

ROYAL GOLD INC
Form DEF 14A
October 08, 2010

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

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 Pursuant to §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.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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info@royalgold.com (E-mail)
www.royalgold.com (Website)

NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS

To Be Held November 17, 2010

* * * * *

To the Stockholders of ROYAL GOLD, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of Royal Gold, Inc. will be held at 9:30 a.m., on Wednesday, November 17, 2010, at the Oxford Hotel, Sage Room, 1600 Seventeenth Street, Denver, Colorado, USA, to:

1. Elect two Class II Directors to serve until the 2013 Annual Meeting of Stockholders or until each such director's successor is elected and qualified;
2. Approve amendments to the Company's 2004 Omnibus Long-Term Incentive Plan and, for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, to re-approve the material terms of performance-based compensation;
3. Ratify the appointment of Ernst & Young LLP as independent registered public accountants of the Company for the fiscal year ending June 30, 2011; and
4. Transact any other business that may properly come before the meeting and any postponements or adjournments thereof.

All stockholders are cordially invited to attend the meeting; however, only stockholders of record as of the close of business on September 23, 2010, are entitled to vote at the meeting and any postponements or adjournments thereof. 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 by telephone or by Internet. If this proxy statement was mailed to you, you may also vote by marking, signing and returning the proxy card in the enclosed envelope. If you do attend the Annual Meeting, you may withdraw your proxy should you wish to vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

Karen P. Gross
Vice President and Corporate Secretary

October 8, 2010

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PROXY STATEMENT

2010 ANNUAL MEETING OF STOCKHOLDERS

GENERAL INFORMATION

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 2010 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held on Wednesday, November 17, 2010, at 9:30 a.m. Stockholders of record holding the following Royal Gold securities at the close of business on September 23, 2010 (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 53,676,310 shares outstanding as of the Record Date and entitled to vote, and;

Exchangeable Shares, of which there were 1,605,312 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 are taking advantage of the Securities and Exchange Commission, or the SEC, rules that allow companies to furnish proxy materials to stockholders via the Internet. If you received a Notice of Internet Availability of Proxy Materials, or "Notice," by mail, you will not receive a printed copy of the proxy materials, unless you specifically request one. The Notice instructs you on how to access and review the proxy statement and annual report, as well as how to submit your proxy over the Internet. The Notice will also identify the date, time and location of the annual meeting; the matters to be acted upon at the meeting and the Board of Directors' recommendation with regard to each matter; a toll-free number, e-mail address and a website where stockholders can request a paper or e-mail copy of the proxy statement, our annual report and a form of proxy relating to the annual meeting; information on how to access the form of proxy; and information on how to obtain directions to attend the meeting and vote in person.

We plan to mail the Notice to stockholders on or about October 8, 2010. A printed copy of this proxy statement, form of proxy card and annual report will be mailed to beneficial stockholders that hold greater than 1,000 shares of common stock, to all shareholders of record and to all shareholders of the Exchangeable Shares. We expect that mailing to begin on or about October 8, 2010.

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Voting Your Shares

Royal Gold Common Stock

Each share of Royal Gold common stock that you own entitles you to one vote. Your proxy card shows the number of shares of Royal Gold common stock that you own. 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 or proxy card. 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 or voting instruction form, 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 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," and (2) "FOR" the approval of amendments to the Company's 2004 Omnibus Long-Term Incentive Plan and re-approval of material terms of performance-based compensation as described herein under "Proposal 2 Approval of Amendments To, and Re-Approval Of, the Company's 2004 Omnibus Long-Term Incentive Plan; and (3) "FOR" ratification of the appointment of the Company's independent registered public accountants described herein under "Proposal 3 Ratification of Appointment of Independent Registered Public Accountants."

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 your broker, bank or another nominee (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 rights of shares of Royal Gold common stock. The Exchangeable Shares are exchangeable at any time at the option of the holders into 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 as to 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 1,605,312 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.

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The information related to Royal Gold is relevant to holders of Exchangeable Shares because, as a result of the economic and voting equivalency described above, holders of Exchangeable Shares have a participating interest determined by reference to Royal Gold and not RG Exchangeco.

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. (Calgary time) on November 11, 2010**, at the address indicated on the voting instruction form. 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 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 an account at a brokerage firm, bank, dealer, or other similar organization, 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 organization. The organization holding your account is considered to be the shareholder 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 broker or other agent regarding how to instruct the Trustee as to how 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 Corporate 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 Corporate 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 or amend any instructions previously given to the Trustee by giving written notice of revocation or amendment of such instructions to the Trustee or by executing and delivering to the Trustee a later-dated voting instruction. No notice of revocation or later-dated voting instruction, however, will be effective unless actually received by the Trustee prior to 5:00 p.m. (Calgary time) on November 11, 2010.

