ROYAL GOLD INC
Form DEF 14A
October 01, 2015
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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:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	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):

x	No fee required.	
o	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:
o	Fee paid previously with preliminary materials.	
o	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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

You are cordially invited to attend our 2015 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 I 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, 2016;

3. The approval, on an advisory basis, of the compensation of the named executive officers;

4. The approval of the Royal Gold, Inc. 2015 Omnibus Long-Term Incentive Plan (the 2015 LTIP); and

5. The transaction of such other business as may be brought properly before the meeting and any and all adjournments or postponements thereof.

Our board of directors has fixed the close of business on September 14, 2015 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 14, 2015.

We are mailing our Notice of Internet Availability of Proxy Materials to stockholders on or about October 1, 2015, containing instructions on how to access our proxy materials online. We are also mailing a full set of our proxy materials to stockholders who previously requested paper copies of the materials. (Please see page 2 of the proxy statement for more information on how these materials will be distributed.) Our proxy materials can also be viewed on our Company website at www.royalgold.com under Investors Financial Reporting SEC Filings.

BY ORDER OF THE BOARD OF DIRECTORS

Bruce C. Kirchhoff

Vice President, General Counsel and Secretary

October 1, 2015

ANNUAL MEETING INFORMATION

Date:	**Wednesday, November 11, 2015**
Time:	**9:00 a.m. MST**
Location:	**Ritz-Carlton Hotel** **1881 Curtis Street** **Denver, Colorado 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.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on November 11, 2015

Our Notice of Annual Meeting, Proxy Statement and related exhibits, Annual Report including our Form 10-K, electronic proxy card and any other Annual Meeting materials are available on the Internet at www.proxyvote.com together with any amendments to any of these documents.

Voting Deadlines

Holders of Royal Gold s common stock are entitled to vote in person at the Annual Meeting and any postponements or adjournments of the meeting.

Royal Gold Common Stock: Proxies voted by mail, telephone or Internet must be received by 11:59 p.m. (Eastern Standard Time) on November 10, 2015.

Please see Voting Your Shares in the proxy statement for more detailed information.

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Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement before voting. For more complete information regarding the Company s 2015 performance, please review the Company s Annual Report on Form 10-K.

MEETING AGENDA AND VOTING MATTERS

	Board Vote Recommendation	Page Reference (For more detail)
• Election of 3 Class I Directors	FOR each Director Nominee	6
• Ratification of Ernst & Young LLP as auditor for 2016	FOR	18
• Advisory resolution to approve executive compensation	FOR	20
• Approval of the Royal Gold, Inc. 2015 Omnibus Long-Term Incentive Plan	FOR	42
• Transact other business that properly comes before the meeting		

DIRECTOR NOMINEES (page 7)

Stockholders are asked to elect three Class I Directors, each of whom will serve until the 2018 Annual Meeting, or until his successor is elected and qualified.

Class I Directors	Age	Director Since	Primary Occupation	Experience/ Qualifications	Independent	Committee Membership	Other Public Company Boards
Gordon J. Bogden	57	2011	President and CEO of Alloycorp Mining Inc.	• Audit committee financial expertise • Public company board service • CEO/administration and operations • Corporate governance • Finance • Geology, geophysics and mining engineering	Yes	Audit & Finance Committee	2

				• International business • Leadership • Reputation in the industry • Risk management			
Tony A. Jensen	53	2004	President and CEO of Royal Gold, Inc.	• Public company board service • Business development and marketing • CEO/administration and operations • Corporate governance • Finance • Geology, geophysics and mining engineering • Industry association participation • International business • Leadership • Reputation in the industry • Risk management	No	None	1

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Class I Directors	Age	Director Since	Primary Occupation	Experience/ Qualifications	Independent	Committee Membership	Other Public Company Boards
Jamie C. Sokalsky	58	August 2015		• Public company board service • Business development and marketing • CEO/administration and operations • Corporate governance • Finance • Industry association participation • International business • Leadership • Reputation in the industry • Risk Management	Yes		3

2015 COMPANY PERFORMANCE HIGHLIGHTS

The following summarizes our financial performance and other significant achievements during fiscal year 2015:

- We achieved one-year total shareholder return (TSR) near the top of our self-selected peer group;

- We achieved record volume of nearly 200,000 net gold equivalent ounces of production, and revenue increased 17% despite declining gold prices. We reported record net volume growth as Mount Milligan continued to ramp up and Peñasquito delivered excellent operating results;

- We delivered record operating cash flow of $192.1 million, an increase of 31% over the prior year;

- We ended fiscal 2015 financially robust with over $1.4 billion in liquidity in working capital, including a $650 million undrawn credit facility that was expanded from $450 million in early 2015;

- We returned over $56 million to stockholders in the form of dividends, which equates to approximately 29% of operating cash flow, our 14th consecutive year of increasing dividends;

- We announced a gold stream transaction with Golden Star Resources, and acquired a gold stream on Euromax Resources Ilovica project in Macedonia;

- We entered into a joint venture for exploration and advancement of the Tetlin gold project located near Tok, Alaska; and

- We laid the groundwork for three significant transactions to occur in early fiscal 2016.

GOVERNANCE HIGHLIGHTS

We are committed to strong and sustainable corporate governance which protects and promotes long-term stockholder value. Highlights of our corporate governance program include:

- Separate Chief Executive Officer and Chairman of the Board;

- Seven of eight directors are independent, including all members of the Audit and Finance Committee and the Compensation, Nominating and Governance Committee;

- All Audit and Finance Committee members determined to be Audit Committee Financial Experts;

- Significant Board refreshment over past two years; average director tenure is less than 4.5 years;

- Thorough orientation program for new directors;

- Independent directors meet without management present;

- Annual Board and Committee self-evaluations;
- Significant director and executive officer stockholding requirements;
- Board Governance Guidelines, Committee Charters and Code of Business Ethics and Conduct;
- Board oversight of Enterprise Risk Management Program;
- Majority voting in uncontested director elections;
- Active stockholder engagement;

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- Strong link between executive officer compensation and Company performance;
- Annual advisory say on pay vote;
- No stock option re-pricing without stockholder approval;
- Anti-hedging and anti-pledging policies;
- No perquisites and no excise tax gross-ups for executive officers; and
- The Company s 2015 Omnibus Long-Term Incentive Plan, submitted to stockholders for approval at the Annual Meeting, includes the following provisions:
- a minimum one-year vesting period for all equity awards (except for Director compensation and other circumstances in the discretion of the Compensation, Nominating and Governance Committee);
- a limit of $500,000 on the fair market value of shares that may be granted in a calendar year to a non-employee director; and
- prohibition of liberal share recycling.

BOARD OF DIRECTORS (page 11)

The characteristics of our Board reflect the following attributes:

Independence	Average Board Tenure	Director Qualifications

All Directors other than the Chief Executive Officer are independent	The average tenure for our Directors service on our Board of Directors is less than 4.5 years	Among other qualifications, every Director has substantial industry expertise

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (page 18)

Stockholders are asked to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2016. Below is a summary of fees paid to Ernst & Young in fiscal year 2015.

		FY 2015
Audit Fees	$	525,058
Audit-Related Fees	$	
Tax Fees	$	349,023
All Other Fees	$	29,768
Total	$	903,849

COMPENSATION HIGHLIGHTS (page 21)

Our compensation program is highly correlated to Company performance and emphasizes long-term compensation incentives over cash compensation. Our compensation program is designed to:

- Attract and retain the highest caliber personnel on a long-term basis;
- Link rewards to sustainable business results;
- Emphasize creation of long-term stockholder value and achievement of strategic objectives;
- Discourage excessive risk-taking; and
- Encourage creativity and innovation.

Our Compensation, Nominating and Governance Committee utilized the following design elements when determining fiscal year 2015 executive compensation:

- Over 70% of total direct compensation, comprised of base salary, annual cash bonus and long-term equity incentives, is performance-based and not guaranteed;

- Short-term incentives are tied to specific business goals;

- Long-term incentives are aligned with stockholder interests and vest over a multi-year period; and

- We benchmark our executives compensation against peers in our industry that are similar to our business model, market capitalization, EBITDA and correlation to gold.

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2015 NEO COMPENSATION SUMMARY (page 35)

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 2015 for each NEO.

Name and Principal Position		Salary		Stock and Option Awards		Non-Equity Incentive Compensation		All Other Compensation		Total
Tony Jensen President and Chief Executive Officer	$	650,000	$	2,435,434	$	1,000,000(1)	$	32,677	$	4,118,111
Stefan Wenger Chief Financial Officer and Treasurer	$	385,000	$	948,437	$	320,000	$	37,408	$	1,690,845
Karli S. Anderson Vice President Investor Relations	$	280,000	$	587,217	$	230,000	$	23,193	$	1,120,410
William Heissenbuttel Vice President, Corporate Development and Operations	$	400,000	$	948,437	$	335,000	$	36,093	$	1,719,520
Bruce C. Kirchhoff Vice President, General Counsel and Secretary	$	360,000	$	948,437	$	295,000	$	31,733	$	1,635,170
William M. Zisch Former Vice President, Operations	$	187,801	$	948,437(2)			$	18,201	$	1,154,439

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(1) Mr. Jensen s fiscal year 2015 bonus included an amount reflecting special recognition of his exceptional business development efforts during fiscal year 2015, which led to execution of three significant transactions in the first several weeks of fiscal year 2016. For further information, see Actual Incentive Bonus Awards on page 29.

(2) Mr. Zisch terminated his employment with the Company effective December 9, 2014, at which time his Stock and Option Awards did not vest and were forfeited.

IMPORTANT DATES FOR 2016 ANNUAL MEETING OF STOCKHOLDERS (page 51)

Stockholder proposals submitted for inclusion in our 2016 proxy statement pursuant to SEC Rule 14a-8 must be received by us by June 3, 2016.

Notice of stockholder proposals to be raised from the floor at the 2016 Annual Meeting of Stockholders outside of SEC Rule 14a-8 must be received by us between July 15, 2016 and August 15, 2016.

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ROYAL GOLD, INC.
1660 Wynkoop Street, Suite 1000
Denver, Colorado 80202

(303) 573-1660 • www.royalgold.com

PROXY STATEMENT

2015 ANNUAL MEETING OF STOCKHOLDERS

STOCKHOLDERS ENTITLED TO VOTE

This Proxy Statement is furnished to holders of Royal Gold, Inc. common stock (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 2015 Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held on Wednesday, November 11, 2015, at 9:00 a.m. MST. Stockholders of record holding shares of the Company s common stock, par value $0.01 per share (Common Stock), at the close of business on September 14, 2015 (the Record Date), are eligible to vote at the Annual Meeting and at all postponements and adjournments thereof. There were 65,260,149 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 1, 2015, 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 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 the Company s 2015 Omnibus Long-Term Incentive Plan as described herein under Proposal 4 Approval of Royal Gold, Inc. s 2015 Omnibus Long-Term Incentive Plan.

