

ROYAL GOLD INC
Form DEF 14A
October 01, 2014
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

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

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

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Table of Contents

1660 Wynkoop Street, Suite 1000, Denver, CO 80202

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

You are cordially invited to attend our 2014 Annual Meeting of Stockholders. At the Annual Meeting, we will ask you to vote on:

1. The election of the three Class III Director nominees identified in the accompanying proxy statement;
2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending June 30, 2015;
3. The approval, on an advisory basis, of the compensation of the named executive officers; and
4. The transaction of such other business as may be brought properly before the meeting and any and all adjournments or postponements thereof.

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 or a holder of RG Exchangeco Inc. exchangeable shares at the close of business on September 17, 2014.

We began mailing our Notice of Internet Availability of Proxy Materials to stockholders on or about October 1, 2014, containing instructions on how to access our proxy materials online, and we also began mailing a full set of our proxy materials to stockholders who previously requested paper copies of the materials. (Please see page 3 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, 2014

Annual Meeting Information

Date: Friday, November 14, 2014
Time: 9:00 a.m. Mountain Standard Time (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 present valid picture identification such as a driver's license or passport, and to sign-in. 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 Shareholder Meeting To Be Held on November 14, 2014

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

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Holders of Royal Gold's common stock and holders of RG Exchangeco Inc. exchangeable shares 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 13, 2014.

RG Exchangeco Inc. Exchangeable Shares: Proxies voted by mail, telephone or Internet must be received by 5:00 p.m. (Mountain Standard Time) on November 10, 2014.

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

Table of Contents

TABLE OF CONTENTS

	Page
<u>PROXY SUMMARY</u>	i
<u>GENERAL INFORMATION</u>	1
<u>PROXY STATEMENT 2014 ANNUAL MEETING OF STOCKHOLDERS</u>	1
<u>Stockholders Entitled to Vote</u>	1
<u>Internet Availability of Proxy Materials</u>	1
<u>Voting Your Shares</u>	1
<u>Royal Gold Common Stock</u>	1
<u>RG Exchangeco Inc. Exchangeable Shares</u>	2
<u>Revocation of Proxy or Voting Instruction Form</u>	2
<u>Quorum and Votes Required to Approve Proposals</u>	3
<u>Tabulation of Votes</u>	3
<u>Solicitation Costs</u>	3
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	4
<u>EXECUTIVE OFFICERS</u>	6
<u>PROPOSAL 1: ELECTION OF CLASS III DIRECTORS</u>	7
<u>Vote Required for Approval</u>	7
<u>Board of Directors Recommendation</u>	7
<u>BOARD OF DIRECTORS</u>	8
<u>SUMMARY OF DIRECTOR QUALIFICATIONS AND EXPERIENCE</u>	12
<u>BOARD OF DIRECTORS COMPOSITION AND PRACTICES</u>	12
<u>Meetings and Attendance</u>	12
<u>Independence of Directors</u>	12
<u>Board Structure</u>	12
<u>Board Orientation and Composition</u>	13
<u>Board Oversight of Risk Management</u>	13
<u>Audit and Finance Committee</u>	13
<u>Compensation, Nominating and Governance Committee</u>	14
<u>Compensation Committee Interlocks and Insider Participation</u>	14
<u>Communication with Directors</u>	14
<u>Code of Business Ethics and Conduct</u>	15
<u>Board Governance Guidelines</u>	15
<u>Anti-Hedging, Anti-Pledging and Short Sale Policies</u>	15
<u>Trading Controls</u>	15
<u>Certain Relationships and Related Transactions</u>	15
<u>DIRECTOR COMPENSATION</u>	16
<u>DIRECTOR COMPENSATION PEER GROUP BENCHMARKING</u>	16
<u>FISCAL YEAR 2014 DIRECTOR COMPENSATION AND 2015 ADJUSTMENTS</u>	16
<u>FISCAL YEAR 2014 DIRECTOR COMPENSATION</u>	17
<u>Cash Compensation</u>	17
<u>Equity Compensation</u>	17
<u>Expenses</u>	17
<u>DIRECTOR STOCK OWNERSHIP GUIDELINES</u>	18