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 votes on one proposal, but does not vote on another proposal because the nominee

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does not have discretionary voting power and has not received instructions to do so from the beneficial owner.

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. Starting this year, the Election of Directors is a "non-discretionary" item. Therefore, if you hold your Royal Gold common stock at a broker and you do not instruct your broker how to vote with respect to the election of directors, your broker cannot vote your shares on this proposal. Those votes will be counted as "broker non-vote" and your shares will not be represented in the Election of Directors vote at the Annual Meeting. 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 shares that are represented and entitled to vote at a meeting at which a quorum is present shall be the act of the stockholders. This means that in order to approve Proposal 2, the number of votes cast "FOR" Proposal 2 must exceed the number of votes cast "AGAINST" Proposal 2. Abstentions will have the same effect as a vote "AGAINST" Proposal 2. Proposal 2 is a "non-discretionary" item under the NYSE rules and broker non-votes will not affect the outcome of Proposal 2.

With respect to Proposal 3, the affirmative vote of a majority of the shares that are represented and entitled to vote at a meeting at which a quorum is present shall be the act of the stockholders. This means that in order to approve Proposal 3, the number of votes cast "FOR" Proposal 3 must exceed the number of votes cast "AGAINST" Proposal 3. Abstentions and "broker non-votes" have the same effect as a vote "AGAINST" 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 mail, the Company's directors, officers or employees, without additional compensation, may make solicitations by telephone, facsimile, or personal interview. The Company has retained Phoenix Advisory Partners to aid in the solicitation of brokers, banks, intermediaries and other institutional holders in the United States and Canada for a fee of \$7,200, plus reimbursement for out-of-pocket expenses. All costs of the solicitation of proxies will be borne by the Company. The Company will also reimburse the banks and brokers for their reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of shares of common stock.

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AND MANAGEMENT**

The following table shows the beneficial ownership, as of September 23, 2010, of the Company's common stock by each director, the Company's principal executive officer, principal financial officer and the three most highly compensated executive officers in fiscal year 2010 (each a "named executive officer"), 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.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
Stanley Dempsey ⁽¹⁾ Chairman 1660 Wynkoop Street Suite 1000 Denver, CO 80202	221,881	*
Tony Jensen ⁽²⁾ President, Chief Executive Officer and Director 1660 Wynkoop Street Suite 1000 Denver, CO 80202	247,113	*
M. Craig Haase ⁽³⁾ Director 1622 Eagle Hill Road Gunnison, CO 81230	8,390	*
William Hayes ⁽⁴⁾ Director 808 Brickell Key Drive, #804 Miami, FL 33131	14,000	*
S. Oden Howell, Jr. ⁽⁵⁾ Director P.O. Box 36097 Louisville, KY 40233	514,730	*
James W. Stuckert ⁽⁶⁾ Director P.O. Box 32760 Louisville, KY 40232	1,774,920	3.31%
Donald Worth ⁽⁷⁾ Director 2679 Bayview Avenue Willowdale, Ontario M2L 1C1 Canada	37,250	*
Karen P. Gross ⁽⁸⁾ Vice President and Corporate Secretary 1660 Wynkoop Street Suite 1000 Denver, CO 80202	204,518	*

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Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
William Heissenbuttel ⁽⁹⁾ Vice President of Corporate Development 1660 Wynkoop Street Suite 1000 Denver, CO 80202	66,287	*
Bruce C. Kirchhoff ⁽¹⁰⁾ Vice President and General Counsel 1660 Wynkoop Street Suite 1000 Denver, CO 80202	55,864	*
Stefan L. Wenger ⁽¹¹⁾ Chief Financial Officer and Treasurer 1660 Wynkoop Street Suite 1000 Denver, CO 80202	117,397	*
All Directors and Executive Officers as a Group including those named above (12 persons)	3,266,904	6.09%

*

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

(1)

Includes 1,000 shares of restricted stock and 25,893 shares beneficially owned by certain members of Mr. Dempsey's immediate family. Mr. Dempsey disclaims beneficial ownership of these 25,893 shares of common stock.

(2)

Includes 77,166 shares of restricted stock, 14,705 shares of stock-settled stock appreciation rights ("SARs"), and options to purchase 82,629 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(3)

Includes 1,000 shares of restricted stock.

