

ROYAL GOLD INC  
Form DEF 14A  
October 02, 2017  
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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):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (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](http://www.royalgold.com)

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

Dear Stockholders:

You are cordially invited to attend our 2017 Annual Meeting of Stockholders (the Annual Meeting ). At the Annual Meeting, we will ask you to vote on:

1. The election of the three Class III 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, 2018;
3. The approval, on an advisory basis, of the compensation of the named executive officers;
4. The approval, on an advisory basis, of the frequency with which the advisory vote to approve named executive officer compensation should be held; 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 fixed the close of business on September 19, 2017, 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, 2017.

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We are mailing our Notice of Internet Availability of Proxy Materials to stockholders on or about October 2, 2017, 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 1 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](http://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 2, 2017

**THE ROYAL GOLD**

**2017 ANNUAL MEETING OF STOCKHOLDERS**

**Will be Held on Thursday, November 16, 2017**

**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, 2017.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL STOCKHOLDER MEETING TO BE HELD ON NOVEMBER 16, 2017:** 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](http://www.proxyvote.com) together with any amendments to any of these documents.

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*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 2017 performance, please review the Company's Annual Report on Form 10-K.*

**MEETING AGENDA AND VOTING MATTERS**

	<b>Board Vote Recommendation</b>	<b>Page Reference For more information</b>
• Election of Three Class III Directors	<u>FOR</u> each Director Nominee	6
• Ratification of Ernst & Young LLP as auditor for 2018	<u>FOR</u>	19
• Advisory vote on executive compensation	<u>FOR</u>	21
• Advisory vote on frequency of future votes on executive compensation	<u>FOR ONE YEAR</u>	44
• Transact other business that properly comes before the meeting		

**CLASS III DIRECTOR NOMINEES TO SERVE UNTIL THE 2020 ANNUAL MEETING**

Our Board of Directors is composed of eight members divided into three classes, with each class serving a term of three years. The following table summarizes important information about each Director nominee standing for re-election to the Board for a three-year term expiring in 2020. As previously disclosed, Mr. Haase is not standing for re-election as a Class III Director.

<b>Class III Director Nominees</b>	<b>Experience and Qualifications</b>	
<b>Sybil E. Veenman</b> (age 54) Independent Director since January 2017 Member of the Compensation, Nominating and Governance Committee Serves on two other public company boards	<ul style="list-style-type: none"> <li>• Public company board service</li> <li>• Corporate governance and CSR</li> <li>• Industry and mining</li> <li>• International business</li> <li>• Leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and compliance</li> <li>• Litigation management</li> <li>• Mergers and acquisitions, financings</li> <li>• Reputation in the industry</li> <li>• Risk management</li> </ul>



<p><b>C. Kevin McArthur</b> (age 62)</p> <p>Independent Director since 2014</p> <p>Member of the Compensation, Nominating and Governance Committee</p> <p>Executive Chair and Director of Tahoe Resources, Inc.</p> <p>Serves on one other public company board</p>	<ul style="list-style-type: none"> <li>• Public company board service</li> <li>• Business development and marketing</li> <li>• CEO/administration and operations</li> <li>• Corporate governance</li> <li>• Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Industry and mining</li> <li>• Industry association participation</li> <li>• International business</li> <li>• Leadership</li> <li>• Reputation in the industry</li> <li>• Risk management</li> </ul>
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<p><b>Christopher M.T. Thompson</b> (age 69)</p> <p>Independent Director since 2014</p> <p>Member of the Audit and Finance Committee</p> <p>Retired Mining Executive</p> <p>Serves on one other public company board</p>	<ul style="list-style-type: none"> <li>• Audit committee financial expert</li> <li>• Public company board service</li> <li>• Business development and marketing</li> <li>• CEO/administration and operations</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Industry and mining</li> <li>• Industry association participation</li> <li>• International business</li> <li>• Leadership</li> <li>• Reputation in the industry</li> <li>• Risk management</li> </ul>
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**ATTRIBUTES OF ROYAL GOLD BOARD OF DIRECTORS**

<b>Independence</b>	<b>Average Board Tenure</b>	<b>Director Qualifications</b>
All Directors other than the CEO are independent	The average tenure for our Directors' service on our Board of Directors is approximately 5.6 years	Among other qualifications, every Director has substantial industry expertise (see diagram below)

**DIRECTOR QUALIFICATIONS AND EXPERIENCE**

<b>DIRECTOR QUALIFICATIONS AND EXPERIENCE</b>	<b>M. Craig Haase</b>	<b>William M. Hayes</b>	<b>Tony A. Jensen</b>	<b>C. Kevin McArthur</b>	<b>Jamie C. Sokalsky</b>	<b>Christopher M.T. Thompson</b>	<b>Ronald J. Vance</b>
<b>Audit Committee Financial Expert</b>							
<b>Board Service on Public Companies</b>							
<b>Business Development and Marketing</b>							
<b>CEO/Administration and Operations Experience</b>							
<b>Corporate Governance Experience</b>							
<b>Finance Experience</b>							
<b>Geology, Geophysics and Mining Engineering</b>							
<b>Industry and Mining Experience</b>							
<b>Industry Association Participation</b>							
<b>International Business Experience</b>							
<b>Leadership Experience</b>							
<b>Legal and Compliance Experience</b>							
<b>Reputation in the Industry</b>							
<b>Risk Management</b>							

**2017 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 2017:

- Three of the new streams acquired early in fiscal year 2016, Wassa and Prestea, Andacollo, and Pueblo Viejo, already rank among our top five revenue generators, and accounted for 40% of our fiscal year 2017 revenue.
- We achieved record revenue of \$441 million on record volume of 280,800 Net GEOs of production.

- We returned a record \$61 million (23% of operating cash flow) to stockholders in the form of dividends, representing an increase of 5% over the prior year. Fiscal year 2017 was our 16<sup>th</sup> consecutive year of increasing dividends.
- We successfully reduced the uncertainty concerning our investment in the Mount Milligan Mine.
- We completed our stream funding commitments.
- We repaid \$95 million on our revolving credit facility, and expanded availability under the facility from \$650 million to \$1 billion.
- **We ended fiscal 2017 with a total shareholder return of 10%.**

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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 2017.

