executives, including the President and CEO, during Board Committee meetings and executive sessions of the full Board. Directors become familiar with potential successors for senior executive positions through various means, including Board meeting presentations and less formal interactions throughout the course of the year.

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The Board's practice is to prepare for planned or unplanned changes in leadership in order to ensure the long-term continuity and stability of the Company. Accordingly, the Board has well-considered options available to respond to an unexpected vacancy in the President and CEO position.

Communication with Directors

Any stockholder who desires to contact the Company's Board of Directors may do so by writing to the Vice President, General Counsel and Secretary, Royal Gold, Inc., 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202. Any such communication should state the number of shares beneficially owned by the stockholder making the communication. The Vice President, General Counsel and Secretary will forward any such communication to the Chairman of the CNG Committee, and will forward such communication to other members of the Board of Directors as appropriate, provided that such communication addresses a legitimate business issue. Any communication relating to accounting, auditing or fraud will be forwarded to the Chairman of the AF Committee.

Code of Business Conduct and Ethics

The Company has long had in place a Code of Business Conduct and Ethics (the Code) applicable to all of its Directors, officers and employees, including the President and CEO, the CFO and Treasurer, and other persons performing financial reporting functions. The Code is reviewed on a yearly basis by the CNG Committee and Board, and is amended when appropriate. The Code is available on the Company's website at www.royalgold.com under Governance Guidelines & Policies. The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) full, fair, accurate, timely and understandable disclosures; (c) compliance with laws, rules and regulations; (d) prompt internal reporting of Code violations; and (e) accountability for adherence to the Code. The Company will post on its website any amendments to, or waivers from, any provision of the Code.

Board Governance Guidelines

The Board of Directors, upon recommendation from the CNG Committee, adopted the Board of Directors Governance Guidelines to assist the Board of Directors in the discharge of its duties and to serve the interests of the Company and its stockholders. The Board of Directors Governance Guidelines are reviewed on a yearly basis. The Board of Directors Governance Guidelines are available on the Company's website at www.royalgold.com under Governance Guidelines & Policies.

Anti-Hedging, Anti-Pledging and Short Sale Policies

The Company's Insider Trading Policy prohibits Directors, executive officers and employees on the Company's restricted trading list from trading in the Company's common stock on a short term basis, purchasing the Company's common stock on margin, short sales of Company stock, buying or selling put or call options or other derivative securities relating to Company stock, engaging in hedging or monetization transactions, such as collars, equity swaps, prepaid variable forwards and exchange funds with respect to the Company's common stock, pledging Company stock as security for any obligation, participating in investment clubs that invest in the Company's securities, holding the Company's securities in

a margin account, and, other than pursuant to a qualified trading plan, placing open orders (i) of longer than three business days or (ii) ending after a trading window has closed.

Trading Controls

Directors, executive officers and employees on the Company's restricted trading list are required to receive the permission of the Company's Vice President, General Counsel and Secretary prior to entering into any transactions in Company securities, including gifts, grants and transactions involving derivatives. Generally, trading is permitted only during open trading periods. Directors, executive officers and employees on the Company's restricted trading list may enter into a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. These trading plans may be entered into only during an open trading period and must be approved by the Company.

Certain Relationships and Related Transactions

The AF Committee's charter requires it to approve or ratify certain transactions involving the Company and related persons, as defined under the relevant SEC rules. Any transaction with a related person, other than transactions available to all employees generally or involving aggregate amounts of less than \$120,000, must be approved or ratified by the AF Committee. The policy applies to all executive officers, Directors and their family members and entities in which any of these individuals has a substantial ownership interest or control. In determining whether to approve, ratify, or disapprove of entry into a transaction, the AF Committee will consider all relevant facts and circumstances and will take into account, among other factors, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; whether the transaction would impair the independence of an independent Director; and whether the transaction would present an improper conflict of interest for any Director or executive officer of Royal Gold.

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DIRECTOR COMPENSATION

Royal Gold's compensation for non-employee Directors is designed to reflect current market trends and developments with respect to compensation of board members, and aligns with its philosophy toward executive compensation with a higher proportion of compensation in equity than cash.

The CNG Committee is responsible for evaluating and recommending to the independent members of the Board of Directors the compensation paid to non-employee Directors. The independent members of the Board of Directors consider the CNG Committee recommendation and make final determinations of non-employee Director compensation.

The Company does not have a retirement plan for non-employee Directors. Executive officers who are also Directors are not paid additional compensation for their services on the Board of Directors. Therefore, Mr. Jensen, as President and CEO, does not receive any compensation for his services as a Director.