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

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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 either 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.

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.

With respect to Proposal 1, in an uncontested election of Directors, the election of a Director nominee will require an affirmative vote of the majority of the votes cast with respect to that Director nominee at a meeting at which a quorum is present. This means that the number of votes cast FOR a Director nominee must exceed the number of votes cast AGAINST that Director nominee in order for a Director to be elected at the Annual Meeting. The Election of Directors is a non-discretionary item. Therefore, if you hold your Royal Gold common stock through a Nominee and you do not instruct your Nominee how to vote with respect to the election of Directors, your Nominee cannot vote your shares on this proposal. Abstentions and broker non-votes will not be counted as votes FOR or AGAINST this proposal.

With respect to Proposal 2, the affirmative vote of a majority of the votes cast at a meeting at which a quorum is present shall be the act of the stockholders. Abstentions and broker non-votes will have no effect on the outcome of Proposal 2.

With respect to Proposal 3, the affirmative vote of a majority of the votes cast at a meeting at which a quorum is present shall be the act of the stockholders. However, as discussed in further detail in Proposal 3, this proposal is advisory in nature. Abstentions and broker non-votes will have no effect on the outcome of Proposal 3.

With respect to Proposal 4, the affirmative vote of a majority of the votes cast at a meeting at which a quorum is present shall be the act of the stockholders. Abstentions and broker non-votes will have no effect on the outcome of Proposal 4.

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.

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 Morrow & Co., LLC, 470 West Avenue, Stamford, CT 06902, 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.

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Security Ownership of Certain Beneficial Owners and Management

The following table shows the beneficial ownership, as of September 15, 2015, of the Com pany s common stock by each Director, the Company s NEOs (see Compensation Discussion and Analysis on page 21), persons known to the Company, based upon the Company s review of documents filed with the SEC with respect to the ownership of the Company s common stock, to be the beneficial owner of more than 5% of the issued and outstanding shares of common stock, and by all of the Company s Directors and executive officers as a group. Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o Royal Gold, Inc., 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
Tony A. Jensen President, Chief Executive Officer and Director	291,221(1)	*
Gordon J. Bogden Director	12,409(2)	*
M. Craig Haase Director	24,094(3)	*
William M. Hayes Chairman of the Board	28,709(4)	*
C. Kevin McArthur Director	8,884(5)	*
Jamie C. Sokalsky Director	3,240(6)	*
Christopher M.T. Thompson Director	15,384(7)	*
Ronald J. Vance Director	8,234(8)	*
Stefan L. Wenger Chief Financial Officer and Treasurer	115,914(9)	*
Karli S. Anderson Vice President Investor Relations	13,865(10)	*
William H. Heissenbuttel Vice President Corporate Development and Operations	124,143(11)	*
Bruce C. Kirchhoff Vice President, General Counsel and Secretary	102,240(12)	*

William M. Zisch Former Vice President Operations	14,565(13)	*
All Directors and Executive Officers as a Group including those named above (12 persons)	748,337(14)	1.14%
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	7,966,180(15)	12.21%
Van Eck Associates Corporation 335 Madison Avenue, 19th Floor New York, New York 10017	5,465,768(16)	9.91%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	4,349,713(17)	6.67%

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

(1) Includes 36,526 shares of restricted stock, 96,182 Stock Appreciation Rights (SARs) and options to purchase 5,311 shares of common stock that were exercisable as of September 15, 2015, or which become exercisable within 60 days from such date.

(2) Includes 1,620 shares of restricted stock.

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(3) Includes 1,620 shares of restricted stock.

(4) Includes 1,620 shares of restricted stock.

(5) Includes 1,620 shares of restricted stock.

(6) Includes 1,620 shares of restricted stock.

(7) Includes 1,620 shares of restricted stock.

(8) Includes 1,620 shares of restricted stock.

(9) Includes 26,152 shares of restricted stock, and 28,486 SARs and options to purchase 4,279 shares of common stock that were exercisable as of September 15, 2015, or which become exercisable within 60 days from such date.

(10) Includes 9,215 shares of restricted stock, and 2,891 SARs and options to purchase 1,759 shares of common stock that were exercisable as of September 15, 2015, or which become exercisable within 60 days from such date.

(11) Includes 26,443 shares of restricted stock, and 35,486 SARs and options to purchase 23,665 shares of common stock that were exercisable as of September 15, 2015, or which become exercisable within 60 days from such date.

(12) Includes 25,570 shares of restricted stock and 35,486 SARs and options to purchase 8,165 shares of common stock that were exercisable as of September 15, 2015, or which become exercisable within 60 days from such date.

(13) Mr. Zisch terminated his employment with the Company effective December 9, 2014.

(14) Includes 130,186 shares of restricted stock and 166,407 SARs and options to purchase 42,210 shares of common stock that were exercisable as of September 15, 2015, or which become exercisable within 60 days from such date. Mr. Zisch s beneficial ownership is not included in the beneficial ownership of the Directors and Executive Officers as a Group.

(15) As reported by BlackRock, Inc. on Form 13G/A with the SEC on January 9, 2015. As of December 31, 2014, BlackRock, Inc. has sole dispositive power over 7,966,180 and sole voting power over 7,701,673 shares of common stock.

(16) As reported by Van Eck Associates Corporation on Form 13G/A filed with the SEC on February 12, 2015. As of December 31, 2014, Van Eck Associates Corporation has sole dispositive power over 5,465,768 shares of common stock, and sole voting power over 5,352,568 shares of common stock.

(17) As reported by The Vanguard Group on Form 13G/A filed with the SEC on February 10, 2015. As of December 31, 2014, the Vanguard Group has sole dispositive power over 4,311,968 shares of common stock, shared dispositive power over 37,745 shares of common stock and sole voting power over 43,645 shares of common stock.

Executive Officers

The following persons, as of September 30, 2015, hold the executive officer positions at Royal Gold as further described below.

Tony Jensen, 53, President, Chief Executive Officer and a Director. See page 8.

Stefan L. Wenger, 42, Chief Financial Officer and Treasurer since August 2007. Mr. Wenger was Chief Financial Officer from June 2006 to August 2007, and Chief Accounting Officer and Treasurer of the Company from April 2003 until June 2006. Mr. Wenger was a manager with PricewaterhouseCoopers LLP from June 2002 until March 2003. From September 2000 until June 2002, he was a manager with Arthur Andersen LLP. Mr. Wenger has over 20 years of experience in the mining and natural resources industries working in various financial roles. He is a member of the Board of Trustees of the American Exploration and Mining Association where he currently serves on the Executive Committee as the Treasurer. Mr. Wenger holds a Bachelor of Science degree in Business Administration from Colorado State University, has completed the General Management Program at the Harvard Business School, and is a certified public accountant. He is a member of the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Karli S. Anderson, 42, 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 January 2003 to January 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, 50, Vice President Corporate Development and Operations since February 2007. Mr. Heissenbuttel was Manager Corporate Development from April 2006 through January 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. Mr. Heissenbuttel served as Senior Vice President from February 2000 to April 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.

Bruce C. Kirchhoff, 56, Vice President, General Counsel since February 2007 and Secretary since July 2013. Mr. Kirchhoff has over 25 years of experience representing hardrock and industrial minerals mining companies, as well as mineral exploration and development clients. From January 2004 through January 2007, Mr. Kirchhoff was a partner with the law firm Carver Kirchhoff Schwarz McNab & Bailey, LLC. From January 2003 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 Alfers & Carver, LLC. Prior to private practice, Mr. Kirchhoff was a senior attorney with Cyprus Amax Minerals Company from June 1986 through March 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 I Directors

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

If the proxy is properly completed and received in time for the Annual Meeting, and if the proxy does not indicate otherwise, the represented shares will be voted FOR Gordon J. Bogden, Tony A. Jensen and Jamie C. Sokalsky as Class I Directors of the Company. If any of the nominees for election as a Class I 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 I Director elected shall serve until the 2018 Annual Meeting, or until his successor is elected and qualified.

VOTE REQUIRED FOR APPROVAL

The Company s Amended and Restated Bylaws (Bylaws) require that each Director be elected by the majority of votes cast at a meeting at which a quorum is present with respect to such Director in uncontested elections. This means that the number of shares voted FOR a Director nominee must exceed the votes cast AGAINST that Director nominee. In a contested election (a situation in which the number of nominees exceeds the number of Directors to be elected), the standard for election of Directors would be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors. This year s election is expected to be an uncontested election, and the majority vote standard will apply. If a nominee who is serving as a Director is not elected at the Annual Meeting, Delaware law provides that the Director would continue to serve on the Board as a holdover Director. Under the Company s Bylaws, each Director nominee who is serving as a Director has submitted a conditional resignation that becomes effective if such Director is not elected and the Board accepts the resignation. In that situation, the CNG Committee would make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether to take other action. The Board of Directors will act on the CNG Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Absent a determination by the Board that it is in the best interest of the Company for a Director who has failed to be elected to remain on the Board, the Board will accept the resignation. The Director who tenders his resignation will not participate in the decision of the Board of Directors. If a nominee who was not already serving as a Director fails to receive a majority of votes cast with respect to his election at the Annual Meeting, Delaware law provides that the nominee does not serve on the Board as a holdover Director. All of the Class I 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 I 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 I Directors at the Annual Meeting are indicated with an asterisk *. Each Director brings a strong and unique background and skillset to the Board, such as board service, leadership experience, finance experience and industry experience in the areas of mining, operations, accounting, business development and marketing, law, international business and risk management. The qualifications and experience of our Directors are summarized on page 11.