**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
- Significant Board refreshment over recent years; average Director tenure is approximately 5.6 years
- Average Director service on outside boards is one board
- Thorough orientation program for new Directors
- Independent Directors meet regularly without management present
- Significant Director and executive officer stockholding requirements
- Board Governance Guidelines, Committee Charters and Code of Business Ethics and Conduct; all available online
- 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
- All Audit and Finance Committee members determined to be Audit Committee Financial Experts
- Active stockholder engagement
- Strong link between executive officer compensation and Company performance
- Annual advisory say on pay vote
- Anti-hedging and anti-pledging policies for all Directors and executive officers
- 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

**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 2018. Below is a summary of fees paid to Ernst & Young in fiscal year 2017.

**FY 2017**

Audit Fees	\$	756,876
Audit-Related Fees		
Tax Fees		246,745
All Other Fees		30,517
Total	\$	1,034,138

**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 2017 for each NEO.

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<b>Name and Principal Position</b>	<b>Salary</b>	<b>Stock and Option Awards</b>	<b>Non-Equity Incentive Plan Compensation</b>	<b>All Other Compensation</b>	<b>Total</b>
<b>Tony Jensen</b>					
President and Chief Executive Officer	\$ 720,000	\$ 1,810,790	\$ 733,000	\$ 31,389	\$ 3,295,179
<b>Stefan Wenger</b>					
Chief Financial Officer and Treasurer	\$ 440,000	\$ 734,287	\$ 328,000	\$ 37,214	\$ 1,539,501
<b>William Heissenbuttel</b>					
Vice President Corporate Development	\$ 470,000	\$ 752,142	\$ 345,000	\$ 38,389	\$ 1,605,531
<b>Mark Isto</b>					
Vice President Operations	\$ 350,000	\$ 658,552	\$ 266,000	\$ 13,446	\$ 1,287,998
<b>Bruce C. Kirchhoff</b>					
Vice President, General Counsel and Secretary	\$ 386,000	\$ 617,189	\$ 287,000	\$ 31,074	\$ 1,321,263

**IMPORTANT DATES FOR 2018 ANNUAL MEETING OF STOCKHOLDERS**

Stockholder proposals submitted for inclusion in our 2018 proxy statement pursuant to SEC Rule 14a-8 must be received by us by June 4, 2018.

Notice of stockholder proposals to be raised from the floor at the 2018 Annual Meeting of Stockholders outside of SEC Rule 14a-8 must be received by us between July 19, 2018 and August 18, 2018.

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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 2017 Annual Meeting of Stockholders of the Company (the Annual Meeting ) to be held on Thursday, November 16, 2017, 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, 2017 (the Record Date ) are eligible to vote at the Annual Meeting and at all postponements and adjournments thereof. There were 65,428,103 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 2, 2017, 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 ONE YEAR on a non-binding advisory vote on the frequency with which to hold the advisory vote on Named Executive Officer compensation as described herein under Proposal 4 Advisory Vote on Frequency of Voting on Executive Officer Compensation.

- **In Person** - You may attend the Annual Meeting and vote in person. A ballot will be provided if you wish. 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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**QUORUM AND VOTES REQUIRED TO APPROVE PROPOSALS**

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.

<b>PROPOSAL</b>	<b>Vote Required to Approve Proposals at a Meeting at Which a Quorum Is Present</b>	<b>Abstentions and Broker Non-Votes</b>
<b>#1 Election of Class III Director Nominees</b>	The affirmative vote of a majority of the votes cast shall be the act of the stockholders. Please refer to page 1 for more information.	Do not count for these four proposals (no effect)
<b>#2 Ratification of Auditors</b>	The affirmative vote of a majority of the votes cast shall be the act of the stockholders.	
<b>#3 Advisory Vote on Executive Compensation</b>	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.	
<b>#4 Advisory Vote on Frequency of Future Votes on Executive Compensation</b>	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 4, this proposal is advisory in nature.	

**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, 2017, 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.

<b>Name of Beneficial Owner</b>	<b>Number of Shares of Common Stock Beneficially Owned</b>	<b>Percent of Class</b>
Tony A. Jensen		
President, Chief Executive Officer and Director	240,885(1)	*
William M. Hayes		
Chairman of the Board	21,854	*
M. Craig Haase		
Director	27,039	*
C. Kevin McArthur		
Director	11,829(2)	*
Jamie C. Sokalsky		
Director	6,185(3)	*
Christopher M.T. Thompson		
Director	38,329(2)	*
Ronald J. Vance		
Director	11,179(2)	*
Sybil E. Veenman		
Director	2,015(3)	*
Stefan L. Wenger		
Chief Financial Officer and Treasurer	115,739(4)	*
William H. Heissenbuttel		
Vice President Corporate Development	133,968(5)	*
Mark Isto		
Vice President Operations	25,132(6)	*
Bruce C. Kirchhoff		
Vice President, General Counsel and Secretary	74,471(7)	*
All Directors and Executive Officers as a Group including those named above (13 persons)	732,329(8)	1.12%(8)

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The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	5,851,427(9)	8.94%
BlackRock Fund Advisors 55 East 52nd Street New York, New York 10055	4,911,100(10)	7.51%
Capital World Investment Management 333 South Hope Street, 55th Floor Los Angeles, CA 90071	4,158,000(11)	6.36%
First Eagle Investment Management, LLC 1345 Avenue of the Americas New York, New York 10105	3,479,449(12)	5.32%
Van Eck Associates Corporation 666 Third Avenue 9th Floor New York, New York 10017	3,451,694(13)	5.28%

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

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- (1) Includes 40,836 shares of restricted stock, 73,301 Stock Appreciation Rights ( SARs ) and options to purchase 3,610 shares of common stock that were exercisable as of September 19, 2017, or which become exercisable within 60 days from such date.
- (2) Includes 1,015 shares of restricted stock, vesting of which shares is deferred until the Director's separation from service to the Company, or separation within 12 months of a change in control, in accordance with the terms and conditions of the Company's Deferred Compensation Plan for Non-Employee Directors adopted July 15, 2017.
- (3) Includes 1,015 shares of restricted stock units, vesting of which shares is deferred until the Director's separation from service to the Company, or separation within 12 months of a change in control, in accordance with the terms and conditions of the Company's Deferred Compensation Plan for Non-Employee Directors adopted July 15, 2017.
- (4) Includes 15,309 shares of restricted stock, and 43,520 SARs and options to purchase 4,199 shares of common stock that were exercisable as of September 19, 2017, or which become exercisable within 60 days from such date.
- (5) Includes 15,910 shares of restricted stock, and 53,354 SARs and options to purchase 11,160 shares of common stock that were exercisable as of September 19, 2017, or which become exercisable within 60 days from such date.
- (6) Includes 12,252 shares of restricted stock, and 5,013 SARs and options to purchase 2,591 shares of common stock that were exercisable as of September 19, 2017, or which become exercisable within 60 days from such date.
- (7) Includes 13,737 shares of restricted stock and 25,637 SARs and options to purchase 5,076 shares of common stock that were exercisable as of September 19, 2017, or which become exercisable within 60 days from such date.
- (8) Includes 116,229 shares of restricted stock and 202,505 SARs and options to purchase 27,916 shares of common stock that were exercisable as of September 19, 2017, or which become exercisable within 60 days from such date.
- (9) As reported by The Vanguard Group on Form 13F filed with the SEC on August 24, 2017. As of June 30, 2017, the Vanguard Group has sole dispositive power over 5,808,479 and shared dispositive power over 11,154 shares

of common stock, and sole voting authority over 3,593 and shared voting authority over 11,154 shares of common stock.