PEER GROUP BENCHMARKING

The CNG Committee retains an independent compensation consultant biennially to benchmark Director compensation against the Company-selected peer group, which is the same group of companies the CNG Committee uses to benchmark executive compensation (see page 27 for a list of these companies). When considering Director compensation for fiscal year 2016, the CNG Committee reviewed and considered the results of a benchmark study conducted by Frederic W. Cook & Co., Inc. dated July 2014 (the Cook Study), previously used to determine fiscal year 2015 Director Compensation. The Cook Study reviewed the Company's fiscal year 2014 annual cash retainers, fees for attending Board and committee meetings, fees for Board and committee chairmanships, and the annualized present value of equity compensation for the Company-selected peer group (primarily based on reported calendar year 2013 compensation or calendar year 2014 compensation if disclosed).

COMPONENTS OF DIRECTOR 2016 COMPENSATION PROGRAM

The CNG Committee recommended, and the independent Directors approved, that no changes be made to total Director compensation or to the forms of compensation for fiscal year 2016.

Compensation Element	Fiscal Year 2016 Compensation Program
Annual Board Retainer	\$60,000
Board and Committee Meeting Fees	\$1,500 / Meeting Attended
Annual Board Chairman Retainer	\$115,000

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Annual Committee Chairman Retainer*	\$15,000
Annual Equity Retainer	\$183,190 in Restricted Stock**

* Includes chairmanship for each of the AF Committee and the CNG Committee.

** On August 20, 2015, each non-employee Director was granted 3,240 shares of restricted stock. Half of these shares vested immediately upon grant and the remaining half of these shares vested on the first anniversary of the grant date.

2016 DIRECTOR COMPENSATION

The following table provides information regarding compensation earned by the Company's non-employee Directors for their services in fiscal year 2016. Amounts shown for each Director vary due to service on committees or as committee chairs. The annual retainers for fiscal year 2016 were paid in cash on a quarterly basis.

Director	Paid in Cash(a) (\$)	Stock Awards(b) (\$)	Total (\$)
Gordon J. Bogden	\$ 79,500	\$ 183,190	\$ 262,690
M. Craig Haase	\$ 94,500	\$ 183,190	\$ 277,690
William M. Hayes	\$ 211,000	\$ 183,190	\$ 394,190
C. Kevin McArthur	\$ 81,000	\$ 183,190	\$ 264,190

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Director	Paid in Cash(a) (\$)	Stock Awards(b) (\$)	Total (\$)
Jamie C. Sokalsky	\$ 66,000	\$ 183,190	\$ 249,190
Christopher M.T. Thompson	\$ 81,000	\$ 183,190	\$ 264,190
Ronald J. Vance	\$ 81,000	\$ 183,190	\$ 264,190

(a) Amount of cash compensation earned for Board and Committee service in fiscal year 2016.

(b) The amounts shown represent the total grant date fair value, determined in accordance with Accounting Standards Codification (ASC) 718, of restricted stock awards in fiscal year 2016. Amounts shown do not represent cash payments made to the individuals, amounts realized or amounts that may be realized. Refer to Note 8 to the Company s consolidated financial statements contained in the Company s 2016 Annual Report on Form 10-K filed with the SEC on August 8, 2016, for a discussion on the valuation of the restricted stock awards. In accordance with ASC 718, the grant date fair value for each restricted stock award in fiscal year 2016 was \$56.54, which was the closing price of Royal Gold s common stock on the NASDAQ Global Select Market on August 20, 2015, the date of grant. Restricted stock awards related to continued service for non-employee Directors vest 50% immediately upon grant and 50% on the first anniversary of the date of the grant. As of June 30, 2016, each of Messrs. Bogden, Haase, Hayes, McArthur, Sokalsky, Thompson and Vance held 1,620 shares of unvested restricted stock.

Cash Compensation

For fiscal year 2016, each non-employee Director of the Company received an annual retainer of \$60,000 for service as a Director and an additional \$1,500 for each Board of Directors meeting attended, either in person or via telephone. The Chairman of the AF Committee and the Chairman of the CNG Committee each received an annual fee of \$15,000 for their service as chairman of their respective committees. Each member of the AF Committee and the CNG Committee received \$1,500 for each meeting attended, either in person or via telephone. The Chairman of the Board received an annual fee of \$115,000 for his service as Chairman of the Board of Directors.

Equity Compensation

On August 20, 2015, each non-employee Director was granted 3,240 shares of restricted stock. Half of the shares of restricted stock vested immediately upon grant and the remaining half of the shares of restricted stock vested on the first anniversary of the grant date. No stock option awards were granted to non-employee Directors during fiscal 2016.