WILLIAM M. HAYES **Class II Director (Term expires 2016)**

Independent Director since 2008 **Retired Mining Executive**
Chairman of the Board of Directors since May 2014
Chairman of the Audit and Finance Committee
Audit Committee Financial Expert

Mr. Hayes, 70, served in various management positions with Placer Dome Inc. from 1988 to 2006. He was Executive Vice President for Project Development and Corporate Affairs from 2004 to 2006. From 2000 to 2004, he served as Executive Vice President for USA and Latin America, and from 1994 to 2000 as Executive Vice President for Latin America. During this period (2000-2004), he served as President of Compania Mantos de Oro (La Coipa) and Compania Minera Zaldivar (Zaldivar Mine). From 1991 to 1994, he served as Chief Executive Officer of Mantos de Ore, Chile, at the La Coipa mine, and was Chief Financial Officer from 1988 to 1991. Mr. Hayes also served as Vice President and Treasurer of Placer Dome Inc. from 1991 to 1994. From 1972 to 1987, Mr. Hayes served in various financial positions with Exxon Corporation. Mr. Hayes holds a Bachelor of Arts and Master of Arts degree in International Management from the American Graduate School of International Management and a Bachelor of Arts degree in Political Science from the University of San Francisco.

Qualifications and Experience

Board Service Currently Chairman of the Board of Directors and Chairman of the Audit and Finance Committee of Royal Gold. A Director (since 2006) of Antofogasta PLC (LON:ANTO), a FTSE 100 Company listed on the London Stock Exchange, engaged in mining, transportation, water distribution and energy. Senior Independent Director, Audit Committee Chairman and member of the Nomination Committee and Remuneration Committee of Antofogasta PLC since June 2011. Subsidiary Board membership of Antofogasta: Chairman and Director of Tethyan Copper Company, a fifty-fifty joint venture between Antofogasta and Barrick related to the Reko Diq Project in Pakistan.

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

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

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

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

***GORDON J. BOGDEN** **Class I Director (Term expires 2015)**

Independent Director since August 2011 **President and CEO of Alloycorp Mining Inc.**
Audit and Finance Committee Member
Audit Committee Financial Expert

Mr. Bogden, 57, has served as President and Chief Executive Officer of Alloycorp Mining Inc., a mining company, since March 2014. He was formerly the Vice Chairman, Mining & Metals, Standard Chartered Bank, which acquired Gryphon Partners Canada Inc., an independent investment bank that Mr. Bogden co-founded, and where he was President and Managing Partner, from October 2008 to July 2012. From October 2003 to October 2007, he was Vice Chairman and Head of Global Metals and Mining at National Bank Financial Inc. Mr. Bogden served as President and Managing Director, Beacon Group Advisors Inc. from 2001 to 2003, Director, Investment Banking for Newcrest Capital Inc. from 1999 to 2000, Managing Director, N M Rothschild (Canada) from 1997 to 1999, and Managing Director, CIBC Wood Gundy Securities Inc. from 1990 to 1997. Mr. Bogden holds a Bachelor of Science (Engineering) degree in geophysics from Queen s University and the Institute of Corporate Directors

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Designation from the Rotman School of Management, University of Toronto. He is a member of the Professional Engineers Ontario.

Qualifications and Experience

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

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

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

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

***TONY A. JENSEN**	**Class I Director (Term expires in 2015)**
Director (non-independent) since 2004	**President and Chief Executive Officer of Royal Gold, Inc.**

Mr. Jensen, 53, has been President and Chief Executive Officer of the Company since July 2006. Previously he was President and Chief Operating Officer of the Company from August 2003 until June 2006. Mr. Jensen has over 30 years of mining industry experience, including 18 years with Placer Dome Inc. His corporate and operations experience was developed both in the United States and Chile where he occupied several senior management positions in mine production, corporate development and finance. Before joining the Company, he was the Mine General Manager of the Cortez Joint Venture from August 1999 to June 2003. Mr. Jensen was Director, Finance and Strategic Growth and Treasurer for Placer Dome Latin America from 1998 to 1999 and SubGerente General de Operaciónes for Compania Minera Mantos de Oro, a subsidiary of Placer Dome Latin America from 1995 to 1998. Mr. Jensen holds a Bachelor of Science degree in Mining Engineering from South

Dakota School of Mines and Technology, and a Certificate of Finance from Golden Gate University.

Qualifications and Experience

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

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

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

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

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

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

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M. CRAIG HAASE **Class III Director Nominee (Term expires 2017)**

Independent Director since 2007 **Retired Mining Executive**
Chairman of the CNG Committee

Mr. Haase, 72, served as Director, Executive Vice President and Chief Legal Officer of Franco-Nevada Mining Corporation, a publicly-traded precious metals royalty company, for more than 15 years prior to its merger with Newmont Mining Corporation in 2002. He served as a Director of Newmont from March 2002 until he retired in May 2003. He served as Director, Executive Vice President and Chief Legal Officer of Euro-Nevada Mining Corporation from 1987 to 1999, when Euro-Nevada merged with Franco-Nevada. Mr. Haase was also Chairman, Chief Executive Officer and Director of Gold Marketing Corporation of America, Inc., a physical gold export company, from 1994 to 2002.
Mr. Haase served as Vice Chairman of both Franco-Nevada Mining Corporation, Inc. (1990-2002) and Euro-Nevada Mining Corporation, Inc. (1990-1999). He was engaged in private law practice from 1971 to 1990 (the last nine years as senior and managing partner of M. Craig Haase Ltd., a law firm, and Haase and Harris Ltd., a law firm), with an emphasis in mining and commercial law and litigation. Mr. Haase holds a J.D. from the University of Illinois and a Bachelor of Arts degree in Geology from Northwestern University.

Qualifications and Experience

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

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

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

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

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

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

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

C. KEVIN MCARTHUR **Class III Director Nominee (Term expires in 2017)**

Independent Director since March 2014 **Executive Chair, Director and CEO of Tahoe Resources Inc.**
CNG Committee Member

Mr. McArthur, 60, founded Tahoe Resources Inc., and has been CEO since August 2015, Executive Chair since April 2015, and a director since 2009. He previously served as President and CEO from 2009 to early 2014, and Vice Chair and CEO from early 2014 to April 2015. He was President, CEO and a director of Goldcorp Inc. from 2006 until his retirement in 2008. He was President and Chief Executive Officer of Glamis Gold Ltd. from 1998 and served in a variety of management positions with Glamis until its acquisition by Goldcorp in 2006. He also served as a director of (i) Consolidated Thompson Iron Mines Limited from 2009 until 2011, (ii) Cloud Peak Energy Inc. from 2009 until 2020, and (iii) Pembrook Mining Corp from 2009 to 2014. Prior to working with Glamis, Mr. McArthur held various operating and engineering positions with BP Minerals and Homestake Mining Company. Mr. McArthur holds a B.S. in Mining Engineering from the University of Nevada.

Qualifications and Experience

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

Leadership Experience - Extensive experience as a president and chief executive officer of international mining companies since 1998. He founded and is Executive Chair and a director, and also served as President and CEO of Tahoe Resources Inc.; he

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served as President, CEO and a director of Goldcorp Inc.; he served as President and CEO of Glamis Gold Ltd; and served as a director of Consolidated Thompson Iron Mines Limited, Cloud Peak Energy Inc. and Pembrook Mining Corp.

Industry and Mining Experience - More than 15 years of CEO experience in the mining business; over 30 years of operational, senior management and executive experience in the mining industry including mine financing, mine construction and operations, mining engineering and mergers and acquisitions.

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

***JAMIE C. SOKALSKY** **Class I Director Nominee (Term expires 2015)**

Independent Director since August 2015 **Retired Mining Executive**
Audit Committee Financial Expert

Mr. Sokalsky, 58, is a member of the boards of directors of Pengrowth Energy Corporation and Agnico-Eagle Mines Limited, and is chairman of the board of directors of Probe Metals, Inc. He served as chief executive officer and president of Barrick Gold Corporation from 2012 to 2014, and has held executive roles including treasurer (from 1993 to 1999), chief financial officer and executive vice president (from 1999 to 2012) of Barrick. Mr. Sokalsky has over 20 years experience as a senior executive in the mining industry, including finance, corporate strategy, project development and mergers, acquisitions and divestitures. He is a past member of the International Council on Mining and Metals and a past director of the World Gold Council. Mr. Sokalsky holds a Bachelor of Commerce degree (Honors) from Lakehead University and holds a Chartered Professional Accountant designation.

Qualifications and Experience

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

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

International Mining Experience More than 20 years experience in international gold producing operations, gold mining investment and venture capital fields.

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

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

CHRISTOPHER M.T. THOMPSON **Class III Director Nominee (Term expires 2017)**

Independent Director since May 2014 **Retired Mining Executive**
Audit and Finance Committee Member
Audit Committee Financial Expert

Mr. Thompson, 67, is a member of the board of Jacobs Engineering Group Inc. He is also a member of the Colorado School of Mines Foundation Board of Governors. He was a director of Teck Resources from 2003 to April 2015, and a director of Golden Star Resources from 2010 to May 2015. Mr. Thompson served as the Chairman of Gold Fields Limited from 1998 to 2005 and as Chairman and CEO from 1998 to 2002. He was Chairman of the World Gold Council from 2002 to 2005. From 1992 to 1998 he was the Founder and CEO of Castle Group, which managed three venture capital funds that employed various structures, including royalties, to finance the development of new gold mines. Mr. Thompson received his undergraduate Bachelor s degree in law and economics from Rhodes University, South Africa, and a Master s Degree in Management Studies from Bradford University in the UK.

Qualifications and Experience

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

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

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

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

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

RONALD J. VANCE **Class II Director (Term expires 2016)**

Independent Director since April 2013 **Retired Mining Executive**
CNG Committee Member

Mr. Vance, 63, retired as Senior Vice President, Corporate Development for Teck Resources Limited in early 2014, which position he held since 2006. From March 2000 to December 2005, he was Managing Director/Senior Advisor of Rothschild Inc. and from October 1991 to February 2000 he was Managing Director of Rothschild (Denver) Inc. Mr. Vance served as Vice President Project Development from 1989 to 1991 and Vice President Marketing from 1983 to 1989 for Newmont Mining Corporation. From 1978 to 1983 he was Director, Copper Sales and Manager, Specialty Copper Sales for Amax Copper Inc. Mr. Vance holds a Master of Business Administration degree from Columbia University and a Bachelor of Arts degree from Hobart College.

Qualifications and Experience

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

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

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

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

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

SUMMARY OF DIRECTOR QUALIFICATIONS AND EXPERIENCE

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

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DIRECTOR QUALIFICATIONS AND EXPERIENCE (continued)	Gordon J. Bogden	M. Craig Haase	William M. Hayes	Tony A. Jensen	C. Kevin McArthur	Jamie C. Sokalsky	Christopher M.T. Thompson	Rona
Industry Association Participation								
International Business Experience								
Leadership Experience								
Legal and Compliance Experience								
Reputation in the Industry								
Risk Management								

BOARD OF DIRECTORS COMPOSITION AND PRACTICES

Meetings and Attendance

During the fiscal year ended June 30, 2015 (fiscal year 2015), the Board of Directors held four regular meetings, one of which included executive sessions of the independent Directors, four special meetings and took action four 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 on which he served. It is the Company s policy that each Director attends each Annual Meeting. All of the Directors, except Mr. Sokalsky (who had not yet joined the Board), attended last year s Annual Meeting.