(10) As reported by BlackRock, Inc. on Form 13F filed with the SEC on August 10, 2017. As of June 30, 2017, BlackRock has sole dispositive power over 6,292,140 and sole voting authority over 6,047,133 shares of common stock.

(11) As reported by Capital World Investors on Form 13F filed with the SEC on August 14, 2017. As of June 30, 2017, Capital World Investors has sole dispositive power and sole voting authority over 4,158,000 shares of common stock.

(12) As reported by First Eagle Investment Management, LLC on Form F filed with the SEC on August 4, 2017. As of June 30, 2017, First Eagle Investment Management, LLC has sole dispositive power over 3,479,449 shares of common stock and sole voting authority over 3,400,182 shares of common stock.

(13) As reported by Van Eck Associates Corporation on Form 13F filed with the SEC on August 11, 2017. As of June 30, 2017, Van Eck Associates Corporation has sole dispositive power and sole voting authority over 3,451,694 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, 2017:

**Tony Jensen, 55, President, Chief Executive Officer and a Director.** See page 8.

**Stefan L. Wenger, 44, Chief Financial Officer and Treasurer since August 2007.**

Mr. Wenger has over 20 years of experience in the mining and natural resources industries working in various financial roles. 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. 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, 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, 44, 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, 52, 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 for the Company, 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, 57, 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 as 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, 58, 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 Alferts & 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 III 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. Jensen and Sokalsky; the Class II Directors are Messrs. Hayes and Vance; and the Class III Directors are Ms. Veenman and Messrs. Haase, McArthur and Thompson.

As previously disclosed, Mr. Haase is not standing for re-election to the Board at the Annual Meeting. Mr. Haase's decision not to stand for re-election was not a result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices. The Board of Directors does not immediately plan to fill Mr. Haase's board vacancy following the Annual Meeting.

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 Kevin C. McArthur, Christopher M.T. Thompson and Sybil E. Veenman. If any nominee for election as a Class III 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 III Director elected shall serve until the 2020 Annual Meeting, or until his or her 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 fails to be elected to remain on the Board, the Board will accept the resignation. The Director who tenders his or her 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 or her 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 III 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 III 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 III 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 ii.

**WILLIAM M. HAYES**

**Class II Director (Term expires 2019)**

**Independent Director since 2008**  
**Chairman of the Board of Directors since May 2014**  
**Chairman of the Audit and Finance Committee**

**Retired Mining Executive**  
**Audit Committee Financial Expert**  
**Age 72**

**CURRENT BOARD AND/OR EXECUTIVE POSITIONS**

Antofagasta PLC:

(LON:ANTO), an FTSE 100 Company listed on the London Stock Exchange engaged in mining, transportation, water distribution and energy

- Independent Director
- Member of Audit and Risk Committee
- Member of Remuneration and Talent Management Committee
- Member of Nomination and Governance Committee

**PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS**

Antofagasta PLC

- Senior Independent Director, Audit Committee Chairman and Chairman of the Board
- Chairman and Director of Tethyan Copper Company, a 50-50 joint venture between Antofogasta and Barrick related to the Reko Diq Project in Pakistan

Various times since 2006

Placer Dome Inc.

- Executive VP for Project Development and Corporate Affairs
- Executive VP for USA and Latin America

2004 to 2006  
 2000 to 2004  
 1994 to 2000  
 1991 to 1994

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- Executive VP for Latin America
- VP and Treasurer

Compania Mantos de Oro (La Coipa) and Compania Minera Zaldivar (Zaldivar Mine)	President	2000 to 2004
Mantos de Oro, Chile at the La Coipa mine	• Chief Executive Officer	1995 to 1999
	• Chief Financial Officer	1988 to 1991
Exxon Corporation	Various financial positions	1972 to 1987

### EDUCATION

- Bachelor of Arts and Master of Arts degree in International Management from the American Graduate School of International Management
- Bachelor of Arts degree in Political Science from the University of San Francisco

### QUALIFICATIONS AND EXPERIENCE

<b>Leadership, Finance and International Business Experience</b>	<ul style="list-style-type: none"><li>• The Board of Directors determined that Mr. Hayes is an Audit Committee Financial Expert.</li><li>• Prior service as Executive Vice President for U.S. and Latin America, Placer Dome; Executive Vice President, Project Development and Corporate Relations, Placer Dome; Vice President and Treasurer, Placer Dome; and Regional Treasurer and Controller, Exxon Minerals.</li></ul>
<b>Industry Experience</b>	Previously served as President of the Mining Council in Chile and President of the Gold Institute in Washington, D.C.
<b>Mining Experience</b>	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.
<b>Business Development and Marketing</b>	Extensive experience in project development and corporate affairs.

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<b>TONY A. JENSEN</b>	<b>Class I Director (Term expires 2018)</b>
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**Director (non-independent) since 2004**

**President and Chief Executive Officer of Royal Gold, Inc.  
Age 55**

**CURRENT BOARD AND/OR EXECUTIVE POSITIONS**

ROYAL GOLD, INC.	President and Chief Executive Officer	2006 to present
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**PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS**

Royal Gold, Inc.	President and Chief Operating Officer	2003 to 2006
Golden Star Resources Ltd. (TSX:GSC; NYSE MKT: GSS; GSE: GSR)	Director	2012 to 2017
Cortez Joint Venture	Mine General Manager	1999 to 2003
	<ul style="list-style-type: none"> <li>• Director, Finance and Strategic Growth and Treasurer</li> </ul>	
Placer Dome Latin America	<ul style="list-style-type: none"> <li>• SubGerente General de Operaciones for Compania Minera Mantos de Oro, a subsidiary of Placer Dome Latin America</li> </ul>	1995 to 1998
Placer Dome US	Various engineering, operational management and corporate experience	Prior to 1995

**EDUCATION**

- Bachelor of Science degree in Mining Engineering from South Dakota School of Mines and Technology
- Certificate in Finance from Golden Gate University in San Francisco

**QUALIFICATIONS AND EXPERIENCE**

**Board Service** Previously served as a Director of Golden Star, Director of the National Mining Association ( NMA ) and a member of the NMA Finance Committee, Director of the World Gold Council and Chairman of the Compensation Committee, prior Chairman and member of the Industrial Advisory Board and current member of the University Advisory Board of the South Dakota School of Mines and Technology.