Expenses

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Non-employee Directors are reimbursed for all of their out-of-pocket expenses incurred in connection with the business and affairs of the Company.

FISCAL YEAR 2016 DIRECTOR COMPENSATION COMPARED TO PEER GROUP

Non-Executive 2016 Director Compensation	Actual Average	Median of 2014 Cook Study Peer Group	Percentage of Actual Compensation Compared to the Cook Study Median*
Cash Compensation	\$ 99,143	\$ 111,000	89%
Equity Compensation	\$ 183,190	\$ 125,000	147%
Combined Cash + Equity	\$ 282,332	\$ 236,000	120%

*The Cook Study was based primarily on calendar year 2013 compensation or calendar year 2014 compensation if disclosed.

DIRECTOR STOCK OWNERSHIP GUIDELINES

All non-employee Directors are expected to have a significant long-term financial interest in the Company. To encourage alignment with the interests of stockholders, each non-employee Director is expected to own shares of Royal Gold common stock equal in value to ten (10) times the annual cash retainer. Non-employee Directors have five years from the date of their respective first restricted stock grant to meet ownership targets. All of the Directors exceed their ownership guidelines except Mr. Sokalsky who joined the Board in August 2015.

Role	Guideline Value of Common Stock to be Owned
Directors	10x Annual Retainer

All non-employee Directors are required to hold 50% of the shares of common stock acquired pursuant to any equity grant, net of any shares sold to cover withholding taxes, until they meet their ownership target.

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Proposal #2: RATIFICATION OF APPOINTMENT OF THE INDEPENDENT AUDITORS FOR 2017

The AF Committee and the Board of Directors seek stockholder ratification of the appointment of Ernst & Young LLP, an independent registered public accounting firm, to audit the consolidated financial statements of the Company for the fiscal year ending June 30, 2017.

The ratification of the appointment of Ernst & Young LLP is being submitted to the stockholders because the AF Committee and the Board of Directors believe this to be a good corporate practice. Should the stockholders fail to ratify this appointment, the AF Committee will review the matter.

Representatives of Ernst & Young LLP are expected to attend the Annual Meeting. They will have an opportunity to make a statement, if they so desire, and will have an opportunity to respond to appropriate questions from the stockholders.

Fees for services rendered by Ernst & Young LLP for the fiscal years ended June 30, 2016 and 2015 are as follows:

- Audit Fees. Audit fees paid to Ernst & Young LLP were \$692,512 and \$525,058 for the fiscal years ended June 30, 2016 and 2015, respectively. Included in this category are fees associated with the audits of the Company and certain foreign subsidiaries' annual financial statements and review of the Company's quarterly financial statements. Audit fees also include fees associated with the audit of management's assessment and operating effectiveness of the Sarbanes Oxley Act, Section 404, internal control reporting requirements.
- Audit-Related Fees. There were no audit-related fees paid to Ernst & Young LLP for the fiscal years ended June 30, 2016 and 2015.
- Tax Fees. Tax fees paid to Ernst & Young LLP for tax-related services were \$250,204 and \$349,023 for the fiscal years ended June 30, 2016 and 2015, respectively. Included in this category are fees associated with tax compliance, tax return preparation and certain tax consulting services provided to the Company. Of the total tax fees paid during fiscal year 2016, \$166,618 was paid for tax compliance and tax return preparation services, and \$83,586 was paid for tax consulting services primarily for the Company's subsidiaries. All tax fees during fiscal year 2015 were for tax compliance, tax return preparation and certain tax consulting services provided to the Company.

All Other Fees. Other fees paid to Ernst & Young LLP for the fiscal years ended June 30, 2016 and 2015 were \$21,528 and \$29,768, respectively. Included in this category are fees associated with the ongoing servicing of the Company's global mobility policies.

Pre-Approval Policies and Procedures

The AF Committee adopted a policy that requires advance approval for all audit, audit-related, tax services, and other services performed by the independent registered public accounting firm. The policy provides for pre-approval by the AF Committee of specifically defined audit and non-audit services. Unless the specific service has been previously pre-approved with respect to that year, the Audit and Finance Committee must approve the permitted service before the independent auditor is engaged to perform such service. The AF Committee delegated to the Chairman of the AF Committee authority to approve certain permitted services, provided that the Chairman reports any such decisions to the AF Committee at its next scheduled meeting. The AF Committee pre-approved all of the services described above for the Company's 2016 fiscal year.