Independence of Directors

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

Board Structure

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

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

On December 31, 2012, a new Toronto Securities Exchange (TSX) requirement took effect, providing that all directors of a TSX listed company must stand for re-election at each annual general meeting of stockholders. Royal Gold applied for and received a waiver of this requirement from the TSX in 2013 and an extension of the waiver in 2014 and 2015, subject to disclosing receipt of the waiver in this Proxy Statement. The annual election of each director is not required under the laws of Delaware or NASDAQ rules.

Board Orientation

The Company has a well-developed Board orientation program to efficiently introduce new directors to the Company, and the Company expeditiously assimilated Mr. Sokalsky into Board operations when he became a Director of the Company in August 2015.

Board Composition and Qualifications

Every Director of the Company has corporate governance, industry and mining, leadership and risk management experience, in addition to other qualifications and expertise responsive to the needs of the Company.

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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 Chief Executive Officer to supervise day-to-day risk management. The President reports directly to the Board and certain Board Committees on such matters, as appropriate.

The Board of Directors delegates certain oversight responsibilities to its Committees. For example, while the primary responsibility for financial and other reporting, internal controls, compliance with laws and regulations, and ethics rests with the management of the Company, the Audit and Finance Committee provides risk oversight with respect to the Company s financial statements, the Company s compliance with certain legal and regulatory requirements and corporate policies and controls, and the independent auditor s selection, retention, qualifications, objectivity and independence. Additionally, 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 managed, reviewed and updated by management on an ongoing basis, and reviewed by the Board of Directors quarterly.

Audit and Finance Committee (AF Committee)

The AF Committee is a standing committee of the Board of Directors, consisting of William M. Hayes, as Chairman, Gordon J. Bogden and Christopher M.T. Thompson. All members of the AF Committee are independent under the NASDAQ listing standards and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended. The Board of Directors has determined that each of Messrs. Hayes, Bogden and Thompson is an audit committee financial expert as that term is defined in Item 407(d) of Regulation S-K. As an audit committee financial expert, Messrs. Hayes, Bogden and Thompson satisfy the NASDAQ financial literacy and sophistication requirements.

The AF Committee held five meetings during fiscal year 2015. The Audit and Finance Committee Charter is available on the Company s website at www.royalgold.com under Governance Committees.

The AF Committee assists the Board of Directors in its oversight of the integrity of the Company s financial statements and compliance with legal and regulatory requirements and corporate policies and controls. The AF Committee has the direct responsibility to retain and terminate the Company s independent registered public accountants, review reports of the independent registered public accountants, approve all auditing services and related fees and the terms of any agreements, and to pre-approve any non-audit services to be rendered by the Company s independent registered public accountants. The AF Committee monitors the effectiveness of the audit process and the Company s financial reporting, reviews the adequacy of financial and operating controls and evaluates the effectiveness of the AF Committee. The AF Committee is responsible for confirming the independence and objectivity of the independent registered public accountants. The AF Committee is also responsible for preparation of the AF Committee report for inclusion in the Company s Proxy Statement.

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

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

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Compensation, Nominating and Governance Committee (CNG Committee)

The Board of Directors has a standing CNG Committee. The CNG Committee consists of M. Craig Haase, as Chairman, C. Kevin McArthur and Ronald J. Vance. All members of the CNG Committee are considered outside Directors, as defined under Section 162(m) of the Internal Revenue Code, non-employee Directors, as defined under Rule 16b-3 under the Securities Exchange Act of 1934, and each member is independent under applicable NASDAQ listing standards.

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

The CNG Committee oversees the Company s compensation policies, plans and programs; it reviews and determines the compensation to be paid to executive officers; and it recommends compensation to be paid to the Company s Directors (which is approved by the full Board). The CNG Committee also administers and implements the Company s incentive compensation and equity-based plans. The CNG Committee is responsible for overseeing the preparation of the Compensation Discussion and Analysis and preparing the report on executive compensation for public disclosure in the Company s Proxy Statement.

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

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

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

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

Compensation Committee Interlocks and Insider Participation

None of the members of the CNG Committee are or have been officers or employees 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 2015.

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 Ethics and Conduct

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

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Board Governance Guidelines

The Board of Directors, upon recommendation from the CNG Committee, adopted 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.

Anti-Hedging, Anti-Pledging and Short Sale Policies

The Company s insider trading policy prohibits Directors, the Company s executive officers and employees on the Company s restricted trading list from trading in the Company s common stock on a short term basis, purchasing the Company s common stock on margin, short sales of Company stock, buying or selling put or call options or other derivative securities relating to Company stock, engaging in hedging or monetization transactions, such as collars, equity swaps, prepaid variable forwards and exchange funds with respect to the Company s common stock, pledging Company stock as security for any obligation, participating in investment clubs that invest in the Company s securities, holding the Company s securities in a margin account, and, other than pursuant to a qualified trading plan, placing open orders (i) of longer than three business days or (ii) ending after a trading window has closed.

Trading Controls

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

Certain Relationships and Related Transactions

The AF Committee s charter requires it to approve or ratify certain transactions involving the Company and related persons, as defined under the relevant SEC rules. Any transaction with a related person, other than transactions available to all employees generally or involving aggregate amounts of less than $120,000, must be approved or ratified by the AF Committee. The policy applies to all executive officers, Directors and their family members and entities in which any of these individuals has a substantial ownership interest or control.

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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. 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 Chief Executive Officer, does not receive any compensation for his services as a Director.

The CNG Committee is responsible for evaluating and recommending to the independent members of the Board of Directors the compensation for non-employee Directors. The independent members of the Board of Directors approve non-employee Director compensation based on the recommendation of the CNG Committee.

Director Compensation Peer Group Benchmarking

In May 2013, the CNG Committee retained Frederic W. Cook & Co., Inc. (Cook) to review Director compensation for fiscal year 2015. Cook presented a Director compensation benchmark study to the CNG Committee in July 2014 (the July 2014 Study), which reviewed annual cash retainers, fees for attending Board and committee meetings, fees for committee membership, and the annualized present value of equity compensation for a benchmark peer group. Royal Gold s philosophy regarding Director compensation aligns with its philosophy toward executive compensation with a higher proportion of compensation in equity than cash. The July 2014 Study recommended only minor adjustments to maintain the appropriate weighting between cash and equity compensation.

2014 Royal Gold Board Compensation Peer Benchmarking, Average

Per Director More Heavily Weighted Towards Equity

	Actual	Peer Median
Cash Compensation	$ 95,000	$ 111,000
Equity Compensation	$ 177,000	$ 125,000
Combined Cash + Equity	$ 272,000	$ 236,000

Fiscal Year 2015 Director Compensation Program

Based on the July 2014 Study, the increased business demands of the Company, and the CNG Committee s recommendations, the Board of Directors modified the non-employee Directors fiscal year 2015 cash compensation effective beginning July 1, 2014. The following table describes the components of the Company s Director compensation program that became effective July 1, 2014.

Compensation Element	2015 Compensation Program
Annual Board Retainer	$60,000
Annual Equity Retainer	$162,344 in Restricted Stock*
Board and Committee Meeting Fees	$1,500 / Meeting Attended
Annual Board Chairman Retainer	$115,000
Annual Committee Chairman Retainer**	$15,000

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* On August 28, 2014, each non-employee Director was granted 2,144 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.

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

Fiscal Year 2015 Director Compensation

The following table provides information regarding compensation of the Company s non-employee Directors in fiscal year 2015. Amounts shown for each Director vary due to service on committees or as committee chairs. The annual retainers for fiscal year 2015 were paid in cash on a quarterly basis.

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Director		Paid in Cash(a) ($)		Stock Awards(b) ($)		Total ($)
Gordon J. Bogden	$	78,000	$	163,909	$	241,909
M. Craig Haase	$	94,500	$	163,909	$	258,409
William M. Hayes(c)	$	213,250	$	163,909	$	377,159
C. Kevin McArthur	$	79,500	$	163,909	$	243,409
Christopher M.T. Thompson	$	75,000	$	163,909	$	238,909
Ronald J. Vance	$	79,500	$	163,909	$	243,409

(a) Amount of cash compensation earned for Board and Committee service in fiscal year 2015.

(b) The amounts shown represent the total grant date fair value, determined in accordance with Accounting Standards Codification (ASC) 718, of restricted stock awards in fiscal year 2015. 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 2015 Annual Report on Form 10-K filed with the SEC on August 6, 2015, 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 2015 was $76.45, which was the closing price of Royal Gold s common stock on the NASDAQ Global Select Market on August 28, 2014, 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, 2015, each of Messrs. Bogden, Haase, Hayes, McArthur, Thompson and Vance held 1,072 shares of restricted stock.

(c) Includes an additional annual retainer of $3,750 for services as a Director of RG Finance (Barbados) Limited, a wholly-owned subsidiary of the Company.

Cash Compensation

For fiscal year 2015, each non-employee Director of the Company received an annual retainer of $60,000 for service as a Director and an additional $1,500 for each Board of Directors meeting attended, either in person or via telephone. The Chairman of the AF Committee and the Chairman of the CNG Committee each received an annual fee of $15,000 for their service as chairman of their respective committees. Each member of the AF Committee and the CNG Committee received $1,500 for each meeting attended, either in person or via telephone. The Chairman of the Board received an annual fee of $115,000 for his service as Chairman of the Board of Directors.

Equity Compensation

On August 28, 2014, each non-employee Director was granted 2,144 shares of restricted stock. Half of the shares of restricted stock vested immediately upon grant and the remaining half of the shares of restricted stock vested on the first anniversary of the grant date. No stock option awards were granted to non-employee Directors during fiscal 2015.

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

All non-employee Directors are encouraged 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 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. McArthur (joined the Board in March 2014), Mr. Sokolsky (joined the Board in August 2015), and Mr. Vance (joined the Board in April 2013).

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

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

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Proposal #2: Ratification of Appointment of the Independent Auditors for 2016

Independent Registered Public Accountants

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, 2016.