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<b>Leadership Experience</b>	Extensive operations, corporate, and executive experience managing professional teams and large work forces with Placer Dome, and current corporate and executive experience as President and CEO of Royal Gold.
<b>Finance Experience</b>	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.
<b>Industry, Mining and International Business Experience</b>	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, including a foreign assignment in Chile from 1995 to 1999.
<b>Operations</b>	Prior domestic and international experience as mine engineer, operations supervisor, and mine general manager while based at three mining operations for Placer Dome, as well as exploration, review, development and acquisition assignments at various other operations and properties.
<b>Business Development and Marketing</b>	Extensive experience in corporate development for Royal Gold and Placer Dome.

**\*C. KEVIN MCARTHUR**

**Class III Director Nominee (Term expires 2017)**

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

**Executive Chair and a Director of Tahoe Resources Inc.  
Age 62**

**CURRENT BOARD AND/OR EXECUTIVE POSITIONS**

Tahoe Resources Inc. (NYSE:TAHO; TSX)	• Executive Chair	April 2015 to present
	• Director	2009 to present

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- CEO August 2015 to August 2016
- President and CEO 2009 to early 2014
- Vice Chair and CEO Early 2014 to April 2015

**PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS**

	• CEO	August 2015 to August 2016
Tahoe Resources Inc.	• President and CEO	2009 to early 2014
	• Vice Chair and CEO	Early 2014 to April 2015
Goldcorp Inc. (TSX:LG; NYSE:GG)	President, CEO and Director	2006 until 2008 retirement
Glamis Gold Ltd.	President and CEO	1998 until Goldcorp acquisition in 2006
Consolidated Thompson Iron Mines Limited (TSX:CLM)	Director	2009 to 2011
Cloud Peak Energy Inc. (NYSE:CLD)	Director	2009 to 2010
Pembroke Mining Corp	Director	2009 to 2014
BP Minerals	Various operating and engineering positions	Prior to 1998
Homestake Mining Company		

**EDUCATION**

Bachelor of Science degree in Mining Engineering from the University of Nevada

**QUALIFICATIONS AND EXPERIENCE**

**Board Service**

Currently director of Tahoe since 2009, and is a past director of Goldcorp, Glamis Gold, Consolidated Thompson, Cloud Peak and Pembroke. Prior Board assignments included serving as the chairman of: the Pembroke audit committee, the Pembroke and Consolidated Thompson 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.



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<b>Leadership Service</b>	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. He served as President, CEO and a director of Goldcorp; President and CEO of Glamis Gold, and as a director of Consolidated Thompson, Cloud Peak and Pembroke.
<b>Industry and Mining Experience</b>	More than 19 years of CEO experience in the mining business; over 37 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.
<b>Business Development and Marketing</b>	Extensive experience in corporate development for Tahoe, Goldcorp and Glamis Gold.

### 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**  
**Age 60**

### CURRENT BOARD AND/OR EXECUTIVE POSITIONS

Agnico-Eagle Mines Limited (NYSE:AEM)	Director	2015 to present
Pengrowth Energy Corporation (NYSE:PGH)	Director	2015 to present
Probe Metals, Inc. (TSX-V:PRB)	Chairman of the Board of Directors	2015 to present
Angus Ventures Inc. (TSX-V:Gus.P)	President	August 2017 to present

### PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS

Barrick Gold Corporation	• CEO and President	2012 to 2014
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	<ul style="list-style-type: none"> <li>Executive roles including CFO and Executive Vice President</li> <li>Treasurer and Vice President</li> </ul>	<p>Various times from 1999 to 2012</p> <p>1993 to 1999</p>
World Gold Council	<ul style="list-style-type: none"> <li>Director</li> </ul>	2012 to 2014
International Council on Mining and Metals	<ul style="list-style-type: none"> <li>Member</li> </ul>	2012 to 2014

**EDUCATION**

- Bachelor of Commerce degree (Honors) from Lakehead University
- Chartered Professional Accountant designation

**QUALIFICATIONS AND EXPERIENCE**

**Board Service** Member of the board of directors of Pengrowth and Agnico-Eagle, and is chairman of the board of Probe Metals. 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 determined that Mr. Sokalsky is an Audit Committee Financial Expert.

- Extensive finance experience as treasurer and subsequently CFO of Barrick.

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

<b>*CHRISTOPHER M.T. THOMPSON</b>	<b>Class III Director Nominee (Term expires 2017)</b>
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**Independent Director since May 2014**  
**Audit and Finance Committee Member**  
**Audit Committee Financial Expert**

**Retired Mining Executive**  
**Age 69**

**CURRENT BOARD AND/OR EXECUTIVE POSITIONS**

Jacobs Engineering Group Inc. (NYSE:JEC)	Director	2012 to present
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**PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS**

Teck Resources Limited (NYSE:TECK)	Director	2003 to April 2014
Golden Star Resources (TSX:GSC; NYSE MKT:GSS; GSE:GSR)	Chairman	2010 to May 2015
Gold Fields Limited	• Chairman of the Board	1998 to 2005
	• Chairman and CEO	1998 to 2002
World Gold Council	Chairman of the Board	2002 to 2005
Castle Group, which managed three venture capital funds that employed various structures, including royalties, to finance the development of new gold mines	Founder and CEO	1992 to 1998

**EDUCATION**

- Bachelor degree in law and economics from Rhodes University, South Africa
- Master's degree in Management Studies from Bradford University in the UK

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**QUALIFICATIONS AND EXPERIENCE**

<b>Board Service</b>	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, and a member of the Colorado School of Mines Foundation Board of Governors. Previously, he served as a director of Teck Resources and of Golden Star, and he served as chairman of Gold Fields Limited and was chairman of the World Gold Council.
<b>Leadership Experience</b>	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.
<b>International Mining Experience</b>	More than 40 years experience in international gold producing operations, gold mining investment and venture capital fields. <ul style="list-style-type: none"> <li>• The Board of Directors determined that Mr. Thompson is an Audit Committee Financial Expert.</li> </ul>
<b>Finance Experience</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Business Development and Marketing</b>	Extensive experience in corporate development for Gold Fields, Castle Group and numerous board positions.