Table of Contents

<u>PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS</u>	19
<u>Independent Registered Public Accountants</u>	19
<u>Pre-Approval Policies and Procedures</u>	19
<u>Vote Required for Approval</u>	19
<u>Board of Directors Recommendation</u>	19
<u>AUDIT AND FINANCE COMMITTEE AND RELATED MATTERS</u>	20
<u>AUDIT AND FINANCE COMMITTEE REPORT</u>	20
<u>PROPOSAL 3: ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS</u>	21
<u>Vote Required for Approval</u>	21
<u>Board of Directors Recommendation</u>	21
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	22
<u>Compensation, Nominating and Governance Committee Report</u>	22
<u>EXECUTIVE SUMMARY</u>	22
<u>Royal Gold's Compensation Objectives</u>	22
<u>Compensation Design Approach</u>	22
<u>WHAT'S NEW FOR FISCAL YEAR 2014</u>	23
<u>Fiscal 2014 Key Success Factors</u>	23
<u>CEO Take Home Pay Compared to Grant Date Value Potential Compensation</u>	24
<u>Changes Made in Response to Investor Feedback and Governance Reviews</u>	24
<u>COMPENSATION BEST PRACTICES</u>	25
<u>Retention of Compensation Best Practices Already in Our Plan</u>	25
<u>COMPENSATION DETERMINATIONS</u>	26
<u>Our Process</u>	26
<u>Base Salary</u>	27
<u>Bonus Awards</u>	28
<u>Long-Term Incentives Designed to Align Management Objectives with Stockholders</u>	29
<u>EMPLOYMENT AGREEMENTS</u>	32
<u>BENEFIT PROGRAMS</u>	32
<u>PERQUISITES</u>	32
<u>EXECUTIVE STOCK OWNERSHIP</u>	32
<u>TAX DEDUCTIBILITY OF COMPENSATION</u>	33
<u>POST-TERMINATION COMPENSATION</u>	33
<u>2014 SUMMARY COMPENSATION TABLE</u>	34
<u>GRANTS OF PLAN-BASED AWARDS IN FISCAL YEAR 2014</u>	35
<u>OUTSTANDING EQUITY AWARDS AT 2014 FISCAL YEAR END</u>	36
<u>FISCAL YEAR 2014 OPTION EXERCISES AND STOCK VESTED</u>	38
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL</u>	38
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	41
<u>OTHER INFORMATION</u>	42
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	42
<u>OTHER BUSINESS</u>	42
<u>STOCKHOLDER PROPOSALS FOR THE 2015 ANNUAL MEETING</u>	42
<u>ANNUAL REPORT ON FORM 10-K</u>	42

Table of Contents**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 2014 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 Directors	<u>FOR</u> each Director Nominee	7
• Ratification of Ernst & Young LLP as auditor for 2015	<u>FOR</u>	19
• Advisory resolution to approve executive compensation	<u>FOR</u>	21
• Transact other business that properly comes before the meeting		

DIRECTOR NOMINEES (page 8)

Stockholders are asked to elect three Class III Directors, each of whom will serve until the 2017 Annual Meeting, or until his successor is elected and qualified.

Class III Directors	Age	Director Since	Primary Occupation	Experience/ Qualifications	Independent	Committee Membership	Other Public Company Boards
M. Craig Haase	71	2007	Retired mining executive	<ul style="list-style-type: none"> • Board Service • Corporate Governance • Geology • Industry and Mining • Industry Association • Legal and Compliance • Risk Management 	X	Compensation, Nominating and Governance Committee	0
C. Kevin McArthur	59	April 2014	Vice Chair, Chief Executive	<ul style="list-style-type: none"> • Board Service • Business Development 	X	Compensation, Nominating and Governance	1

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			Officer and Director of Tahoe Resources Inc.	<ul style="list-style-type: none"> • CEO/Operations • Corporate Governance • Finance • Industry and Mining • International Business • Risk Management 		Committee	
Christopher M.T. Thompson	66	May 2014	Retired mining executive	<ul style="list-style-type: none"> • Audit Committee Financial Expert • Board Service • CEO/Operations • Corporate Governance • Finance • Industry and Mining • International Business • Risk Management 	X	Audit and Finance Committee	3

Table of Contents

2014 COMPANY PERFORMANCE HIGHLIGHTS

The following summarizes our financial performance and other significant achievements during fiscal year 2014:

- We achieved an 84% total shareholder return (TSR), meaning that \$100 invested in our common stock on July 1, 2013 would have been worth approximately \$184 as of June 30, 2014, assuming the reinvestment of dividends;

- Mt. Milligan reached commercial production in February 2014, produced three straight quarters of volume growth, and in that time became our largest revenue generator as of the quarter ended June 30, 2014;

- We acquired new gold royalty or streaming interests:
 - Gold and copper royalty at Goldcorp's El Morro project;
 - Expansion of our current gold royalty at Barrick's Cortez mine;
 - Gold royalty on the southern end of Barrick's Goldrush project; and
 - Gold stream at Rubicon Minerals' Phoenix project.

- We maintained a strong balance sheet with over \$1 billion in uncommitted liquidity and low debt levels;

- We expanded and extended our revolving credit facility from a \$350 million facility maturing in May 2017 to a \$450 million facility maturing in January 2019; and

- We increased our cash dividend 5% to \$0.84 per share and paid \$53.4 million in dividends, representing a payout ratio of 36% of operating cash flow.