VOTE REQUIRED FOR APPROVAL

The affirmative vote of a majority of the votes cast at a meeting at which a quorum is present is required to ratify the appointment of Ernst & Young LLP.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR
THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS
INDEPENDENT REGISTERED PUBLIC ACCOUNTS OF THE COMPANY**

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AUDIT AND FINANCE COMMITTEE REPORT

The Audit and Finance Committee has reviewed and discussed the audited financial statements of the Company for the fiscal year ended June 30, 2016, and the Company's reporting processes, including internal control over financial reporting, with the Company's management. The Audit and Finance Committee has discussed with Ernst & Young LLP, the Company's independent registered public accountants for fiscal year 2016, the matters required to be discussed by the applicable Public Company Accounting Oversight Board standards. The Audit and Finance Committee has also received the written disclosures and the letter from Ernst & Young LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding its communications with the Company's Audit and Finance Committee concerning independence and the Audit and Finance Committee has discussed the independence of Ernst & Young LLP with the Company.

Based on the review and discussions with the Company's auditors and our management, the Audit and Finance Committee recommended to the Board of Directors (and the Board of Directors has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2016, for filing with the United States Securities and Exchange Commission.

This Report has been submitted by the following independent Directors, who comprise the Audit and Finance Committee of the Board of Directors:

William Hayes, Chairman • Gordon J. Bogden • Jamie C. Sokalsky • Christopher M.T. Thompson

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**Proposal #3: ADVISORY VOTE ON COMPENSATION OF
NAMED EXECUTIVE OFFICERS**

As required by Section 14A of the Securities Exchange Act of 1934, as amended, we seek stockholder approval of an advisory resolution on the compensation of our NEOs as described in the Compensation Discussion and Analysis, the compensation tables and related narrative discussion included in this Proxy Statement. This proposal, commonly known as a "Say on Pay" proposal, gives stockholders the opportunity to approve, reject or abstain from voting with respect to our fiscal year 2016 executive compensation programs and policies and the compensation paid to the NEOs. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs as described in this Proxy Statement.

The Board recommends a "FOR" vote because it believes that our compensation policies and practices are effective in achieving the Company's goals of paying a competitive salary, providing attractive annual and long-term incentives to reward growth and linking management interests with stockholder interests.

Key characteristics of our fiscal year 2016 executive officer compensation program are described beginning on page 30.

Stockholders are asked to approve the following advisory resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved.

Although the vote on this proposal is advisory only, the CNG Committee will review and consider the voting results when evaluating our executive compensation program.

VOTE REQUIRED FOR APPROVAL

The affirmative vote of a majority of the votes cast at a meeting at which a quorum is present is required to approve this proposal.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
APPROVAL OF THE ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION.**

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COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE REPORT

The Compensation, Nominating and Governance Committee of the Board of Directors has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on this review and discussion, the Compensation, Nominating and Governance Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the Company's annual report on Form 10-K for fiscal year 2016, and the Board of Directors has approved that recommendation.

This report is provided by the following independent Directors, who comprise the Compensation, Nominating and Governance Committee:

M. Craig Haase, Chairman • C. Kevin McArthur • Ronald J. Vance

Glossary of Terms and Abbreviations

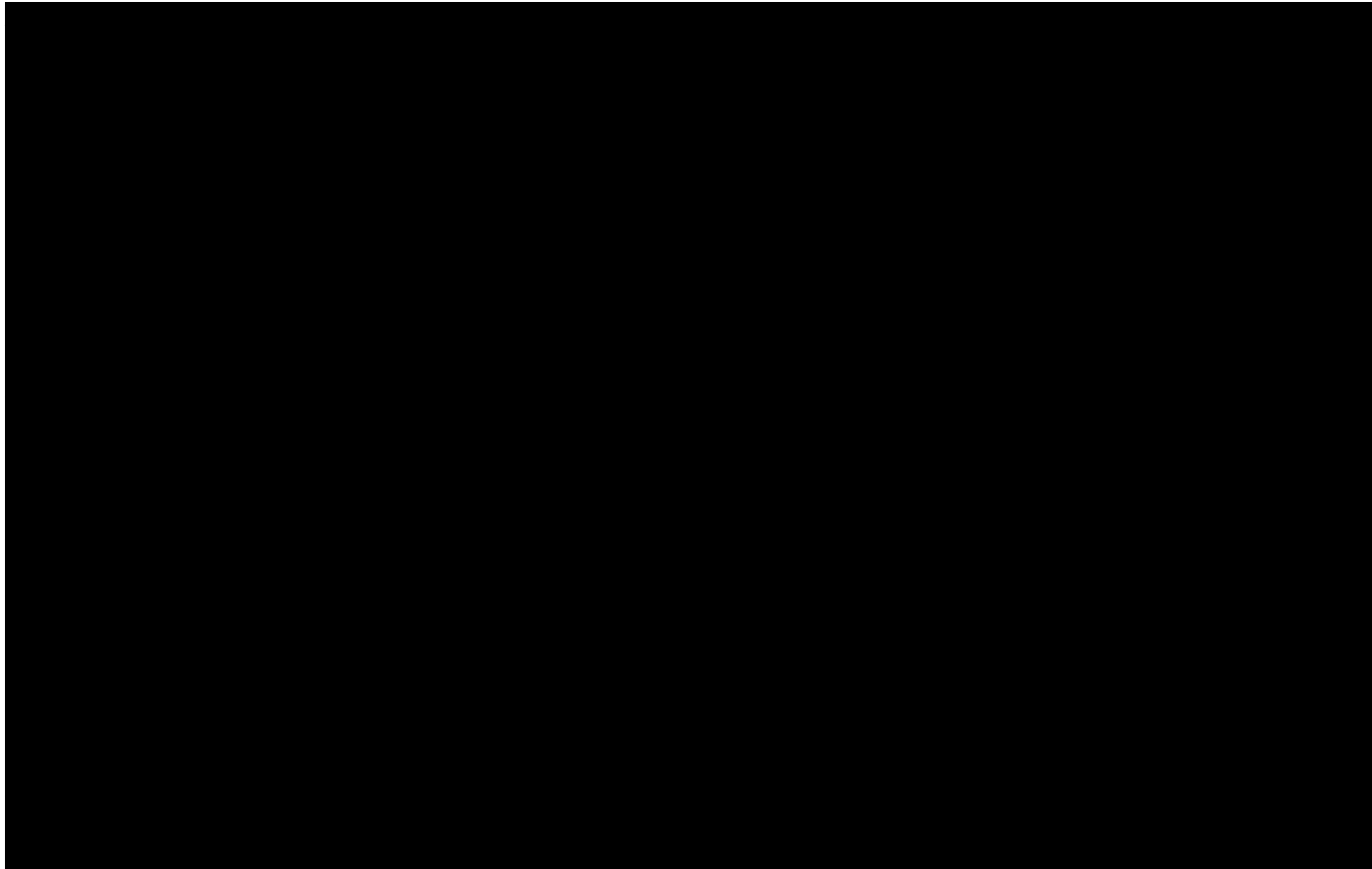




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COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

WE TRANSFORMED EXECUTIVE COMPENSATION FOR FISCAL YEAR 2016

We are committed to creating long-term value for our stockholders. To ensure alignment with their best interests, we engage with our major stockholders throughout the year on a variety of topics, including our financial performance, growth strategy, corporate governance practices and, importantly, our executive compensation program. Although we have always received more than majority support for our executive compensation programs, stockholder support since 2013 in the low- to mid-70% range has been disappointing.

During fiscal year 2015, the CNG Committee launched intensive efforts to transform our executive compensation program. First, the CNG Committee worked extensively with its independent compensation consultant, Hugessen Consulting Inc. (Hugessen), to address concerns expressed earlier by some of our stockholders and proxy advisors. Second, in early fiscal year 2016, members of our management team solicited feedback from investors representing approximately 50% of our outstanding shares concerning both our historic executive compensation program and the material program changes then under consideration. Generally, stockholders confirmed appreciation for increasingly transparent executive compensation disclosure, support for our compensation benchmarking practices, including peer selection process and comparison metrics, and support for the program enhancements under consideration. Finally, in August 2015, the CNG Committee introduced significant changes to our executive compensation program on a go-forward basis. The changes are summarized in the following table and described in detail in this Compensation Discussion and Analysis.

Stockholder and Advisor Concerns	What We Did in Response	CD&A Reference
Simplify the program and enhance transparency of our annual short-term incentive calculations	Developed a formulaic short-term incentive scorecard with pre-determined performance metrics and targets	Page 31
Reduce multiple vesting opportunities and increase measuring period for the performance shares	Introduced five-year, three-year and one-year vesting periods for performance shares, and cliff vesting for one-half of performance shares awarded	Page 34
Adopt relative TSR as a performance measure; consider multiple performance measures	Adopted relative TSR and growth in net revenue (expressed in terms of growth in production volume) as two new performance measures for performance shares	Page 34
Link performance measures to specific strategic objectives that our stockholders value: a balance of growth and financial discipline	Added production targets to short-term incentive scorecard and performance share measures. Incorporated operating cash flow multiple as a short-term incentive measure, which measures our relative market performance against that of our peers and directly reflects production performance, financial discipline and portfolio quality	Page 31
Continue benchmarking against peers in the precious metals industry with similar market capitalization	Maintained current Royal Gold-selected peer group, which reflects companies of similar market capitalization in the precious metals industry	Page 27