<b>RONALD J. VANCE</b>	<b>Class II Director (Term expires 2019)</b>
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**Independent Director since April 2013  
CNG Committee Member**

**Retired Mining Executive  
Age 65**

**PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS**

Teck Resources (NYSE:TECK)	Senior Vice President, Corporate Development	2006 to 2014
Rothschild Inc.	Managing Director/Senior Advisor	2000 to 2005
Rothschild (Denver) Inc.	Managing Director	1991 to 2000
Newmont Mining Corporation	• Vice President Project Development	1989 to 1991
	• Vice President Marketing	1983 to 1989
Amax Copper Inc.	Director, Copper Sales and Manager, Specialty Copper Sales	1978 to 1983

**EDUCATION**

- Bachelor of Arts degree from Hobart College
- Master of Business Administration degree from Columbia University

**QUALIFICATIONS AND EXPERIENCE**

<b>Board Service</b>	Currently a member of the CNG Committee and a Director of Royal Gold. <ul style="list-style-type: none"> <li>• Expertise in managing the generation, negotiation and execution of complex, large-scale transactions.</li> </ul>
<b>Finance and International Business Experience</b>	<ul style="list-style-type: none"> <li>• Experience building strategic commercial relationships with a broad range of international companies and developing and executing corporate and structured financing arrangements.</li> </ul>
<b>Industry and Mining Experience</b>	More than 30 years of executive experience in the mining industry.
<b>Business Development and Marketing</b>	Extensive experience in corporate development, strategic planning, project development and marketing of precious metals.
<b>Industry Association Participation</b>	Past Director of the Gold Institute and World Gold Council; past member of Denver Gold Group and various trade association committees.

*SYBIL E. VEENMAN	Class III Director Nominee (Term expires 2017)
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Independent Director since January 2017  
Member of the CNG Committee

Retired Mining Executive  
Age 54

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**CURRENT BOARD AND/OR EXECUTIVE POSITIONS**

IAMGOLD Corporation (NYSE:IAG)	<ul style="list-style-type: none"> <li>• Independent Director</li> </ul>	
	<ul style="list-style-type: none"> <li>• Member of Safety, Environmental and Reserves Committee</li> </ul>	2015 to present
	<ul style="list-style-type: none"> <li>• Chair of Nominating and Corporate Governance Committee</li> <li>• Independent Director</li> </ul>	
Noront Resources Ltd. (TSX:V:NOT)	<ul style="list-style-type: none"> <li>• Chairman of the Environmental, Health, Safety and Sustainability Committee</li> <li>• Member of the Compensation, Governance and Nominating Committee</li> </ul>	

**PREVIOUS BOARD AND/OR EXECUTIVE POSITIONS**

Barrick Gold Corporation (NYSE:ABX)	<ul style="list-style-type: none"> <li>• Senior Vice President, General Counsel and Member of Executive Leadership Team</li> </ul>	2010 to September 2014
	<ul style="list-style-type: none"> <li>• Various roles including Vice President Associate General Counsel and Senior Vice President Associate General Counsel</li> </ul>	1994 to 2010
Lac Minerals Ltd.	Associate General Counsel and Secretary	March to September 1994
Fasken Campbell Godfrey, barristers and solicitors	Associate	1989 to 1994

**EDUCATION**

Bachelor of Laws degree from the University of Toronto, admitted to Ontario Bar in 1989

**QUALIFICATIONS AND EXPERIENCE**

**Board Service** Currently a member of the CNG Committee and a Director of Royal Gold. Independent Director of IAMGOLD and Noront.

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<b>Corporate Governance</b>	Chair of Corporate Governance and Nominating Committee of IAMGOLD and member of Compensation, Governance and Nominating Committee of Noront; completed Institute of Corporate Directors, Director Education Program and achieved ICD.D designation from the Institute; played key role in review and restructuring of governance practices and policies at Barrick following adoption of Sarbanes-Oxley Act.
<b>Industry, Mining and International Experience</b>	More than 20 years experience with international gold mining company with large portfolio of operating mines, development projects and exploration properties across five continents.
<b>Leadership Experience</b>	Served as member of Executive Leadership Team of Barrick; General Counsel of Barrick, heading global legal department comprised of approximately 35 lawyers in 11 countries.
<b>Legal and Compliance</b>	Previously General Counsel of Barrick, heading global legal department, with responsibility for managing overall legal affairs of the company including: legal support of mergers and acquisitions, debt and equity financings; management of litigation; development and oversight of key compliance policies and programs; and engaged in private practice with a focus on corporate/commercial, mergers and acquisitions and securities. Joint oversight responsibility for enterprise risk management, security/asset protection and community, health, environment, safety and security functions at Barrick.
<b>Reputation in the Industry</b>	Over 20 years experience with major international mining company.

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**BOARD OF DIRECTORS COMPOSITION AND PRACTICES**

**Meetings and Attendance**

During the fiscal year ended June 30, 2017 ( fiscal year 2017 ), the Board of Directors held four regular meetings, two of which included executive sessions of the independent Directors, four special meetings and took action three 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 or she 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 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 also 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 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.

## **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 and other members of management to supervise day-to-day risk management. The President and CEO 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.

Table of Contents**Audit and Finance Committee ( AF Committee )**

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

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

The AF Committee held seven meetings during fiscal year 2017. The Audit and Finance Committee Charter is available on the Company's website at [www.royalgold.com](http://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, monitors the internal audit process and critical accounting policies, 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 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 on such matters.

**Compensation, Nominating and Governance Committee ( CNG Committee )**

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

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

The CNG Committee held seven meetings during fiscal year 2017 and took action by unanimous written consent once. The CNG Committee Charter is available on the Company's web site at [www.royalgold.com](http://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.

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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, integrity, 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, and assesses compliance with corporate governance guidelines and requirements established by the SEC, NASDAQ and applicable laws and regulations.

**Compensation Committee Interlocks and Insider Participation**

No member of the CNG Committee, which consists of M. Craig Haase, C. Kevin McArthur, Ronald J. Vance and Sybil E. Veenman, 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 2017.

**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.

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

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Code is available on the Company's website at [www.royalgold.com](http://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**

Upon recommendation from the CNG Committee, the Board of Directors 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](http://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 closes.

**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 (the Exchange Act). 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. No related party transactions were required to be reported for fiscal year 2017.