GOVERNANCE HIGHLIGHTS

We are committed to strong and sustainable corporate governance which protects and promotes long-term stockholder value. We recently expanded our governance practices and policies to include:

- Formalization of the role of a lead independent Director when our Chairman of the Board is not independent;
- Implementation of a shareholder engagement program;
- Adoption of a policy prohibiting our officers, Directors and employees from pledging Company stock; and
- Enhancement of our Board orientation program and annual Board and committee evaluation process.

BOARD OF DIRECTORS (page 8)

As a result of (1) the retirement of Stanley Dempsey (our former Chairman of the Board) in May 2014, (2) the conclusion of James W. Stuckert's Board service in November 2013, (3) the retirement of S. Oden Howell, Jr. in March 2014, and (4) the additions of C. Kevin McArthur and Christopher M.T. Thompson as Directors, the composition of our Board of Directors has changed significantly. The characteristics of our Board reflect the following enhanced 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 4.5 years	Among other qualifications, every Director has substantial industry expertise

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (page 19)

Stockholders are asked to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2015. Below is a summary of fees paid to Ernst & Young in fiscal 2014.

	FY 2014
Audit Fees	\$ 473,913
Audit-Related Fees	\$
Tax Fees	\$ 463,033

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All Other Fees	\$	71,902
Total	\$	1,008,848

Table of Contents**2014 NEO COMPENSATION SUMMARY (page 34)**

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 2014 for each NEO.

Name and Principal Position	Salary	Stock and Option Awards	Non-Equity Incentive Compensation	All Other Compensation	Total
Tony Jensen	\$ 593,000	\$ 2,629,755	\$ 675,000	\$ 30,165	\$ 3,927,920
President and Chief Executive Officer					
Stefan Wenger	\$ 350,000	\$ 687,264	\$ 295,000	\$ 36,602	\$ 1,368,866
Chief Financial Officer and Treasurer					
Bruce C. Kirchhoff	\$ 330,000	\$ 687,264	\$ 275,000	\$ 31,102	\$ 1,323,366
Vice President, General Counsel and Secretary					
William Heissenbuttel	\$ 360,000	\$ 687,264	\$ 295,000	\$ 32,577	\$ 1,374,841
Vice President, Corporate Development					
William M. Zisch	\$ 350,000	\$ 687,264	\$ 285,000	\$ 29,827	\$ 1,352,091
Vice President, Operations					

2014 CEO TAKE HOME PAY SUMMARY (page 24)

In addition to reporting our Chief Executive Officer's potential 2014 compensation on the date of grant in the Summary Compensation Table, we include a table showing the actual value of our CEO's Take Home Pay. We define Take Home Pay as actual base salary and actual bonus paid, the vested and in-the-money value of stock options (valued at the fiscal year-end closing stock price each year), vested restricted shares and vested performance shares. We believe that Take Home Pay is a more accurate reflection of the actual value realized by our CEO in the relevant periods.

COMPENSATION HIGHLIGHTS (page 22)

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

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- 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 implemented the following design elements when determining fiscal year 2014 executive compensation:

- Over 70% of compensation is performance-based and not guaranteed;
- Salaries are targeted near the 50th percentile of our benchmarking peer group, with the opportunity to receive total direct compensation between the 25th and 75th percentile depending on Company and individual performance;
- Short-term incentives are tied to specific business goals; and
- Long-term incentives align with stockholder interests and vest over a multi-year period.

IMPORTANT DATES FOR 2015 ANNUAL MEETING OF STOCKHOLDERS (page 42)

Stockholder proposals submitted for inclusion in our 2015 proxy statement pursuant to SEC Rule 14a-8 must be received by us by June 3, 2015.

Notice of stockholder proposals to be raised from the floor at the 2015 Annual Meeting of Stockholders outside of SEC Rule 14a-8 must be received by us between July 17, 2015 and August 16, 2015.

Table of Contents

General Information

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

(303) 573-1660 • www.royalgold.com

PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS

STOCKHOLDERS ENTITLED TO VOTE

This Proxy Statement is furnished to holders of:

- Royal Gold, Inc. common stock (common stock), and
- RG Exchangeco Inc. (RG Exchangeco) exchangeable shares (Exchangeable Shares);

each 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 2014 Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held on Friday, November 14, 2014, at 9:00 a.m. MST. Stockholders of record holding the following Royal Gold securities at the close of business on September 17, 2014 (the Record Date) are entitled to vote at the Annual Meeting and at all postponements and adjournments thereof:

- Common stock of the Company, par value \$0.01 per share, of which there were 64,810,458 shares outstanding as of the Record Date and entitled to vote, and
- Exchangeable Shares, of which there were 380,482 shares outstanding as of the Record Date and entitled to vote pursuant to the terms of the Special Voting Preferred Stock of the Company described below.