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WE DELIVERED STRONG FINANCIAL RESULTS DESPITE A WEAK GOLD PRICE

Royal Gold overcame significant headwinds during fiscal year 2016 to end the year with a total shareholder return of over 19%. The gold price ended its multi-year slide to \$1,049 per ounce, a six year low, in December 2015. Our share price fell to a nine-year low of \$25.33 in January 2016. Since then, gold prices strengthened with renewed market appreciation for the safe haven characteristics of gold in the midst of global economic uncertainty. Most importantly, we realized immediate returns on the \$1.4 billion of new stream and royalty acquisitions that we closed and funded in the first quarter of fiscal 2016. For example, our new streams at Wassa and Prestea, Andacollo and Pueblo Viejo now rank among our top five revenue generators. These new investments, combined with the gold price recovery and the elimination of uncertainty over our investment in the Mount Milligan Mine, boosted our share price to \$72.02 at fiscal 2016 year end.

We delivered strong performance despite a 5% lower average gold price versus the prior year:

- *We reported record revenue of \$360 million, up 29% over fiscal year 2015;*

- *We returned a record \$59 million to stockholders in the form of dividends, representing an increase of 5% over the prior year. It was our 15th consecutive year of increasing dividends;*
- *We closed five acquisitions which accounted for 31% of fiscal year 2016 revenue:*
- *Gold and silver stream interests on production from Barrick Gold Corporation's 60% interest in the Pueblo Viejo mine in the Dominican Republic;*
- *A gold stream interest on the Carmen de Andacollo copper mine owned by Teck Resources Limited in Chile, after terminating our royalty interest in production from Carmen de Andacollo;*
- *A gold stream interest on the Wassa and Prestea mines owned by Golden Star Resources Ltd. in Ghana;*
- *Gold and silver stream interests on production from New Gold, Inc.'s Rainy River Project in Ontario, Canada;*
- *An additional royalty interest at Barrick's Pascua-Lama project located on the border of Chile and Argentina; and*
- *We were actively engaged in ensuring a win-win resolution of the financial difficulties facing the operator of the Mount Milligan property.*

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WE WILL CONTINUE ENGAGING WITH STOCKHOLDERS

We engage with our major stockholders throughout the year on a variety of topics. Our engagement in fiscal year 2015 and early fiscal 2016 provided critical input to the CNG Committee when considering transformative changes to our executive compensation program.

Pursuant to Section 14A of the Exchange Act of 1934, we will continue soliciting stockholder feedback about our executive compensation plan by continuing to hold advisory Say on Pay votes annually, and by continuing our dialogue with investors about our executive compensation program. The CNG Committee will continue considering the results of these engagements when evaluating our compensation philosophy, policies and practices, and when making future compensation decisions for our NEOs.

WE EMPLOY MANY COMPENSATION BEST PRACTICES

During engagement, our largest stockholders concurred that many components of our existing executive compensation plan align well with governance best practices. The following are representative practices we do and do not employ:

WHAT WE DO

- **Pay for Performance:** Over 80% of our CEO s and over 70% of our other NEOs total direct compensation for fiscal 2016 was performance-based and not guaranteed
- **Utilize multiple performance measures** for both short- and long-term incentive programs
- The Board of Directors **sets challenging short- and long-term goals** focused on growth and generating long-term returns for stockholders
- **Establish target and maximum awards** in our short- and long-term incentive programs
- **Utilize a formulaic scorecard** for short-term incentives

- Use a **peer group of gold-focused companies** of comparable market capitalization and correlation to gold prices to benchmark performance and compensation levels
- **Target NEO total direct compensation at median** of our peer group
- Require the Company's NEOs to meet **robust stock ownership guidelines** to assure that their interests are aligned with those of our stockholders
- We apply a **double trigger to vesting equity awards** made under the 2015 LTIP in the event of a change-in-control. This means that vesting of these awards is accelerated upon a change-in-control only if the executive is also terminated under certain circumstances or if outstanding awards are not assumed by the acquirer following a change-in-control
- **Engage with stockholders** to solicit feedback on our compensation and governance programs and any other areas of concern
- **Continually monitor our compensation program** to assess and mitigate any compensation-related risks
- **Maintain the strict independence of the CNG Committee** members and ensure that the **independent compensation consultant reports directly to the CNG Committee** rather than management

WHAT WE DO NOT DO

- We do not guarantee salary increases or annual short-term incentive payments for our NEOs
- We do not provide perquisites or other special benefits to the executive officers
- The Company's 2015 LTIP expressly prohibits the re-pricing of stock options
- The employment agreements between the Company and the NEOs do not provide for excise tax gross-ups of any kind, including for change-in-control payments.