#### **Conditional Resignation Policies**

Under the Company's Bylaws, each Director is required to execute a conditional resignation providing that such resignation shall be effective in the event (i) the Director fails to be elected at any annual meeting of the stockholders at which he or she stands for election or re-election, and (ii) the Board notifies the Director or publicly announces that it accepted the resignation. A majority of the disinterested Directors has discretion whether to accept or reject the Director's resignation.

Under the Company's Board of Directors Governance Guidelines, any director reaching the age of 72 must submit a written offer of resignation. A majority of the disinterested Directors has discretion to accept or reject such offers of resignation, which will be considered annually for so long as the affected Director remains in office. During fiscal year 2017, each of Messrs. Haase and Hayes submitted an offer of resignation. Neither offer was accepted by the disinterested Directors.

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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, including the award of a higher proportion of total compensation in equity than in 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 2017, the CNG Committee reviewed and considered the results of a benchmark study conducted by Hugessen Consulting Inc. ( Hugessen ) dated May 2016.

In addition to benchmarking the amount of Director compensation against the Company's peer group using several methodologies, the study also compared the forms of compensation paid to the Company's Directors to the forms of compensation paid to peer group directors, as well as the share ownership guidelines applicable to directors of the Company and its peer group.

**COMPONENTS OF DIRECTOR 2017 COMPENSATION PROGRAM**

Based upon its work with Hugessen, 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 2017.



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Compensation Element for Non-Employee Directors	Fiscal Year 2017 Compensation Program
Annual Board Retainer	\$60,000
Board and Committee Meeting Fees	\$1,500 / Meeting Attended
Annual Board Chairman Retainer	\$115,000
Annual Committee Chairman Retainer*	\$15,000
Annual Equity Retainer	\$160,750 in Restricted Stock**

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

\*\* On August 16, 2016, each non-employee Director was granted 1,930 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.

### 2017 DIRECTOR COMPENSATION

The following table provides information regarding compensation earned by the Company's non-employee Directors for their services in fiscal year 2017. Amounts shown for each Director vary due to service on committees or as committee chairs. The annual retainers for fiscal year 2017 were paid in cash on a quarterly basis.

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<b>Director</b>	<b>Paid in Cash(1)</b> <b>(\$)</b>	<b>Stock Awards(2)</b> <b>(\$)</b>	<b>Total</b> <b>(\$)</b>
Gordon J. Bogden	79,500	160,750	240,250
M. Craig Haase	94,500	160,750	255,250
William M. Hayes	212,500	160,750	373,250
C. Kevin McArthur	75,000	160,750	235,750
Jamie C. Sokalsky	82,500	160,750	243,250
Christopher M.T. Thompson	81,000	160,750	241,750
Ronald J. Vance	78,000	160,750	238,750
Sybil Veenman(3)	34,500		34,500

(1) Amount of cash compensation earned for Board and Committee service in fiscal year 2017.

(2) 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 2017. 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 2017 Annual Report on Form 10-K filed with the SEC on August 10, 2017, 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 2017 was \$83.29, which was the closing price of Royal Gold s common stock on the NASDAQ Global Select Market on August 18, 2016, 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, 2017, each of Messrs. Haase, Hayes, McArthur, Sokalsky, Thompson and Vance held 965 shares of unvested restricted stock. On June 15, 2017, Gordon Bogden submitted his resignation from the Board of Directors and the Audit and Finance Committee effective June 30, 2017. On June 15, 2017, the CNG Committee recommended and the Board of Directors unanimously approved acceleration of Mr. Bogden s 965 shares of unvested restricted stock effective June 30, 2017, in recognition of Mr. Bogden s six years of service to the Company.

(3) Ms. Veenman joined the Board of Directors on January 1, 2017.

**Expenses**

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

**DIRECTOR STOCK OWNERSHIP GUIDELINES**

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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, and Ms. Veenman who joined the Board in January 2017.

<b>Role</b>	<b>Guideline Value of Common Stock to be Owned</b>
<b>Director</b>	<b>10x Annual Retainer</b>

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 2018**

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, 2018.

The ratification of the appointment of Ernst & Young LLP is submitted to the stockholders because the AF Committee and the Board of Directors believe this to be 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, 2017 and 2016 are as follows:

- Audit Fees. Audit fees paid to Ernst & Young LLP were \$756,876 and \$629,512 for the fiscal years ended June 30, 2017 and 2016, 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, issuance of consents and review of documents filed with the Securities and Exchange Commission. 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, 2017 and 2016.
- Tax Fees. Tax fees paid to Ernst & Young LLP for tax-related services were \$246,745 and \$250,204 for the fiscal years ended June 30, 2017 and 2016, 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 2017, \$161,477 was paid for tax compliance and tax return preparation services, and \$85,268 was paid for tax consulting services primarily for the Company's subsidiaries.

- All Other Fees. Other fees paid to Ernst & Young LLP for the fiscal years ended June 30, 2017 and 2016 were \$30,517 and \$21,528, 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 2017 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, 2017, 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 2017, 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, 2017, 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 • 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 Exchange Act, 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 2017 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 compensation 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 2017 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 2017, 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 • Sybil E. Veenman

**Glossary of Terms and Abbreviations**

<b>AFCFPS</b>	Adjusted free cash flow per share, a non-GAAP financial measure, defined as operating income plus production taxes, exploration expenses, depreciation, depletion and amortization, non-cash charges and any impairment of mining assets, less non-controlling interests in operating income of consolidated subsidiaries
<b>GDX</b>	The Van Eck Market Vectors Gold Miners ETF
<b>GDX Constituents</b>	The companies comprising the GDX
<b>GEOs</b>	Gold equivalent ounces; a measure of aggregate metal production by the Company's stream and royalty operators. GEOs are calculated as revenue divided by the average gold price for the applicable period
<b>GEO Shares</b>	Performance shares which may vest based upon growth in Net GEOs
<b>Long-term incentive</b>	Equity awarded to the Company's NEOs annually to promote retention and align NEO performance with stockholders' economic interests
<b>LTIP</b>	The 2004 or 2015 Omnibus Long-Term Incentive Plan, as the context requires
<b>NEOs</b>	Named Executive Officers; the Company's executive officers identified in this Proxy Statement
<b>Net GEOs</b>	Net gold equivalent ounces; calculated as the Company's reported revenue less reported costs of sales, divided by the average gold price for the applicable period. See page 31 for the calculation of Net GEOs for purposes of determining short-term incentive awards
<b>Net Revenue</b>	Calculated as the Company's reported revenue less reported cost of sales. See page 30 for the calculation of Net Revenue for purposes of determining short- and long-term incentive awards
<b>OCF</b>	Operating cash flow
<b>Performance Shares</b>	Shares of the Company's common stock which may be awarded based upon the achievement of defined performance or market conditions, as described below
<b>Short-term incentive</b>	Cash payments awarded to the Company's NEOs after fiscal year end based upon the level of achievement of Company and individual performance measures
<b>SARs</b>	Stock-settled stock appreciation rights; a form of long-term incentive
<b>Total direct compensation</b>	The sum of base salary, short-term cash incentives and the value of long-term equity incentives
<b>TSR</b>	Total Shareholder Return
<b>TSR Shares</b>	Performance shares which may vest based upon the Company's three-year and one-year TSR relative to the TSRs of the GDX Constituents