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, 2014, we will furnish a Notice of Internet Availability to our stockholders of record and holders of the Exchangeable Shares 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

Royal Gold Common Stock

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
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Table of Contents

herein under Proposal 2 - Ratification of Appointment of Independent Registered Public Accountants; and (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.

- **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.

RG Exchangeco Inc. Exchangeable Shares

Holders of Exchangeable Shares are receiving these proxy materials in accordance with the provisions of the Exchangeable Shares and the voting and exchange trust agreement (the Voting Agreement) dated February 22, 2010, among Royal Gold, RG Exchangeco Inc. and Computershare Trust Company of Canada (the Trustee). Each Exchangeable Share has economic rights (such as the right to receive dividends and other distributions) that are, as nearly as practicable, equivalent to the economic rights applicable to shares of Royal Gold common stock. The Exchangeable Shares are exchangeable at any time at the option of the holders into shares of Royal Gold common stock on a one-for-one basis.

In accordance with the Voting Agreement, holders of Exchangeable Shares are effectively provided with voting rights for each Exchangeable Share that are nearly equivalent to the voting rights applicable to a share of Royal Gold common stock, and holders are entitled to instruct the Trustee how to vote their Exchangeable Shares. The Trustee holds one share of Special Voting Preferred Stock of the Company (the Royal Gold Special Voting Stock) that is entitled to vote on all matters on which the shares of Royal Gold common stock vote. The Royal Gold Special Voting Stock has a number of votes in respect of the Annual Meeting equal to the number of Exchangeable Shares outstanding on the Record Date. Based upon the foregoing, the Trustee will be entitled to cast up to 380,482 votes at the Annual Meeting. However, the Trustee will exercise each vote attached to the Royal Gold Special Voting Stock only on the basis of instructions received from the holders of record of the Exchangeable Shares. In the absence of instructions from a holder as to voting, the Trustee will not exercise any voting rights with respect to the Exchangeable Shares held by such holder.

If you are a holder of record of Exchangeable Shares, there are two ways to vote your Exchangeable Shares:

1. **By Mail** - You may vote by signing and returning the enclosed voting instruction form to the Trustee. This form permits you to instruct the Trustee to vote at the Annual Meeting. The Trustee must receive your voting instruction by 5:00 p.m. MST on November 10, 2014, at the address indicated on the voting instruction form or for an adjourned meeting not less than 48 hours before the time set for the holding of the adjourned meeting. This will give the Trustee time to tabulate the voting instructions and vote on your behalf.

2. **In Person** - Alternatively, if you wish to attend the meeting and vote in person rather than have the Trustee exercise voting rights on your behalf, you may instruct the Trustee (by following the procedures set forth in the enclosed voting instruction form) to give you or your designee a proxy to exercise the voting rights personally at the Annual Meeting. You may also instruct the Trustee to give a proxy to a designated representative of Royal Gold to exercise such voting rights.

Only holders of Exchangeable Shares whose names appear on the records of RG Exchangeco Inc. as the registered holders of Exchangeable Shares on the Record Date are entitled to instruct the Trustee as to how to exercise voting rights in respect of their Exchangeable Shares at the Annual Meeting. If on the Record Date your Exchangeable Shares were held, not in your name, but rather in the name of a Nominee, then you are the beneficial owner of shares held in street name and these proxy materials, if you have received them, are being forwarded to you by that Nominee. The Nominee holding your account is considered to be the stockholder of record for purposes of instructing the Trustee as to how to vote your Exchangeable Shares. As a beneficial owner, you have the right to direct your Nominee on how to instruct the Trustee to vote your Exchangeable Shares.

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.

If you are a holder of Exchangeable Shares, you have the right to revoke any instructions previously given to the Trustee by giving written notice of revocation of such instructions to the Trustee or by executing and delivering to the Trustee a later-dated voting instruction by 5:00 p.m. MST on November 7, 2014, at the address indicated on the voting instruction form or for an adjourned meeting not less than 48 hours before the time set for the holding of the adjourned meeting.

Table of Contents

QUORUM AND VOTES REQUIRED TO APPROVE PROPOSALS

A majority of the outstanding shares of the Company's common stock and Exchangeable Shares 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.

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 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

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Company will also reimburse the banks and brokers for their reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of shares of common stock.