(4)

Includes 1,000 shares of restricted stock.

(5)

Includes 1,000 shares of restricted stock and options to purchase 27,500 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(6)

Includes 1,000 shares of restricted stock and options to purchase 17,500 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

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- (7) Includes 1,000 shares of restricted stock and options to purchase 17,500 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.
- (8) Includes 34,000 shares of restricted stock, 19,114 SARs and options to purchase 76,006 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.
- (9) Includes 32,500 shares of restricted stock, 6,371 SARs and options to purchase 15,129 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.
- (10) Includes 27,500 shares of restricted stock, 6,371 SARs and options to purchase 14,229 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.
- (11) Includes 46,251 shares of restricted stock, 6,371 SARs and options to purchase 37,609 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

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PROPOSAL 1.

ELECTION OF CLASS II DIRECTORS

The Company's Board of Directors consists of three classes of directors, with each class of directors serving for a three-year term ending in a successive year. The Company's current Class I Directors are Messrs. Dempsey and Jensen; the Class II Directors are Messrs. Hayes and Stuckert; and the Class III Directors are Messrs. Haase, Howell and Worth.

If the proxy is properly completed and received in time for the Annual Meeting, and if the proxy does not indicate otherwise, the represented shares will be voted **FOR** William Hayes and James W. Stuckert as Class II Directors of the Company. If any of the nominees for election as a Class II Director should refuse or be unable to serve (an event that is not anticipated), the proxy will be voted for a substitute nominee who is designated by the Board of Directors. Each Class II Director elected shall serve until the 2013 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 (the number of shares voted "for" a director nominee must exceed 50% of the votes cast with respect to that director). 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 that is not elected shall offer to tender his or her resignation to the Board of Directors. In that situation, the Compensation, Nominating and Governance 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 Compensation, Nominating and Governance 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. The director who tenders his or her resignation will not participate in the Board of Directors' decision. If a nominee who was not already serving as a director fails to receive a majority of votes cast at the Annual Meeting, Delaware law provides that the nominee does not serve on the Board as a "holdover director." All of the Class II director nominees are currently serving on the Board of Directors.

Information concerning the nominees for election as directors is set forth below under "Directors and Officers."

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

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DIRECTORS AND OFFICERS

The following is information regarding the directors and executive officers of the Company related to their names, position with the Company, periods of service and experience. The persons who are nominated for election as directors at the Annual Meeting are indicated with an asterisk. Each Director brings a strong and unique background and set of skills 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.

Stanley Dempsey, 71, Class I Director (term expires in 2012), Chairman of the Board of Directors since 1988 and a Director since 1983.

Chairman of the Board of Directors since August 1988. Executive Chairman of the Board of Directors from July 2006 through December 2008. Chairman and Chief Executive Officer of the Company from August 1988 until June 2006. President of the Company from May 2002 until August 2003. President and Chief Operating Officer of the Company from July 1987 to July 1988. From 1983 through June 1986, Mr. Dempsey was a partner in the law firm of Arnold & Porter and a principal in Denver Mining Finance Company, a firm that provides financial, management, and advisory services to the mining industry. From 1964 through 1983, Mr. Dempsey was employed by AMAX, Inc., a major international mining firm, serving in various managerial and executive capacities. Mr. Dempsey holds a Bachelor of Science degree in geology, a J.D. from the University of Colorado and completed the Program for Management Development at the Harvard Business School. He was awarded an Honorary Doctor of Engineering degree by the Colorado School of Mines in 2006 and received the 2007 William Lawrence Saunders Gold Medal Award from the Society of Mining Engineers. Mr. Dempsey served as a director of Taranis Resources, Inc., an exploration company listed on the TSX Venture Exchange, from January 2006 to August 10, 2010, when his term expired.

Director Qualifications:

Board Service Current Chairman of the Board. Board member of Taranis Resources, Inc. until August 10, 2010, and involved in various mining-related associations.

Leadership Experience Extensive experience as Executive Chairman, Chief Executive Officer and President of Royal Gold. During his tenure with AMAX, he developed a pioneering approach to management of the environmental and community acceptance issues that arose to challenge the mining industry starting in the late 1960's. He served as Chairman of the Tax Committee and was Chairman of the Colorado Mining Association; and a member of the boards of the Nevada and Northwest Mining Associations. Mr. Dempsey also served on the board of the National Mining Association, and as Chair of its Public Lands Committee. Mr. Dempsey was one of the first developers of a publicly traded precious metals royalty company. He successfully converted Royal Gold from an exploration and producing company, to an owner of royalties in the early 1990's.