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

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

Fees for services rendered by Ernst & Young LLP for the fiscal years ended June 30, 2015 and 2014 are as follows:

- Audit Fees. Audit fees paid to Ernst & Young LLP were $525,058 and $473,913 for the fiscal years ended June 30, 2015 and 2014, respectively. Included in this category are fees associated with the audits of the Company and certain foreign subsidiaries annual financial statements and review of the Company s quarterly financial statements. Audit fees also include fees associated with the audit of management s assessment and operating effectiveness of the Sarbanes Oxley Act, Section 404, internal control reporting requirements.

- Audit-Related Fees. There were no audit-related fees paid to Ernst & Young LLP for the fiscal years ended June 30, 2015 and 2014.

- Tax Fees. Tax fees paid to Ernst & Young LLP for tax-related services were $349,023 and $463,033 for the fiscal years ended June 30, 2015 and 2014, 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 2015, $170,336 was paid for tax compliance and tax return preparation services and $178,687 was paid for tax consulting services primarily for the Company s subsidiaries. All tax fees during fiscal year 2014 were for tax compliance, tax return preparation and certain tax consulting services provided to the Company.

- <u>All Other Fees.</u> Other fees paid to Ernst & Young LLP for the fiscal years ended June 30, 2015 and 2014 were $29,768 and $71,902, 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 2014 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 ACCOUNTANTS OF THE COMPANY.

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AUDIT AND FINANCE COMMITTEE AND RELATED MATTERS

The information contained in the following Audit and Finance Committee Report shall not be deemed soliciting material or filed with the SEC, nor shall such information be incorporated by reference into a future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Report by reference therein.

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, 2015, 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 2015, 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, 2015, for filing with the United States Securities and Exchange Commission.

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

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

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Proposal #3: Advisory Vote on Compensation of Named Executive Officers

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 2015 executive compensation programs and policies and the compensation paid to the NEOs. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs as described in this Proxy Statement.

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

Key characteristics of our fiscal year 2015 executive officer compensation program include the following:

- Over 70% of our executive officers total direct compensation for fiscal 2015 was performance based. Cash bonuses could only be awarded and performance-based restricted stock could only vest if the Company achieved at least $175 million in Adjusted EBITDA (defined by the Company to mean earnings before interest, taxes, depreciation and amortization, and other non-cash charges); and performance stock awards will vest only if the Company achieves 10% compound annual growth in adjusted free cash flow per share, or 25% increments thereof.

- The Company s executive stock ownership program requires each of the Company s NEOs to own a number of shares valued at a multiple of his or her salary to assure that their interests are aligned with those of our stockholders.

- The Company believes perquisites for executives should be extremely limited in scope and value and, therefore, does not provide perquisites or other special benefits to the executive officers.

- The Company s 2004 Omnibus Long-Term Incentive Plan (2004 LTIP) expressly prohibits the re-pricing of stock options.

- The Company s executives may participate in our SARSEP Plan on the same terms as other eligible employees. The Company does not maintain a defined pension benefit plan.

- The employment agreements between the Company and the NEOs do not provide for excise tax gross-ups for change-in-control provisions.

- The Company applies a double trigger approach to vesting awards made under the Company s 2004 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.

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 Discussion and Analysis

The information contained in the following Compensation, Nominating and Governance Committee Report shall not be deemed soliciting material or filed with the SEC, nor shall such information be incorporated by reference into a future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Report by reference therein.

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 2015, 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

EXECUTIVE SUMMARY

Our executive compensation program is specifically designed to recruit, retain and reward high-performing executive officers who will: (1) drive company growth and profitability, (2) increase long-term value for our stockholders, (3) manage the Company in a responsible manner, and (4) maintain the Company s reputation for management excellence. Compensation is closely linked to performance when awarding variable pay elements, such as the annual cash bonus and long-term incentive plans, which are made in accordance with the Company s 2004 Omnibus Long-Term Incentive Plan, as amended (2004 LTIP).

Royal Gold s Compensation Objectives

The CNG Committee is responsible for, among other things, setting and administering our compensation philosophy, objectives and design, and administering the policies governing the compensation of our executive officers, including our current named executives officers: Ms. Anderson and Messrs. Jensen, Wenger, Heissenbuttel and Kirchhoff. The CNG Committee adopted the following compensation objectives:

- Attract and retain the highest caliber personnel on a long-term basis;
- Link rewards to sustainable business results;
- Emphasize creation of long-term stockholder value and achievement of strategic objectives;
- Discourage excessive risk-taking; and
- Encourage creativity and innovation.

Compensation Design Approach

The CNG Committee aims to provide a portfolio of compensation elements to executives, including base salary, annual cash bonus and long-term equity incentives. The majority of target compensation is offered in variable pay, with an emphasis on long-term equity, to best align our executives with stockholder interests:

- Over 70% of total direct compensation (TDC), comprised of base salary, annual cash bonus and long-term equity incentives, is performance-based and not guaranteed;
- Short-term incentives (STI s) are tied to specific business goals;
- Long-term incentives (LTI s) are aligned with stockholder interests and vest over a multi-year period; and
- We benchmark our executives compensation against peers in our industry that are similar to our business model, market capitalization, EBITDA and correlation to gold price.

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Table 1 - NEO Compensation Design Elements for FY2015

Pay Element	Salary	Bonus	Performance Shares	Restricted Shares	Options	Stock Appreciation Rights
Type of Performance	Short-Term		Long-Term			
How Payout is Determined	CNG Committee with advice from independent compensation consultants and input from management	$175m Adjusted EBITDA Hurdle and Key Performance Measure* Outcomes	10% Compound Annual Growth in Adjusted Free Cash Flow per Share	$175m Adjusted EBITDA hurdle and continued employment	Stock price appreciation and continued employment	
When Granted	Annually					

*Key performance measures are revenue growth, cost containment, financial strength, asset protection, governance, and marketing. See page 28 for additional details.

For fiscal 2016, we will further enhance the transparency and pay-for-performance alignment of our compensation program with a new bonus scorecard and new performance share measures, which, in each case, align our executives interests more directly with our stockholder interests.

Fiscal Year 2015 Highlights

Fiscal Year 2015 Key Success Factors

The 2015 fiscal year was successful for Royal Gold; we achieved one-year total shareholder return (TSR) in the 82nd percent rank of our peer group. Additionally:

- We achieved record volume of nearly 200,000 net gold equivalent ounces of production, and revenue increased 17% despite declining gold prices. We reported record net volume growth as Mount Milligan continued to ramp up and Peñasquito delivered excellent operating results;

- We delivered record operating cash flow of $192.1 million, an increase of 31% over the prior year;

- We ended fiscal 2015 financially robust with over $1.4 billion in liquidity in working capital, including a $650 million untapped credit facility that was expanded from $450 million in early 2015;

- We returned over $56 million to stockholders in the form of dividends, which equates to approximately 29% of operating cash flow. It was our 14th consecutive year of increasing dividends;

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- We announced a gold stream transaction with Golden Star Resources, and acquired a gold stream on Euromax Resources Ilovica project in Macedonia;

- We entered into a joint venture for exploration and advancement of the Tetlin gold project located near Tok, Alaska; and

- We laid the groundwork for three significant transactions to occur in early fiscal 2016.

Changes Made in Response to Investor Feedback and Governance Reviews

We view stockholder engagement as a year-round activity. At our November 2014 annual meeting, stockholders showed support for our executive compensation philosophy, policies and practices, with approximately 72.6% of the total number of votes cast in approval of our executive compensation plan. While greater than a majority supported our plan, the vote fell below our aspirations. In response, at the request of the CNG Committee, members of our management team engaged with several of our largest stockholders during ensuing months to solicit their input and feedback. These discussions generally confirmed appreciation for our enhanced compensation disclosure and support for our approach to pay for performance. Importantly, our largest stockholders also told us emphatically that they agree with evaluating our compensation against companies we believe to be our peers companies having comparable market capitalization in the precious metal mining and royalty business, where revenues are generally correlated with gold price performance.

The table below provides a summary of the changes we made to our executive compensation plan on a go-forward basis, starting with fiscal 2016, in response to the feedback received from these stockholders and in accordance with the advice provided to the CNG Committee by its independent compensation consultant, Hugessen Consulting Inc. (Hugessen).

What Stockholders Told Us Was Important	What We Did in Response to Stockholder Feedback
Simplify the program and enhance transparency of our annual bonus calculations	**Developed a bonus scorecard with pre-determined performance metrics and targets**
Reduce multiple vesting opportunities for the performance shares	**Introduced three-year vesting for one-half of performance shares**
Adopt relative total shareholder return (TSR) as a performance measure; consider multiple performance measures	**Adopted relative TSR as one of two measures for performance shares; adopted growth in net revenue (expressed in terms of growth in production volume) as second performance share measure**
Link performance measures to specific strategic objectives that our stockholders value: a balance of growth and financial discipline	**Added production growth targets to both bonus scorecard and performance share measures. Incorporated operating cash flow multiple as a bonus measure, which measures our market value relative to peers and directly reflects production performance, financial discipline and portfolio quality**

Benchmark against peers in the precious metals industry who have a similar correlation to gold price, with a similar market capitalization	**Maintained current Royal Gold selected peer group, which reflects companies of similar market capitalization in the precious metals industry**

We highlight some of these changes throughout our Compensation Discussion and Analysis. Look for ***New for Fiscal Year 2016*** headings below, and for more detailed discussion in our 2016 proxy statement.

We intend to continue soliciting stockholder feedback to our executive compensation plan by holding an advisory vote on an annual basis, and the CNG Committee will continue to consider the results of this process in evaluating our philosophy, policies and practices, and when making future compensation decisions for our NEOs. Further, we intend to seek an advisory vote on the frequency of our advisory vote on executive compensation at our annual meeting to be held in 2017 and, taking into account the feedback from that vote, we will reevaluate the frequency of our executive compensation vote at that time.

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COMPENSATION BEST PRACTICES

Retention of Compensation Best Practices Already in our Plan

Our largest stockholders told members of our management team during fiscal year 2014 that many components of our existing executive compensation plan align with governance best practices, so we continued these components in fiscal 2015.

What We Do:

- Over 80% of our CEO s total direct compensation and over 70% of our other NEOs total direct compensation for fiscal 2015 was performance-based and not guaranteed.

- We use a peer group of gold-focused companies of comparable market capitalization, EBITDA and correlation to gold prices to benchmark performance and compensation levels.

- The Company s NEOs are subject to robust stock ownership guidelines to assure that their interests are aligned with those of our stockholders.

- We apply a double trigger approach to vesting awards made under the 2004 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.

- The Board of Directors sets challenging short and long-term goals focused on generating long-term returns for stockholders.

- We engage with stockholders to solicit feedback on our compensation and governance programs and any other areas of concern.