Table of Contents**Security Ownership of Certain Beneficial Owners and Management**

The following table shows the beneficial ownership, as of September 17, 2014, of the Company's common stock by each Director, the Company's NEOs (see Compensation Discussion and Analysis on page 22), persons known to the Company 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 (1)	279,414	*
President, Chief Executive Officer and Director		
Gordon J. Bogden (2)	9,169	*
Director		
M. Craig Haase (3)	20,854	*
Director		
William M. Hayes (4)	25,169	*
Chairman of the Board		
C. Kevin McArthur(5)	5,644	*
Director		
Christopher M.T. Thompson(6)	2,144	*
Director		
Ronald J. Vance (7)	4,994	*
Director		
William H. Heissenbuttel (8)	113,213	*
Vice President Corporate Development		
Bruce C. Kirchhoff (9)	100,577	*
Vice President, General Counsel and Secretary		
Stefan L. Wenger (10)	106,601	*
Chief Financial Officer and Treasurer		
William M. Zisch (11)	61,419	*
Vice President Operations		
All Directors and Executive Officers as a Group including those named above (12 persons) (12)	735,823	1.13%
BlackRock, Inc.	8,552,796	13.20%
40 East 52nd Street		

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New York, New York 10022 (13)		
Van Eck Associates Corporation	4,565,345	7.04%
335 Madison Avenue, 19th Floor		
New York, New York 10017 (14)		
The Vanguard Group	4,215,494	6.50%
100 Vanguard Boulevard		
Malvern, PA 19355 (15)		

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

(1) Includes 31,466 shares of restricted stock, 64,058 Stock Appreciation Rights (SARs) and options to purchase 4,342 shares of common stock that were exercisable as of September 17, 2014, or which become exercisable within 60 days from such date.

(2) Includes 1,072 shares of restricted stock.

(3) Includes 1,072 shares of restricted stock.

(4) Includes 1,072 shares of restricted stock.

(5) Includes 1,072 shares of restricted stock.

(6) Includes 1,072 shares of restricted stock.

(7) Includes 1,072 shares of restricted stock.

Table of Contents

(8) Includes 32,234 shares of restricted stock and 26,246 SARs and options to purchase 22,256 shares of common stock that were exercisable as of September 17, 2014, or which become exercisable within 60 days from such date.

(9) Includes 32,234 shares of restricted stock and 26,246 SARs and options to purchase 21,356 shares of common stock that were exercisable as of September 17, 2014, or which become exercisable within 60 days from such date.

(10) Includes 32,234 shares of restricted stock and 19,246 SARs and options to purchase 2,870 shares of common stock that were exercisable as of September 17, 2014, or which become exercisable within 60 days from such date.

(11) Includes 28,900 shares of restricted stock and 19,246 SARs and options to purchase 6,756 shares of common stock that were exercisable as of September 17, 2014, or which become exercisable within 60 days from such date.

(12) Includes 169,125 shares of restricted stock and 155,358 SARs and options to purchase 58,240 shares of common stock that were exercisable as of September 17, 2014, or which become exercisable within 60 days from such date.

(13) As reported by BlackRock, Inc. on Form 13G/A with the SEC on January 10, 2014. As of December 31, 2013, BlackRock, Inc. has sole dispositive power over 8,552,796 and sole voting power over 8,221,445 shares of common stock.

(14) As reported by Van Eck Associates Corporation on Form 13G/A filed with the SEC on February 12, 2014. As of December 31, 2013, Van Eck Associates Corporation has sole dispositive power over 4,565,345 shares of common stock, and sole voting power over 4,402,345 shares of common stock.

(15) As reported by The Vanguard Group on Form 13G/A filed with the SEC on February 12, 2014. As of December 31, 2013, The Vanguard Group has sole dispositive power over 4,179,050 shares of common stock, shared dispositive power over 36,444 shares of common stock and sole voting power over 40,944 shares of common stock.

Table of Contents

Executive Officers

The following persons, as of April 7, 2014, hold the executive officer positions at Royal Gold as further described below.

Tony Jensen, 52, President, Chief Executive Officer and a Director. See page 8.

Karli S. Anderson, 41, 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. Heissenbittel, 49, Vice President Corporate Development since February 2007. Mr. Heissenbittel was Manager Corporate Development from April 2006 through January 2007. Mr. Heissenbittel brings more than 25 years of corporate finance experience with 19 of those years in project and corporate finance in the metals and mining industry. Mr. Heissenbittel 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. Heissenbittel 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, 55, 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 Alfery & 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.

Stefan L. Wenger, 41, Chief Financial Officer and Treasurer since July 2006 and Treasurer since August 2007. Mr. Wenger was 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 18 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.

William M. Zisch, 57, Vice President Operations since March 2009. Mr. Zisch has more than 30 years of experience in the mining industry. Prior to joining Royal Gold, Mr. Zisch spent 12 years working for Newmont on both domestic and international assignments in technical, operating and executive positions. From 2007 to 2009, he served as Vice President of Planning for Newmont, from 2005 to 2007 as Vice President - African Operations and from 2003 to 2005 as Group Executive and Managing Director of West African Operations, from 2001 to 2003 as Operations Manager and Assistant General Manager of Minera Yanacocha in Peru and from 1997 to 2001 as Director, Business Development and Planning and as Chief Mine Engineer, International Operations. Prior to his tenure at Newmont, Mr. Zisch spent 16 years with FMC Gold and FMC Company where he held several positions in coal and gold operations and strategic sourcing roles in the company's Chemical Group. He is a member of the Board of Directors of the Nevada Mining Association and past Chairman and current Director of the Colorado Mining Association. Mr. Zisch holds a Master of Business Administration from the Wharton School at the University of Pennsylvania and a Bachelor of Science degree in Mining Engineering from the Colorado School of Mines.