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**COMPENSATION DISCUSSION AND ANALYSIS**

**EXECUTIVE SUMMARY**

**WE DELIVERED RECORD FINANCIAL AND OPERATING RESULTS FOR FISCAL YEAR 2017**

Fiscal year 2017 was an excellent year. The \$1.4 billion of new stream and royalty acquisitions that we closed and funded in the first quarter of fiscal 2016 had their expected impact. Our new streams at Wassa and Prestea, Andacollo and Pueblo Viejo now rank among our top five revenue generators, and together accounted for 40% of fiscal year 2017 revenue. Our participation in the process to place Thompson Creek Metals Company in stronger hands led directly to the elimination of uncertainty over our investment in the Mount Milligan Mine. The new stream production and the elimination of uncertainty around Mount Milligan boosted our share price to \$78.17 at fiscal 2017 year end, **resulting in total one-year return to our stockholders of 10%, earning Royal Gold an 89 percent rank in one-year TSR among the GDX Constituents.**

We also completed the last of our stream funding commitments, meaning that all cash flow can be directed to new opportunities, debt reduction and dividends. In addition, we repaid \$95 million on our revolving credit facility, and expanded the facility from \$650 million to \$1 billion in availability.

**Record-Setting 2017 Financial Highlights**

**2017 Operational Highlights**



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**OUR COMPENSATION PHILOSOPHY AND OBJECTIVES SUPPORT COMPANY PERFORMANCE**

The CNG Committee sets and administers executive compensation philosophy, objectives and design. Our fundamental compensation philosophy is 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 advancement of long-term, sustainable stockholder value;
- Provide incentive compensation based on the Company's performance on key financial, operational and strategic goals;
- Encourage creativity and innovation; and
- Discourage excessive risk-taking.

**STOCKHOLDER ENGAGEMENT RESULTED IN EXECUTIVE COMPENSATION TRANSFORMATION**

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 from 2013 through 2015, in the low- to mid-70% range, was in our view unacceptable. The CNG Committee began working with Hugessen in early 2015 to address concerns expressed earlier by some of our stockholders and proxy advisors. Members of our management team also 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 methodology, and support for program enhancements then under consideration.

In August 2015, the CNG Committee introduced significant changes to our executive compensation program for fiscal year 2016. These changes are summarized in the following table. We believe these changes were key to receiving 97.2% voter support for our new executive compensation program at our November 2016 annual meeting of stockholders.

<b>Stockholder and Advisor Concerns Before FY 2016</b>	<b>What We Do Now</b>	<b>CD&amp;A Reference</b>
Simplify the program and enhance transparency of our annual short-term incentive calculations	Utilize 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	Utilize 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	Utilize relative TSR and growth in net revenue (expressed in terms of growth in production volume) as two new performance measures for performance shares	Page 35
Link performance measures to specific strategic objectives that our stockholders value: a balance of growth and financial discipline	Utilize one production target in short-term incentive scorecard and a different production target in performance share measures. Utilize 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

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Stockholder and Advisor Concerns Before FY 2016	What We Do Now	CD&A Reference
Continue benchmarking against peers in the precious metals industry with similar market capitalization	Royal Gold-selected peer group reflects companies of similar market capitalization in the precious metals industry	Page 27

**The Company intends to continue engaging with its stockholders, and 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 executives.**

#### **WE USE THE SAME KEY METRICS TO EVALUATE CORPORATE PERFORMANCE THAT WE USE TO DRIVE EXECUTIVE COMPENSATION DETERMINATIONS**

One of many major improvements made to the Company's executive compensation program for fiscal year 2016, which was continued for fiscal year 2017, is a more transparent and direct alignment between specific corporate objectives and predetermined executive performance metrics and targets. Our executives bear responsibility for driving Company performance, and their compensation is strongly correlated to the Company's performance based on the same key metrics that our Board of Directors utilizes to chart corporate strategy and evaluate our success in achieving that strategy. These key metrics are summarized in the table below. Their correlation to executive compensation is presented in much more detail, along with other compensation disclosures, in the executive compensation discussion following this Executive Summary.

**Table 1 Key Metrics of Corporate Operational, Financial and Strategic Performance**

Key Metric	Description of Key Metric	Element of Compensation
<b>Operating Cash Flow Multiple</b>	Measures the Company's relative market performance against its peers and directly reflects production performance, financial discipline and portfolio quality	Short-term Incentive
<b>Net GEO Production Relative to Budget</b>	Measures the production success of the Company's existing asset portfolio	Short-term Incentive
<b>Cost Containment</b>	Measures management's ability to manage the Company's business in a cost-efficient manner	Short-term Incentive
<b>Growth in Net GEO Production</b>	Measures the Company's success in growing its business; includes the production success of the Company's existing asset portfolio, <i>plus</i> contributions from acquisitions completed during the relevant fiscal year	Performance Shares
<b>TSR Relative to the GDX Constituents</b>	Measures the value created for Royal Gold's stockholders	Performance Shares
<b>Net Revenue Target</b>	Establishes a minimum threshold for the Company's ability to short term incentives	Restricted Shares

#### **WE EMPLOY MANY COMPENSATION BEST PRACTICES**

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

<b>PRACTICE</b>	<b>WE DO</b>	<b>WE DON'T</b>
<b>Pay for Performance:</b> Over 75% of our CEO's and 70% of our other NEOs' total direct compensation for fiscal 2017 was variable and not guaranteed	ü	
<b>Utilize multiple performance measures</b> for both short- and long-term incentive programs	ü	