- We prohibit our officers and Directors from hedging or pledging Royal Gold stock

- The Company does not maintain a defined pension benefit plan or any special executive retirement plans. Our executives may participate in a Salary Reduction/Simplified Employee Pension Plan on the same terms as other eligible employees.

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ANNUAL COMPENSATION PROCESS

The CNG Committee is composed of three directors, each of whom has been determined by the Board of Directors to be independent pursuant to relevant securities and tax laws and the NASDAQ Global Select Market listing rules. The CNG Committee establishes compensation objectives and reviews them annually with the Board of Directors. The CNG Committee also retains an independent executive compensation consultant to provide expertise on compensation design and market practices, to benchmark the NEO's compensation relative to the Company's peers, and to provide support, advice and recommendations.

The CNG Committee considers, but is not bound by, external recommendations and management input when making short-term and long-term incentive award determinations. The CNG Committee conducts an annual review of the CEO's performance, and all determinations relating to the compensation of the NEOs, including our CEO, are made by the CNG Committee independent from and without the presence of the CEO or members of management.

CNG Committee:

- Review and set compensation philosophy, objectives and design; review with Board of Directors
- Review stockholder feedback
- Review advice and recommendations from consultant and CEO
- Ensure alignment with strategic goals and stockholder values through establishment of performance measures and goals consistent with creating long-term value for stockholders
- Determine whether performance measures were or were not met; then determine compensation for NEOs
- Oversee administration of policies governing executive compensation

Hugessen:

- Perform work at direction and under supervision of the CNG committee
- Review peer group
- Benchmark NEO and director compensation levels in alternating years
- Provide in-depth review of and recommendations for compensation framework and design

Management:

- Solicit feedback from major stockholders concerning executive compensation plan
- Provide input to CNG Committee on strategy and program design
- Develop initial recommendations for short- and long-term incentives based on achievement of performance measures

The CNG Committee commissions external reviews of executive and director compensation in alternating years, to balance consulting costs with the need to achieve consistency with market compensation practices. During fiscal year 2015, the CNG Committee retained Hugessen to provide independent advice on executive compensation and related governance matters. Hugessen produced two reports that the CNG Committee reviewed and considered while developing the Company's new executive compensation program and when setting executive compensation for fiscal years 2016 and 2017:

- The *Executive Compensation Review-Incentive Plan Design* was an in-depth review of the short- and long-term incentive programs in effect during fiscal year 2015. It concluded with recommendations, among other things, to:
 - Target total direct compensation at the median of the Company's executive compensation peer group, with opportunities to exceed target short-term incentive and performance share awards by up to two times in the event of superior performance;
 - Adopt an annual short-term incentive scorecard utilizing pre-determined financial and operational metrics, as well as individual performance goals;
 - Establish a new performance share framework utilizing multiple clear and transparent targets; and

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- The *Royal Gold Benchmarking Report* evaluated the compensation of our executives relative to our executive compensation peer group.

The CNG Committee carefully considers the results of its work with the independent compensation consultant, trends in executive compensation design, feedback from stockholders and proxy advisors, input from management and the Company's overall compensation philosophy and goals, and then determines the final executive compensation plan design for the forthcoming fiscal year. For fiscal year 2016, this effort led to transformative changes to executive compensation design.

In August each year, the CNG Committee reviews the Company's performance against the measures relevant to determinations of short- and long-term incentives, receives recommendations from management, and considers the Company's goal to maintain total direct compensation at or near the median of the Company's compensation benchmarking peers. Based on this review, the CNG Committee makes adjustments to base salary and determines short- and long-term incentive awards. Members of Royal Gold's management do not have authority to make off-cycle or ad-hoc equity grants. In the event of a new hire grant, approval is obtained prior to any grant being made either at a regularly scheduled CNG Committee meeting or by unanimous written consent of the CNG Committee.

The CNG Committee utilizes the independence factors prescribed by the SEC and NASDAQ to assess the independence of its compensation consultants on an annual basis. The CNG Committee has determined that, at all relevant times, no conflict of interest exists regarding Hugessen's work.

The CNG Committee's compensation consultant provides no services to management. Instead, the CNG Committee determines the nature and scope of the desired consulting services and enters into a consulting agreement directly with the independent consultant. The CNG Committee chairman approves all statements for services performed.