Table of Contents

Proposal #1: Election of Class III Directors

The Company's Board of Directors consists of three classes of Directors, with each class of Directors serving for a three-year term and until their successors are duly elected and qualified. The Company's current Class I Directors are Messrs. Bogden and Jensen; 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 M. Craig Haase, C. Kevin McArthur and Christopher M.T. Thompson as Class III Directors of the Company. If any of the nominees for election as a Class III Director should refuse or be unable to serve (an event that is not anticipated), the proxy will be voted for a substitute nominee who is designated by the Board of Directors. Each Class III Director elected shall serve until the 2017 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 III Director nominees are currently serving on the Board of Directors.

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

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

Table of Contents

Board of Directors

Below, we provide the names, position with the Company, periods of service and experience of the Company's Directors. The persons who are nominated for election as Class III Directors at the Annual Meeting are indicated with an asterisk *. Each Director brings a strong and unique background and skillset to the Board, such as board service, leadership experience, finance experience and industry experience in the areas of mining, operations, manufacturing, marketing, law and international business. The qualifications and experience of our Directors are summarized on page 12.

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, 69, 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, 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.

Marketing - Extensive experience in project development and corporate affairs.

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, 52, 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 Operaciones for Compania Minera Mantos de Oro, a subsidiary of Placer Dome Latin America from 1995 to 1998. Mr. Jensen holds a Bachelor of Science degree in Mining Engineering from South Dakota School of Mines and Technology, and a Certificate of Finance from Golden Gate University.

Table of Contents

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. (Golden Star), 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.

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

GORDON J. BOGDEN

Class I Director (Term expires 2015)

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

President and CEO of Avanti Mining Inc.

Mr. Bogden, 56, has served as President and Chief Executive Officer of Avanti 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

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

Qualifications and Experience

Board Service Currently a member of the Audit and Finance Committee and a Director of Royal Gold. He is currently a Director of Avanti Mining Inc. and Orvana Minerals Corp., 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 Minière du Nord Ltée, and Volta Resources Inc.

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

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

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

Table of Contents

* M. CRAIG HAASE

Class III Director Nominee (Term expires 2014)

Independent Director since 2007
Chairman of the CNG Committee

Retired Mining Executive

Mr. Haase, 71, 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, Euro-Nevada, Franco-Nevada 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 2014)

Independent Director since March 2014
CNG Committee Member

Vice Chair, CEO and a Director of Tahoe Resources Inc.

Mr. McArthur, 59, founded Tahoe Resources Inc. and served as its President and Chief Executive Officer from 2009 to early 2014. He is currently Vice Chair, Chief Executive Officer and a Director of Tahoe Resources Inc. He was President, Chief Executive Officer 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. 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. He also served as a director of Pembroke Mining Corp. and as chairman of Pembroke's audit committee, governance committee and compensation committee.

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. since 2009, and is a past director of Goldcorp Inc., Glamis Gold Inc., Consolidated Thompson Iron Mines Limited, Cloud Peak Energy Inc. and Pembroke Mining Corp. Prior Board assignments included serving as the chairman of: the Pembroke audit committee, the Pembroke and Consolidated Thompson governance committees, the Cloud Peak health, safety, environment and communities committee and the Consolidated Thompson special committee during an M&A transaction, and serving on the Pembroke and Consolidated Thompson compensation committees and the Cloud Peak governance and nominating committees.

Leadership Experience - Extensive experience as a president and chief executive officer of international mining companies since 1998. He was also a director of Cloud Peak Energy (2009 until 2010) and Thompson Consolidated Iron Ore (2009 until 2011).

Table of Contents

Industry and Mining Experience - More than 15 years of CEO experience in the mining business; 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.

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

***CHRISTOPHER M.T. THOMPSON**

Class III Director Nominee (Term expires 2014)

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

Retired Mining Executive

Mr. Thompson, 66, is a member of the boards of Jacobs Engineering Group Inc., Teck Resources Limited and Golden Star Resources Ltd. He is also a member of the Colorado School of Mines Foundation Board of Governors. He 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 boards of Jacobs Engineering, Teck Resources and Golden Star Resources, and a member of the Colorado School of Mines Foundation Board of Governors. Previously, he served as chairman of Gold Fields Limited from 1998 to 2005 and as chairman and CEO from 1998 to 2002, and was chairman of the World Gold Council from 2002 to 2005.