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	WE DO	WE DON T
<b>PRACTICE</b>		
The Board of Directors <b>sets challenging short- and long-term goals</b> focused on growth and generating long-term returns for stockholders	ü	
<b>Establish target and maximum awards</b> in our short- and long-term incentive programs	ü	
<b>Utilize a formulaic scorecard</b> for short-term incentives	ü	
<b>Use a peer group of gold-focused companies</b> of comparable market capitalization and correlation to gold prices to benchmark performance and compensation levels	ü	
<b>Target NEO total direct compensation at median</b> of our peer group	ü	
Require the Company's NEOs to meet <b>robust stock ownership guidelines</b> to assure that their interests are aligned with those of our stockholders	ü	
We apply a <b>double trigger to vesting equity awards</b> 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	ü	
<b>Engage with stockholders</b> to solicit feedback on our compensation and governance programs and any other areas of concern	ü	
<b>Continually monitor our compensation program</b> to assess and mitigate any compensation-related risks	ü	
<b>Maintain the strict independence of the CNG Committee</b> members and ensure that the <b>independent compensation consultant reports directly to the CNG Committee</b> rather than management	ü	
<b>All executives may participate in retirement plans on the same terms as other eligible employees</b>	ü	
Guarantee salary increases or annual short-term incentive payments for our NEOs		û
Provide perquisites or other special benefits to the executive officers		û
Permit re-pricing of stock options without stockholder approval		û
Provide for excise tax gross-ups of any kind, including for change-in-control payments, in employment agreements.		û
Permit hedging or pledging Royal Gold stock by officers or Directors		û
Maintain a defined pension benefit plan or any special executive retirement plans.		û

**ANNUAL COMPENSATION PROCESS**

**THE CNG COMMITTEE LEADS THE ANNUAL EXECUTIVE COMPENSATION-SETTING PROCESS, WITH INVOLVEMENT FROM ITS COMPENSATION CONSULTANT AND MANAGEMENT**

**Roles and Responsibilities in the Annual Compensation Process**

- CNG Committee**
- Four directors; independence determined annually under securities, tax and listing rules
  - Oversees administration of policies governing executive compensation
  - Reviews stockholder feedback, trends in executive compensation design
  - Reviews and sets compensation philosophy, objectives and design; reviews annually with Board of Directors

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- Ensures alignment with strategic goals and stockholder values through establishment of performance measures and goals consistent with creating long-term value for stockholders
- Determines whether performance measures were or were not met
- Conducts annual assessment of CEO performance
- Determines CEO compensation without presence of CEO or other management
- Considers, without being bound by, advice and recommendations from consultant and CEO concerning NEO compensation
- Determines NEO compensation

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- Solicits feedback from major stockholders concerning executive compensation plan
- Management**
  - Provides input to CNG Committee on strategy and program design
  - Develops initial recommendations for short- and long-term incentives based on achievement of performance measures
  - Retained annually by the CNG Committee; independence determined annually by CNG Committee
  - Performs work at direction and under supervision of the CNG committee
- Compensation Consultant**
  - Provides expertise on compensation design, market practices, peer group construction and benchmarking
  - Benchmarks NEO and director compensation in alternating years
  - Provides in-depth review of and recommendations for compensation framework and design

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. The CNG Committee first retained Hugessen in fiscal year 2015 to provide independent advice on the Company's executive compensation framework and design, as well as related governance matters. Since then, the CNG Committee included Hugessen's director and executive compensation reports as one consideration in its deliberations on compensation design and award.

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. Each year, the CNG Committee 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.

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.

**WE ESTABLISH RELEVANT COMPARATOR GROUPS AND CONDUCT EXECUTIVE COMPENSATION BENCHMARKING**

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

The CNG Committee reviews and selects executive compensation peers annually based primarily on similar industry profile and size as measured by market capitalization. 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.

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. Following is a comparison between the Company's 2016 selected peer group and those selected by Glass-Lewis and Institutional Shareholder Services (ISS) in 2016:

**Table 2 - Comparison of Peer Groups Selected by the Company and Proxy Advisors**

<b>Company Peer Group</b>	<b>Glass-Lewis Peer Group</b>	<b>ISS Peer Group</b>
<ul style="list-style-type: none"> <li>• Includes publicly traded companies with similar industry profile and size as measured by market capitalization (see Table 3 below)</li> <li>• Includes both of our direct streaming and royalty competitors of comparable size</li> <li>• Includes comparably-sized gold and silver mining companies</li> <li>• Selected peers mostly unchanged since fiscal year 2013(1)</li> <li>• Includes nine Canadian companies(2)</li> </ul>	<ul style="list-style-type: none"> <li>• Includes all of our peer selections, plus four additional gold companies</li> <li>• Includes thirteen Canadian companies(2)</li> </ul>	<ul style="list-style-type: none"> <li>• Includes neither of our principal streaming and royalty competitors</li> <li>• Includes only three precious metals companies</li> <li>• Includes companies in the activated carbon, agricultural products, industrial and specialty chemicals, sealants and coatings and other unrelated industries                             <ul style="list-style-type: none"> <li>• <i>ISS-selected peers trade on market fundamentals that are different and off-cycle from those driving the precious metals business</i></li> </ul> </li> <li>• Includes no Canadian companies(2)</li> </ul>

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(1)The Company peer group is reviewed annually. Since 2013, changes to the peer group were made either to account for merger and acquisition activity in the peer group or to better position the Company among its peers according to size, as measured by market capitalization.

(2)According to S&P CapitalIQ, (i) 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 24 such companies in Canada; and (ii) as of June 30, 2017, the peers selected most recently by ISS averaged only one-seventh 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 3 Company Comparisons to Company Selected Peer Group**

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	88%
Alamos Gold Inc.	Gold	\$ 2,255	\$	96	90%
Centerra Gold Inc.	Gold	\$ 1,436	\$	188	4%
Coeur Mining, Inc.	Silver	\$ 1,731	\$	157	84%
Eldorado Gold Corporation	Gold	\$ 3,202	\$	263	60%
Franco-Nevada Corporation	Gold	\$ 13,454	\$	390	90%
Hecla Mining Company	Silver	\$ 1,958	\$	160	85%
IAMGOLD Corporation	Gold	\$ 1,673	\$	152	88%
New Gold Inc.	Gold	\$ 2,221	\$	282	92%
Pan American Silver Corp.	Silver	\$ 2,492	\$	121	89%
Wheaton Precious Metals Corporation	Silver	\$ 10,309	\$	495	89%
75th Percentile		\$ 6,755	\$	336	89%
Median		\$ 2,255	\$	188	88%
25th Percentile		\$ 1,845	\$	154	84%
Average		\$ 4,775			