COMPENSATION PHILOSOPHY

The CNG Committee sets and administers executive compensation philosophy, objectives and design. The fundamental philosophy supports the Company's ability to recruit, retain and reward high-performing executive officers who will:

- Drive Company growth and profitability;
- Increase long-term value for our stockholders;

- Manage the Company in a responsible manner; and
- Maintain the Company's reputation for management excellence.

When designing executive compensation, the CNG Committee seeks to achieve the following objectives:

- Attract and retain the highest caliber personnel on a long-term basis;
- Align management's interests with the creation of long-term, sustainable stockholder value;
- Provide incentive compensation on the basis of the Company's performance on key financial, operational and strategic goals;
- Encourage creativity and innovation; and
- Discourage excessive risk-taking.

More than ever, our executives' compensation is tied directly to the Company's performance on the same key metrics that our Board of Directors utilizes to chart our corporate strategy and evaluate our success in achieving that strategy.

COMPARATOR GROUPS AND BENCHMARKING

We Use Independent Compensation Consultants for Benchmarking and Analysis

During fiscal year 2015, the CNG Committee retained Hugessen to provide independent advice on executive compensation, including:

- An in-depth review of executive compensation framework and design, resulting in recommendations for a target compensation framework and a transformative re-design of our short- and long-term incentive plans;

- Review of the Company's executive compensation peer group; and
- Review of NEO compensation levels and preparation of an NEO compensation benchmarking study.

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We Select Benchmarking Peers that Match Our Industry, Business Model, Market Cap and Correlation to Gold Price

The executive compensation benchmark peer group has remained relatively unchanged since it was established in fiscal year 2013. Since then, two companies (Eldorado Gold and Agnico Eagle) were added to better position the Company in the middle of the group in terms of market capitalization, and one company (Osisko Mining) was removed from the group after it was acquired by third parties.

The CNG Committee reviews and selects executive compensation peers annually based primarily on similar industry profile and size as measured by market capitalization. Accordingly, our compensation peer group includes both of our direct streaming and royalty competitors of comparable size, while the remainder of the group includes comparably-sized gold and silver mining companies. Our group consists of the 11 publicly traded companies listed in Table 1 below.

Many of our largest investors have told us repeatedly in recent years that they consider our gold-focused peer group to be the most relevant and appropriate for compensation and performance benchmarking purposes. We note that the peer group selected last year by Glass-Lewis included all of our peer selections, plus four additional gold miners. By contrast, the peer group most recently selected by Institutional Shareholder Services (ISS) included neither of our principal streaming and royalty competitors and only two precious metals producers. The ISS-selected group contained companies in the agricultural products, industrial and specialty chemicals, metal powders, coatings, forest products, paper and other industries companies and industries that trade on market fundamentals that are different and off-cycle from those driving the precious metals mining and streaming and royalty businesses. We understand that ISS must observe its internal policies that prohibit their selection of Canadian companies (which account for nine of our eleven self-selected peers, and thirteen of fifteen Glass-Lewis-selected peers), and requiring that Royal Gold be compared to companies having similar revenue instead of similar market capitalization. However, according to S&P CapitalIQ:

- There are only four publicly traded precious metals companies (including Royal Gold) domiciled in the United States having a market capitalization greater than \$1 billion, compared to 28 such companies in Canada; and
- As of June 30, 2016, the peers selected most recently by ISS averaged only one-eighth the market capitalization of Royal Gold.

We believe that a fair compensation peer group, in terms of both industry profile and size, cannot be selected for Royal Gold without including Canadian entities.

Table 1 presents a detailed comparison of our selected peer group:

Table 1 Comparisons to Selected Peer Group

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Company	Primary Industry	As of June 30, 2016 (In USD Millions)			Correlation to Gold Price, July 1, 2015 to June 30, 2016	
		Market Capitalization	Last 12 Months	EBITDA		
Agnico Eagle Mines Limited	Gold	\$ 11,796	\$	799		0.88
Alamos Gold Inc.	Gold	\$ 2,255	\$	96		0.90
Centerra Gold Inc.	Gold	\$ 1,436	\$	188		0.04
Coeur Mining, Inc.	Silver	\$ 1,731	\$	157		0.84
Eldorado Gold Corporation	Gold	\$ 3,202	\$	263		0.60
Franco-Nevada Corporation	Gold	\$ 13,454	\$	390		0.90
Hecla Mining Company	Silver	\$ 1,958	\$	160		0.85
IAMGOLD Corporation	Gold	\$ 1,673	\$			