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.

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
CNG Committee Member

Retired Mining Executive

Mr. Vance, 62, retired as Senior Vice President, Corporate Development for Teck Resources Limited in early 2014, which position he had 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.

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

Table of Contents**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	Christopher M.T. Thompson	Ronald J. Vance
Audit Committee Financial Expert	•		•			•	
Board Service on Public Companies	•	•	•	•	•	•	•
Business Development and Marketing			•	•	•	•	•
CEO/Administration and Operations Experience	•	•	•	•	•	•	
Corporate Governance Experience	•	•	•	•	•	•	•
Finance Experience	•		•	•	•	•	•
Geology, Geophysics and Mining Engineering	•	•		•	•		
Industry and Mining Experience	•	•	•	•	•	•	•
Industry Association Participation		•	•	•		•	
International Business Experience	•	•	•	•	•	•	•
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, 2014 (fiscal year 2014), the Board of Directors held four regular meetings, three of which included executive sessions of the independent Directors, seven special meetings and took action twice 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 Messrs. McArthur and Thompson (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.

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

Table of Contents

waiver of this requirement from the TSX in 2013 and an extension of the waiver in 2014, 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 and Composition

With the addition of C. Kevin McArthur and Christopher M.T. Thompson to the Board during fiscal 2014, the Company augmented its existing Board orientation program to efficiently introduce these new directors to the Company, and to expeditiously incorporate them into Board operations.

Messrs. McArthur and Thompson, as well as each of the other Directors, has corporate governance, industry and mining, leadership and risk management experience, in addition to other qualifications and expertise.

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

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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 seven meetings during fiscal year 2014. The Audit and Finance Committee Charter is available on the Company's website at www.royalgold.com.

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,

Table of Contents

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.

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 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.

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, 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. This is considered through discussions at the 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 2014.

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.

Table of Contents

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. The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) full, fair, accurate, timely and understandable disclosures; (c) compliance with laws, rules and regulations; (d) prompt internal reporting of Code violations; and (e) accountability for adherence to the Code. The Company will post on its website any amendments to, or waivers from, any provision of the Code.

Board Governance Guidelines

The Board of Directors, upon recommendation from the CNG Committee, adopted 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 related party transactions. Any transaction with a related person, other than transactions available to all employees generally or involving aggregate amounts of less than \$120,000, must be approved or ratified by the AF Committee. The policy applies to all executive officers, Directors and their family members and entities in which any of these individuals has a substantial ownership interest or control.

In accordance with its charter, the disinterested members of the AF Committee considered and approved the following related party transaction during fiscal year 2014. Crescent Valley Partners, L.P. (CVP), formed in 1992, owns a 1.25% net value royalty on production of minerals from portions of Barrick Gold Corporation's Cortez gold mine in Nevada. A wholly-owned subsidiary of the Company, Denver Mining Finance Company (DMFC), is the general partner of CVP and prior to the transaction held an aggregate 31.633% limited partner interest. This interest equated to a 0.395% net value royalty on all of the lands covered by the royalty, except for the mining claims comprising the Crossroad Claims over which DMFC owned no royalty interest. On January 2, 2014, DMFC increased its ownership interest in the royalty by acquiring all or a portion of the limited partnership interests of nine CVP limited partners, aggregating 49.465% of the outstanding limited partnership interests, for aggregate consideration of approximately \$11.5 million. The limited partners from whom DMFC acquired limited partnership interests included our former Chairman of the Board of Directors, Stanley Dempsey, who retired from the Board on May 30, 2014, and two other former members of our Board: S. Oden Howell, who retired from the Board on March 13, 2014; and James Stuckert, whose Board service ended at our 2013 Annual Meeting. Mr. Dempsey sold 3.0% out of his total 3.063% limited partnership interest to DMFC for approximately \$0.7 million, Mr. Howell sold his entire 8.0% limited partnership interest for approximately \$1.9 million, and Mr. Stuckert sold his entire 24.5% limited partnership interest for approximately \$5.7 million. As a result of the transaction, DMFC now holds 81.098% of the outstanding limited partnership interests in CVP, equating to a 1.014% net value royalty on production from the lands covered by the royalty excluding the Crossroad Claims, and a 0.618% net value royalty on production from the Crossroads Claims. Upon recommendation of the AF Committee, the disinterested members of the Board also reviewed and approved the transaction.

Table of Contents**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. (Frederic W. Cook) to review executive compensation for fiscal year 2014, and Director compensation for fiscal year 2015. Frederic W. Cook presented a Director compensation benchmark study to the CNG Committee in July 2014 (the 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. Specifically, we target 40% cash and 60% equity. The 2014 Study found that total Director compensation, on average, was in line with the peer median and 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 2014 Director Compensation and 2015 Adjustments

Based on the 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 in effect during fiscal year 2014 and the new compensation program that became effective July 1, 2014.