- We continually monitor our compensation programs to assess and mitigate any compensation-related risks.

What We Don t Do:

- We do not guarantee salary increases or annual cash bonuses for our NEOs.

- We do not provide perquisites or other special benefits to the executive officers.

- The Company s 2004 LTIP expressly prohibits the re-pricing of stock options.

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

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

- The employment agreements between the Company and the NEOs do not provide for excise tax gross-ups of any kind, including for change-in-control payments.

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COMPENSATION DETERMINATIONS

Our Process During Fiscal Year 2015

Our CNG Committee and the Executive Compensation Process are Independent

The CNG Committee is comprised of three directors, each of whom the Board of Directors has determined to be independent pursuant to relevant securities and tax laws and the NASDAQ Exchange listing rules. The CNG Committee establishes compensation objectives and reviews them annually with the Board of Directors. The CNG Committee also receives and considers advice and recommendations from the CEO and from the independent compensation consultants retained by the CNG Committee. In addition to receiving technical support and input on market practices, the CNG Committee utilizes compensation consultants to perform external benchmarking of the Company s compensation relative to its peers.

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

We Use Independent Compensation Consultants for Benchmarking and Analysis

Under our CNG Committee Charter, the CNG Committee has authority to retain and terminate any compensation consultant and to approve the consultant s fees and other retention terms. Certain elements of our executive and director compensation plans have been developed, in part, on the recommendations and guidance of these outside compensation consultants.

In May 2013, the CNG Committee retained Cook to review executive compensation for fiscal year 2014, and Director compensation for fiscal year 2015. Cook presented an executive compensation benchmark study to the CNG Committee in August 2013 (the 2013 Study), which reviewed the Company s base salaries, annual incentive bonuses, benefits, non-cash compensation and long-term incentives in comparison with the Company s benchmark peer group, and provided a review of the competitiveness, fairness and effectiveness of each component of compensation. In June 2014, the CNG Committee engaged Towers Watson to assist with benchmarking best practices in executive compensation and governance, as well as to provide input on selecting the most appropriate peer group.

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

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

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- In-depth review of executive compensation framework and design, with recommendations about a target compensation framework, annual incentive bonus plan design and performance share plan design; and

- Review of management-prepared materials and advice to the CNG Committee in advance of CNG Committee meetings.

The CNG Committee utilizes the independence factors prescribed by the SEC and NASDAQ to assess the independence of all its compensation consultants on an annual basis. At the relevant times, the CNG determined that no conflict of interest exists that would prevent Cook, Towers Watson, Hugessen and Hogan Lovells US LLP (the Company s legal counsel) from serving as an independent consultant to the CNG Committee.

None of the CNG Committee s compensation consultants provide services to management directly. Instead, the CNG Committee determines the nature and scope of the consulting services and enters into consulting agreements. The CNG Committee chairman approves all statements for services performed.

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

The executive compensation benchmark peer group originally recommended by Cook in fiscal year 2013 and confirmed by Towers Watson in fiscal year 2014 and by Hugessen in fiscal year 2015, with input from the CNG Committee and management has remained relatively unchanged since fiscal year 2013, except that two companies (Eldorado Gold and Agnico Eagle) were added to better position the Company in the middle of the group in terms of market capitalization, and Osisko Mining was removed from the group after it was acquired by third parties.

The CNG Committee selects the Company s peers based primarily on strong business model matches, with all companies specializing in gold or silver. The group we selected includes our direct royalty competitors and precious metal mining companies of similar relative size as measured by market capitalization. Our group consists of 11 publicly traded companies: Agnico Eagle Mines Limited, Alamos Gold Inc., Centerra Gold Inc., Coeur Mining, Inc., Eldorado Gold Corporation, Franco-Nevada Corporation, Hecla Mining Company, IAMGOLD Corporation, New Gold Inc., Pan American Silver Corp. and Silver Wheaton Corp. We firmly believe this is the relevant comparator group because:

- Our EBITDA is in the 41st percentile of the peer group. We believe EBITDA is one of the best measures for comparing Royal Gold to our peers due to our unique business model that results in over 75% of revenue reporting to EBITDA (typically much higher than other business models).

- Royal Gold s market capitalization is near the 70th percentile of its peers.

- Gold industry-specific peers share our correlation between company share price and gold prices.

- Gold industry-specific companies represent our closest competitive market for executive talent and an appropriate comparison for determining market pay practices.

By comparison, the most recent peer group selected by Institutional Shareholder Services (ISS) does not include any of Royal Gold s competitors. While seven of fourteen ISS-selected peers are in the precious metals business, none is in the precious metals *royalty* business. The ISS-selected group contains companies in the chemical, construction materials, base metals, metal alloys, shale gas, coatings, forest products and other industries.

We note that precious metals company stock prices generally have a high correlation to gold and silver prices. However, gold and silver prices, and precious metals company stock prices, are often contrarian investments in the broader market higher when the broader market is down, and lower when the broader market is up. As our industry is often countercyclical to the broader market, we believe it is in inappropriate and therefore misleading to compare Royal Gold s total shareholder return with those who have no or negative correlation to gold prices.

We also note, importantly, that many of our largest investors have consistently indicated during our engagement sessions over the past two years that they consider our gold-focused peer group to be the most relevant and appropriate for compensation benchmarking purposes.

The following table represents a detailed comparison of our selected peer group:

Table 2 Comparison to Selected Peer Group

Company	Primary Industry	As of June 30, 2015 (In USD Millions) Market Capitalization		Last 12 Months EBITDA		Correlation to Gold Price, July 1, 2014 to June 30, 2015
Agnico Eagle Mines Limited	Gold	$	6,098	$	703	0.80
Alamos Gold Inc.	Gold	$	684	$	79	N/A*
Centerra Gold Inc.	Gold	$	1,679	$	447	0.40

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Table 2 Comparison to Selected Peer Group (continued)

Company	Primary Industry	As of June 30, 2015 (In USD Millions) Market Capitalization	Last 12 Months EBITDA	Correlation to Gold Price, July 1, 2014 to June 30, 2015
Coeur Mining, Inc.	Silver	$ 783	$ 100	0.32
Eldorado Gold Corporation	Gold	$ 3,706	$ 371	0.46
Agnico Eagle Mines Limited	Gold	$ 6,098	$ 703	0.80
Hecla Mining Company	Silver	$ 974	$ 143	0.71
IAMGOLD Corporation	Gold	$ 978	$ 209	0.52
New Gold Inc.	Gold	$ 1,705	$ 241	0.90
Pan American Silver Corp.	Silver	$ 1,629	$ 87	0.83
Silver Wheaton Corp.	Silver	$ 8,749	$ 410	0.86
75th Percentile		$ 4,902	$ 391	0.84
Average		$ 3,302	$ 285	0.66
25th Percentile		$ 976	$ 121	0.50
Royal Gold, Inc.	Gold	$ 4,017	$ 209	0.89
Percentile Rank		67th	41st	97th

Data source: S&P CapitaliQ.

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*Not included due to incomplete data set related to the recent combination of Alamos Gold Inc. and AuRico Gold Inc.

We Compare Our Officer Compensation against our Benchmarking Peers

The 2013 Study utilized several data sets to compare the Company s NEO compensation with benchmark NEO compensation. The 2013 Study showed that, as a group compared to the benchmark peers, the Company s executive officers fiscal year 2013 salaries were in the 24th percentile, salaries plus bonuses were in the 23rd percentile, long-term incentives were near the 51st percentile, and total direct compensation (salary, bonus and long-term incentives) was in the 44th percentile. The CNG Committee determined to bring the Company s executive compensation more closely in line with the benchmark peer group, but to do so over a multi-year period, and made salary, bonus and long-term incentive determinations accordingly in August 2013.

When the CNG Committee considered executive compensation in August 2014, it noted that fiscal year 2014 executive officer compensation was somewhat more closely aligned with the Company s peers: salaries were, on average, in the 35th percentile, bonuses averaged in the 55th percentile, long-term incentives averaged in the 68th percentile, and total direct compensation averaged in the 59th percentile. The CNG Committee also noted that the Company s total direct compensation was more at risk, or more heavily weighted toward non-cash compensation, than its peer group.

In light of these results, and other considerations, the CNG Committee determined to continue moving the Company s executive compensation more closely in line with the benchmark peer group, in part by providing better balance between the cash and non-cash components, and approved fiscal year 2015 compensation as described below.

Base Salary

Total Cash Compensation Targeted Median

The CNG Committee believes it is appropriate to target base salary and cash incentive bonuses near the median of the market, but to provide opportunity to exceed that target depending upon Company and individual performance. In making compensation decisions for fiscal year 2015, market data was evaluated for our benchmark peer group, as described above. In determining specific compensation amounts for executives, the CNG Committee considered both internal and external factors, including: (1) experience; (2) individual performance; (3) tenure; (4) role in achieving six key performance measures that the CNG Committee believes are the key drivers of the Company s long-term success and stock price appreciation (Key Performance Measures as described below); and (5) individual compensation compared to the Company s other officers and to the Company s benchmark peer group.

We Benchmarked Base Salary at Median

Base salary is the fixed cash amount paid to an executive officer on a fiscal year cycle. Employment agreements for Ms. Anderson and Messrs. Jensen, Wenger, Heissenbuttel and Kirchhoff provide a minimum salary level and regular salary reviews by the Board.

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Following consideration of the 2013 Study, peer benchmarking results and the foregoing internal and external factors, the CNG Committee approved the following base salaries for fiscal year 2015:

Table 3 CEO and NEO Base Salary

Name	Title	FY2014 Salary	FY2015 Salary	% Increase
Tony Jensen	**CEO and President**	**$ 593,000**	**$ 650,000**	**9.6%**
Stefan Wenger	**CFO and Treasurer**	**$ 350,000**	**$ 385,000**	**10.0%**
Karli Anderson	**VP Investor Relations**	**$ 250,000**	**$ 280,000**	**12.0%**
William Heissenbuttel	**VP, Corporate Development and Operations**	**$ 360,000**	**$ 400,000**	**11.1%**
Bruce C. Kirchhoff	**VP, General Counsel and Secretary**	**$ 330,000**	**$ 360,000**	**9.1%**

Incentive Bonus Awards

Cash Incentive Bonuses Are Only Awarded When the Corporate Performance Threshold is Achieved

Cash incentive bonus payments are directly tied to the Key Performance Measures summarized in Table 4 below, but for fiscal year 2015 could only be awarded if the Company s fiscal year 2015 earnings before interest, taxes, depreciation and amortization, and other non-cash charges (Adjusted EBITDA) exceeded $175 million. The Company achieved approximately $217 million in Adjusted EBITDA during fiscal 2015.