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Compensation Element	FY 2014 Compensation Program	2015 Compensation Program
Annual Board Retainer	\$50,000	\$60,000
Annual Equity Retainer	\$177,000 in Restricted Stock*	\$164,000 in Restricted Stock**
Committee Meeting Fees	\$ 1,500 / Meeting Attended	\$ 1,500 / Meeting Attended
Annual Board Chairman Retainer	\$95,000	\$115,000
Annual Committee Chairman*** Retainer	\$14,000	\$15,000

* On August 27, 2013, each non-employee Director was granted 2,850 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.

** 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 will vest on the first anniversary of the grant date.

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

Table of Contents**Fiscal Year 2014 Director Compensation**

The following table provides information regarding compensation of the Company's non-employee Directors in fiscal 2014. Amounts shown for each Director vary due to term of service on committees and the Board, or as committee chairs, for all or a portion of the year. The annual retainer for fiscal 2014 was paid in cash on a quarterly basis.

Director	Paid in Cash(a) (\$)	Stock Awards(b) (\$)	Total (\$)
Stanley Dempsey(c)	\$ 160,000	\$ 177,099	\$ 337,099
Gordon Bogden	\$ 75,500	\$ 177,099	\$ 252,599
M. Craig Haase	\$ 86,500	\$ 177,099	\$ 263,599
William Hayes(d)	\$ 91,584(e)	\$ 177,099	\$ 268,683
S. Oden Howell, Jr.(f)	\$ 49,500	\$ 177,099	\$ 226,599
C. Kevin McArthur(g)	\$ 23,583		\$ 23,583
James Stuckert(h)	\$ 45,500	\$ 177,099	\$ 222,599
Chris Thompson(i)	\$ 9,250		\$ 9,250
Ronald J. Vance	\$ 74,000	\$ 177,099	\$ 251,099

(a) Amount of cash compensation received in 2014 for Board and Committee service.

(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 2014. 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 2014 Annual Report on Form 10-K filed with the SEC on August 7, 2014, 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 2014 was \$62.14, which was the closing price of Royal Gold's common stock on the NASDAQ Global Select Market on August 27, 2013, 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, 2014, each of Messrs. Bogden, Haase, Hayes and Vance held 1,425 shares of restricted stock.

(c) Mr. Dempsey retired from the Board effective May 30, 2014.

(d) Mr. Hayes was appointed Chairman of the Board effective May 30, 2014.

(e) 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.

(f) Mr. Howell retired from the Board on March 13, 2014.

(g) Mr. McArthur joined the Board on March 13, 2014.

(h) Mr. Stuckert retired from the Board effective November 20, 2013.

(i) Mr. Thompson joined the Board on May 15, 2014.

Cash Compensation

For fiscal year 2014, each non-employee Director of the Company received an annual fee of \$50,000 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 \$14,000 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 additional annual fee of \$95,000 for his service as Chairman of the Board of Directors.

Equity Compensation

On August 27, 2013, each non-employee Director was granted 2,850 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 2014.

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.

Table of Contents

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. Thompson (joined the Board in May 2014), and Mr. Vance (joined the Board in April 2013).

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

Table of Contents

Proposal #2: Ratification of Appointment of the Independent Auditors for 2015

Independent Registered Public Accountants

The AF Committee and the Board of Directors are seeking 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, 2015.

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, 2014 and 2013 are as follows:

- **Audit Fees.** Fees paid to Ernst & Young LLP were \$473,913 for the fiscal year ended June 30, 2014 and \$534,784 for the fiscal year ended June 30, 2013. 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, 2014 and 2013.
- **Tax Fees.** Tax fees paid to Ernst & Young LLP for tax-related services were \$463,033 and \$812,722 for the fiscal years ended June 30, 2014 and 2013, 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 2014, \$259,045 was paid for tax compliance and tax return preparation services and \$203,988 was paid for tax consulting services primarily for the Company's subsidiaries. All tax fees during fiscal year 2013 were for tax compliance, tax return preparation and certain tax consulting services provided to the Company.
- **All Other Fees.** Other fees paid to Ernst & Young LLP for the fiscal years ended June 30, 2014 and 2013 were \$71,902 and \$31,524, respectively. Included in this category are fees associated with financial accounting advisory services with respect to the potential accounting treatment by an operator for streaming transactions and the preparation of the Company's global mobility policies.

Pre-Approval Policies and Procedures

The AF Committee has 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 has 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.**

Table of Contents

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, 2014, 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 2014, 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, the Audit and Finance Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014, 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

Table of Contents

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

We are asking stockholders to approve 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 2014 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 managements' interests with stockholders' interests.

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