Determination of Incentive Bonus Awards if Adjusted EBITDA Hurdle is Achieved

Following is a summary of the Key Performance Measures considered by the CNG Committee:

Table 4 FY2015 Key Performance Measures

Key Performance Measure	Why it s important
Revenue Growth	**Finding new investments that will be accretive to total shareholder return**
Cost Containment	**Keeping costs low to maximize profit margins**
Financial Strength	**Ensuring we have the capital required to support accretive investments**
Asset Protection	**Making sure our existing assets continue to deliver value for stockholders**
Governance	**Operating in accordance with strong governance principles and aligning our Company s interests with stockholders**
Marketing	**Maintaining a strong market valuation**

If the corporate performance threshold is achieved, the CNG Committee evaluates the following criteria, taking into consideration recommendations from the Company s CEO: (i) the Company s performance against the Key Performance Measures, (ii) each individual executive s influence upon the same Key Performance Measures, and (iii) alignment of each executive officer s salary and cash incentive bonus near the median of the Company s benchmark peers. Each executive officer receives a composite score based on the Company s performance on the Key Performance Measures and the degree to which the executive officer had influence over them. The composite score is then applied to the executive officer s target cash incentive bonus range to determine an incentive bonus amount. The CNG Committee has authority to exercise positive or negative discretion before making final incentive bonus determinations, to permit consideration of an individual officer s exceptional or weak performance,

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as well as the dynamics of Royal Gold s business, including the correlation of Royal Gold s share price to precious metals prices, the market volatility of such prices, and other prevailing industry economic factors.

Table 5 summarizes the Company s performance and each NEO s influence as they relate to each of the Key Performance Measures.

Table 5 Company Performance and NEO Influence on Key Performance Measures

(Score 1-3, with 3 the Maximum Score)

Key Performance Measure	Company Performance	Jensen - Influence	Wenger - Influence	Anderson - Influence	Heissenbuttel - Influence	Kirchhoff - Influence
Revenue Growth	**2.25**	**3**	**2**	**1**	**3**	**1**
Cost Containment	**1.50**	**3**	**3**	**3**	**3**	**3**
Financial Strength	**3.00**	**3**	**3**	**1**	**2**	**1**
Asset Protection	**1.50**	**2**	**1**	**1**	**2**	**2**
Governance	**3.00**	**2**	**2**	**3**	**1**	**3**
Marketing	**2.25**	**3**	**2**	**3**	**2**	**0**
NEO Composite Score (Influence x Performance)		**36**	**30**	**27**	**27.75**	**21.75**

Actual Incentive Bonus Awards

Based upon the methodology described above, the CNG Committee made the following incentive bonus determinations for the fiscal year ended June 30, 2015.

Table 6 Actual Incentive Bonus Awards for FY2015

Key Performance Measure	Jensen	Wenger	Anderson	Heissenbuttel	Kirchhoff
Actual Incentive Bonus Amount	**$ 1,000,000***	**$ 320,000**	**$ 230,000**	**$ 335,000**	**$ 295,000**
Actual Incentive Bonus as Percent of Salary	**154%**	**83%**	**82%**	**84%**	**83%**

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* Mr. Jensen s fiscal year 2015 bonus includes an amount determined by the CNG Committee in accordance with the foregoing methodology used for bonus determinations made for all NEOs, plus an additional amount reflecting the CNG Committee s special recognition of Mr. Jensen s exceptional business development efforts during fiscal year 2015, which efforts led to execution of three significant transactions in the first several weeks of fiscal year 2016. The CNG Committee believes these three opportunistic transactions, undertaken on high-quality, long-term assets in the midst of persistent low precious metals prices, will generate meaningful long-term returns for the Company s stockholders.

NEW for Fiscal Year 2016

Based on feedback from investors and employees, and as a result of its work with Hugessen, the CNG Committee developed and adopted an enhanced compensation program for fiscal year 2016 that will improve transparency and more closely align the executive compensation program with the Company s strategic objectives. The new compensation program includes:

- A formal target pay philosophy targeted at the comparator median; and
- An annual bonus scorecard including financial, strategic and individual components:

Table 7 Bonus Plan Comparison

	Fiscal Year Bonus Plan	New Bonus Plan for Fiscal Year 2016
Short Term Incentives:	**Bonus payouts related to 6 metrics (cost containment, asset protection, financial strength, governance, marketing and revenue growth)**	**Bonus scorecard that will include financial (operating cash flow), operational (actual production versus budget), strategic (capital deployment, financial strength, dividend growth and revenue diversification), and individual performance measures**
Hurdle:	**$175 million adjusted EBITDA**	**$200 million net revenue**

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Long-Term Incentives Designed to Align Management Objectives with Stockholders

The CNG Committee administers the 2004 LTIP. Long-term equity compensation is designed to incentivize executive officers to manage the Company s business over a multi-year period by delivering a significant portion of each officer s potential total compensation at a future date.

- The CNG Committee administers the LTIP by:

- undertaking a careful risk analysis to assure that executive officers are guided by appropriate incentives while discouraged from taking excessive risk;
- establishing performance metrics and targets;
- considering the degree to which targets have been met; and
- determining the equity awards for our NEOs each year.

- Annual long-term incentive awards are driven primarily by:

- the Company s achievement of performance goals consistent with generating long-term returns for stockholders;
- the Company s overall compensation goals for each individual executive officer;
- the amount deemed appropriate to encourage the officer s best efforts on behalf of the Company;
- the Company s desire to retain the officer as an employee;
- the officer s industry experience and relative level in the Company;
- the individual officer s ability to impact strategic business goals; and
- the individual officer s total compensation relative to total compensation of similarly situated officers in the peer group companies.

In determining the amount and form of equity awards made under the LTIP in August 2014, the CNG Committee also considered the combination of base salary and incentive bonus for each individual, and the purposes intended to be served by the Company s three forms of equity awards, as discussed below.

Our Three Forms of Equity Awards Serve Different Purposes

The determination of the amount and form of all equity awards is made by the CNG Committee. Because each form of equity serves a different purpose, and because the award of each form of equity is driven by different metrics, the CNG Committee does not utilize predetermined awards based upon a percentage of base salary.

The CNG Committee utilizes three forms of equity compensation:

- **Restricted Stock** is intended to drive officer and key employee retention. Restricted stock is forfeited if an Adjusted EBITDA hurdle is not met at the end of the fiscal year in which the grant is made.

- **Stock Options and Stock Appreciation Rights (SARs)** are intended to promote sustainable business results by aligning employee interests with increased stockholder returns.

- **Performance Shares** are intended to incentivize our officers to attain challenging strategic objectives. To vest in performance awards made from August 2011 through August 2014, the Company must achieve a 10% compounded annual growth rate (CAGR) in adjusted free cash flow per share within five years from the award date. These performance shares may vest prior to the fifth anniversary of the award date, but only if the Company achieves the 10% CAGR in 25% increments, as detailed below.

Equity is Granted Each Year, With No Off-Cycle Grants

Equity grants are made once annually, near the start of each fiscal year. 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.

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Stock Options Are Not Subject to Any Future Price Adjustment

Stock options are considered long-term awards that are intended to drive stockholder value by aligning management and stockholders with regard to share price appreciation. The option exercise price is based on the closing price of the Company s common stock on the NASDAQ Global Select Market on the date of grant. Options have ten-year terms. For all of the NEOs, stock options vest in equal annual increments over three years beginning on the first anniversary of the grant. Stock options, once granted, are not subject to any future price adjustment.

We typically award the first $100,000 in value of stock options in the form of incentive stock options (the limit for incentive stock options under the Internal Revenue Code), and amounts above $100,000 are typically awarded in the form of SARs.

Stock-Settled Stock Appreciation Rights Are Not Subject to Any Future Price Adjustment

SARs are similar to stock options in that a SAR is a right to receive, upon exercise, the excess of the fair market value of one share of stock on the date of exercise over the grant price of the SAR. Like incentive stock options, SARs are considered long-term awards that are intended to drive stockholder value by aligning management and stockholders with regard to share price appreciation. The exercise price of SARs is based on the closing price of the Company s common stock on the NASDAQ Global Select Market on the date of grant. SARs have ten-year terms. SARs vest in equal annual increments over three years beginning on the first anniversary of the grant. SARs, once granted, are not subject to any future price adjustment.

Restricted Stock is Forfeited if Adjusted EBITDA is Less Than Target

Restricted stock awards focus on retention by securing the long-term commitment of our executives. Shares of restricted stock are considered issued and outstanding with respect to which executives may vote and receive dividends paid in the ordinary course to other Royal Gold stockholders.

Restricted stock awards granted prior to August 2012 vested in equal one-third increments beginning on the fourth anniversary of the restricted stock grant date, with full vesting six years from the date of grant. However, the extended period between the grant date and the first potential vesting date did not deter certain talented employees from leaving the Company before the first tranche of restricted stock vested. To address this concern, while still encouraging employee retention and long-term commitment, the Board approved the CNG Committee s recommendation that, beginning in August 2012, restricted stock awards will vest in equal one-third increments beginning on the third anniversary of the restricted stock grant date, with full vesting five years from the date of grant.

In addition to time-based vesting requirements, the CNG Committee introduced a performance-based vesting requirement for restricted stock awards granted to the NEOs beginning with awards made in August 2012 for fiscal year 2013. There may be times when the health of the Company does not allow for restricted stock rewards, and the net revenue target helps establish a threshold below which corporate performance is not sufficient to justify a vesting in such awards. The net revenue target also provides favorable tax treatment under Internal Revenue Code §162(m). If the Company does not meet an Adjusted EBITDA hurdle established for the fiscal year in which the award was made, then all of the shares of stock underlying the restricted stock grant must be forfeited. The CNG Committee determined that the $175 million Adjusted EBITDA hurdle for fiscal year 2015 was achieved.

NEW for Fiscal Year 2016

The performance-based vesting requirement for restricted stock awards granted to the NEOs will be a net revenue target of $200 million, holding metal prices constant and excluding revenue from our Voisey s Bay royalty.

Performance Stock Awards are based on Growth in Adjusted Free Cash Flow per Share

Performance stock awards are intended to provide significant incentive to obtain long-term, non-dilutive growth performance. The portion of each executive officer s total compensation awarded in the form of performance shares varies for each officer. In awarding performance shares to any officer, the CNG Committee considers the officer s responsibilities and his or her ability to influence or meet certain performance objectives. Performance shares can only be earned if performance goals are met within five years of the date of grant. If the performance goals are not achieved by the end of the five year period, the performance shares are forfeited.

Performance shares granted for fiscal years 2012, 2013, 2014 and 2015 vest upon meeting a defined performance goal: 10% compounded annual growth in adjusted free cash flow per share (AFCFPS) on a trailing twelve-month basis. Free cash flow, on a per share basis, is an important indicator of the Company s financial health; and awarding performance stock based on incremental growth of AFCFPS closely aligns our executives interest in achieving per-share performance with the same interest of our stockholders. The Company defines adjusted free cash flow, a non-GAAP financial measure, 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. Performance stock may vest in

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increments over five years from the grant date. For example, a threshold level of 2.5% growth in compound AFCFPS is necessary for the minimum vesting of 25% of the performance shares. Maximum vesting is earned with achievement of 10% compound AFCFPS. (See Table 8 below.) The CNG Committee believes this goal has proven to be aggressive and supports strong capital growth.

Table 8 Growth in Adjusted Free Cash Flow Per Share Required for Performance Sharing Vesting

Adjusted Free Cash Flow Per Share Achieved	% of Target	Award Funding Level
10%+ AFCFPS	100%	100%
7.5% AFCFPS	75%	75%
5% AFCFPS	50%	50%
2.5% AFCFPS	25%	25%
<2.5% AFCFPS	<25%	0%

Performance shares are not considered issued and outstanding shares with respect to which executives may vote or receive dividends. Performance shares are settled with shares of the Company s common stock when they vest.

As of the date of this proxy statement, none of the performance goals set for the performance shares awarded for fiscal years 2013, 2014 or 2015 were met. For purposes of ASC 718 recognition of compensation expense, as of June 30, 2015, management determined that it is probable that:

- 0% of the performance shares granted for fiscal year 2013 will vest in future periods;
- 0% of the performance shares granted for fiscal year 2014 will vest in future periods; and
- 75% of the performance shares granted for fiscal year 2015 will vest in future periods.

Performance shares will not vest until the CNG Committee determines that performance objectives are actually met.

Table 9 Performance Share Vesting to Date

Awarded for FY	Performance Award Earned FY2012	Performance Award Earned FY2013	Performance Award Earned FY2014	Performance Award Earned FY2015
2012	**25%**	**0%**	**0%**	**0%**
2013	**N/A**	**0%**	**0%**	**0%**
2014	**N/A**	**N/A**	**0%**	**0%**
2015	**N/A**	**N/A**	**N/A**	**0%**

Company representatives have engaged with stockholders to discuss the Company s compensation goals and pay program metrics. The choice of AFCFPS as the primary metric for the Company s performance share plan received strong support from the Company s stockholders. Moreover, the ability to vest incremental amounts of performance stock from each grant based upon sustained growth in AFCFPS coincides well with the lag between the Company s investment in long lead-time development projects and the Company s realization of financial returns on these investments. We believe that the support received from most of our investors for our performance share program reflects their understanding of the long-term nature of our business strategy, and that our performance share program ensures alignment between investors, management and our business model.

Nonetheless, some stakeholders (including investors and employees) suggested the CNG Committee consider more commonly used and understood performance share measures. The CNG Committee retained Hugessen in fiscal year 2015 to, among other things, help develop a new framework for long-term incentive compensation. Ultimately, the CNG Committee selected two new performance share measures.

NEW for Fiscal Year 2016

For performance shares awarded in August 2015 for fiscal year 2016, one-half of the shares awarded may vest upon the Company s achievement of annual growth in Net GEOs, defined to mean our operators aggregate production subject to our royalty and stream interests, expressed in terms of gold equivalent ounces, provided that the Company achieves a net revenue target of $200 million, holding metal prices constant and excluding revenue from our Voisey s Bay royalty (GEO Shares). The second one-half of performance shares awarded for fiscal year 2016 may vest based on the Company s total shareholder return (TSR) compared to the TSRs of other members of the Market Vectors Gold Miners ETF (GDX) (TSR Shares). GEO Shares and TSR shares may vest by linear interpolation in a range between zero shares if neither threshold GEO and TSR metric is met; to 100% of GEO Shares and TSR Shares awarded if both the target GEO and TSR metrics are met; to 200% of the GEO and TSR shares awarded if both the maximum GEO and TSR metrics are met.

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Employment Agreements

Royal Gold entered into employment agreements with each of its NEOs, most recently in September 2013, to replace expiring agreements (other than in the case of Mr. Heissenbuttel, who entered into an initial employment agreement in September 2013). Pursuant to Mr. Jensen s employment agreement, Mr. Jensen will continue to serve as the Company s President and Chief Executive Officer, and the Company s Board of Directors will continue to nominate Mr. Jensen for re-election as Director. Pursuant to individual employment agreements, Messrs. Wenger, Kirchhoff, Heissenbuttel and Ms. Anderson will continue to serve as the Company s Chief Financial Officer and Treasurer, Vice President, General Counsel and Secretary, Vice President Corporate Development, and Vice President Investor Relations, respectively. The employment agreements are for one-year terms, renew automatically for four consecutive one-year periods, and will expire on September 15, 2018, unless either the Company or the executive timely elects not to renew the term of the employment agreement. As described below under the heading *Potential Payments upon Termination or Change of Control*, each employment agreement provides for severance compensation in certain events. None of the employment agreements provides for excise tax gross-ups for change-in-control provisions.

Benefit Programs

Benefit programs for the executive officers are common in design and purpose to those for all of our employees in the United States and include an opportunity to participate in various health and welfare benefit programs. We share the cost of certain health benefit programs with our employees. The Company also maintains a retirement plan called the Simplified Employee Pension Plan, known as a Salary Reduction/Simplified Employee Pension Plan (SARSEP Plan), in which all employees are eligible to participate. This plan was chosen because of regulatory compliance simplicity, avoidance of significant administrative expense, availability of tax-advantaged investment opportunities, and relative freedom from significant vesting or other limitations. The SARSEP Plan allows employees to reduce their pre-tax salary, subject to certain limitations, and to put this money into a tax deferred investment plan. This is a voluntary plan. Individuals may make contributions of up to the lesser of (i) 25% of their aggregate annual salary and incentive bonus, or (ii) $18,000, or if the employee is over age 50, $24,000, for calendar year 2015. The Company may make non-elective contributions, up to 7% of an individual s annual salary and incentive bonus, subject to limits. Those that do not participate in the SARSEP Plan receive a 3% employer contribution in accordance with the SARSEP Plan rules. Employer contributions are immediately 100% vested. Total employee and employer contributions may not exceed the lesser of $53,000 for calendar 2015 or 25% of total compensation for any individual.

Perquisites

The Company believes perquisites for executives should be extremely limited in scope and value and, therefore, does not provide perquisites or other special benefits to executive officers.

Executive Stock Ownership

Royal Gold s stock ownership requirements encourage its NEOs to achieve and maintain a minimum investment in the Company s common stock at levels set by the CNG Committee. The requirement incentivizes our NEOs to focus on improving long-term stockholder value and aligns the interests of management and stockholders. Royal Gold s executive stock ownership program requires each of the Company s NEOs to own a number of shares that is equivalent to a multiple of his or her base salary. Unexercised stock options and SARs, unvested shares of restricted stock and unearned performance shares are not considered owned for purposes of the program. The multiple for the CEO is four times base salary, and the multiple for all other NEOs is two times base salary. Currently, the CEO owns 153,202 shares of the Company s common stock, or 2.4 times as many shares as he is required by the stock ownership policy to own.

There is no timeframe in which the NEOs must meet ownership targets. The program also requires each NEO to hold an aggregate of fifty percent (50%) of the shares of stock acquired pursuant to any grant of options, SARs, restricted stock or performance stock, net of any shares sold to cover withholding taxes, until such executive officer reaches his or her ownership target. Ms. Anderson became an NEO in fiscal year 2015 and is currently acquiring the shares necessary to meet the ownership requirements. All other NEOs are in compliance with the ownership requirements (see Table 10 below).

Table 10 NEO Stock Ownership Summary

Role	Guideline Value of Common Stock to be Owned	Actual Value Owned
President and CEO	**4x Salary**	**9.8 x Salary**
Chief Financial Officer and Treasurer	**2x Salary**	**8.0 x Salary**
VP Investor Relations		**<1 x Salary**
VP Corporate Development and Operations		**5.1 x Salary**
VP, General Counsel and Secretary		**5.0 x Salary**

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Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a limit on the amount that a public company may deduct for compensation paid in any one year to the Company s Chief Executive Officer and certain other NEOs. The limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance based compensation. The Company and the CNG Committee review and consider the deductibility of executive compensation under Section 162(m). The CNG Committee usually seeks to satisfy the requirements necessary to allow the compensation of its named executive officers to be deductible under Section 162(m) of the Internal Revenue Code, but may also approve compensation that is not deductible under Section 162(m).

Post-Termination Compensation

The Company does not provide pension or other retirement benefits apart from the SARSEP Plan described above. The Company provides certain post-termination benefits pursuant to the terms of the 2004 LTIP and the employment agreements described above under Employment Agreements on page 33 and below under the section titled Potential Payments upon Termination or Change-in-Control on page 39. None of the employment agreements provide for excise tax gross-ups for change-in-control provisions.

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2015 SUMMARY COMPENSATION TABLE

The following table provides information regarding the potential compensation of the Company s NEOs for fiscal years 2015, 2014 and 2013.

Name and Principal Position	Year (fiscal)	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards(2) ($)	All Other Compensation(3) ($)	Total ($)
Tony Jensen	2015	650,000	1,000,000(4)	1,612,836	822,598	32,677	4,118,111
President and Chief	2014	593,000	675,000	1,864,200	765,555	30,165	3,927,920
Executive Officer	2013	575,000	630,000	828,520	657,035	30,252	2,720,807
Stefan Wenger	2015	385,000	320,000	624,690	323,747	37,408	1,690,845
Chief Financial Officer and	2014	350,000	295,000	397,696	289,568	36,602	1,368,866
Treasurer	2013	305,000	250,000	504,644	154,355	36,702	1,250,701
Karli S. Anderson(5) Vice President Investor Relations	2015	280,000	230,000	391,851	195,366	23,193	1,120,410
William Heissenbuttel	2015	400,000	335,000	624,690	323,747	36,083	1,719,520
Vice President Corporate Development and	2014	360,000	295,000	397,696	289,568	32,577	
Operations	2013	330,000	265,000	504,644	154,355		