Finance Experience Prior service as Principal of Denver Mining Finance Company, where he had direct supervision of various mandates from several European mining firms to acquire mining assets in the United States.

Industry, Mining and International Business Experience Mr. Dempsey was a Vice President of AMAX Inc., a major multinational mining company, and was Chairman of AMAX Australia, a position which involved all aspects of AMAX's businesses in Australia and Papua New Guinea. He was directly involved in all aspects of the business, including strategic planning, finance, relations with joint venture counterparties, and government relations.

Law Extensive experience as a practicing attorney. Mr. Dempsey has a strong background in mining law and in creating the structures for multiparty mining ventures. He was directly involved in development of the Rocky Mountain Mineral Law Foundation's ("RMMLF")

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Form 5, a standard form for mining joint ventures that has gained wide acceptance in the mining industry. He has also specialized in the law related to mining royalties, and has written papers on the subject for RMMLF.

Tony Jensen, 48, Class I Director (term expires in 2012), President and Chief Executive Officer since 2006 and a Director since 2004.

President and Chief Executive Officer of the Company since July 2006. President and Chief Operating Officer of the Company from August 2003 until June 2006. Mr. Jensen has over 25 years of mining industry experience, including 18 years with Placer Dome Inc. His corporate and operations experience were 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 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.

Director Qualifications:

Board Service Current Director of Royal Gold, member of the Industrial Advisory Board of the South Dakota School of Mines and Technology, and a director and member of the Finance Committee of the National Mining Association.

Leadership Experience Extensive operations, corporate and executive experience with Placer Dome and current President and Chief Executive Officer of Royal Gold.

Finance Experience Actively involved in the financial review of Royal Gold results as well as prior experience as Director, Finance and Strategic Growth, and Treasurer of Placer Dome Latin America and current member of the National Mining Association's finance committee.

Industry, Mining and International Business Experience In addition to active board membership, prior Chairman and board member of the Nevada Mining Association and Colorado Mining Association as well as extensive industry, mining, acquisition, and international business experience through various roles with Royal Gold and Placer Dome Inc., including foreign assignments in Canada and Chile.

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

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

M. Craig Haase, 67, Class III Director (term expires 2011), retired mining executive, a Director since 2007.

Mr. Haase 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 in a similar capacity at Euro-Nevada Mining Corporation from 1987 to 1999 when Euro-Nevada merged with Franco-Nevada. Mr. Haase was also Chairman and Chief Executive Officer for Gold Marketing Corporation of America, Inc., a physical gold export company, from 1994 to 2002. He was engaged in private law practice from 1971 to 1990, with an emphasis in mining 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.

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Director Qualifications:

Board Service Current Compensation, Nominating and Governance Committee Chairman 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.

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.

***William Hayes**, 65, Class II Director (term expires 2010), retired mining executive, a Director since 2008.

Mr. Hayes 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. 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 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.

Director Qualifications:

Board Service Current Lead Director and member of the Audit Committee of Royal Gold. A Director (since 2006) of Antofagasta PLC, a FTSE 100 Company London Stock Exchange, mining, transportation and water distribution. Subsidiary Board membership of Antofagasta: Chairman and Director of Tethyan Copper Company a fifty-fifty joint venture between Antofagasta and Barrick related to the Reko Diq Project in Pakistan; Director, Energin Andina a sixty-forty joint venture between Antofagasta and the government of Chile related to thermal exploration; Director of Twin Metals a forty-sixty joint venture between Antofagasta and Duluth Metals related to the Nokomis Project in Minnesota.

Leadership Experience, Finance Experience and International Business Experience 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.

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S. Oden Howell, Jr., 70, Class III Director (term expires 2011), President of Howell & Howell Contractors, Inc., a Director since 1993.

Mr. Howell has been President of Howell & Howell Contractors, Inc., a renovation contractor, and industrial and commercial painting contractor, since 1988. He is the Secretary/Treasurer of LCM Constructors, Inc., a general construction company and Secretary/Treasurer of SemperFi Constructors, LLC, a service-disabled, veteran-owned small business. From 1972 until 1988, Mr. Howell was Secretary/Treasurer of Howell & Howell, Inc., an industrial and commercial painting contractor firm. Mr. Howell attended the University of Louisville.

Director Qualifications:

Board Service Current member of the Compensation, Nominating and Governance Committee of Royal Gold. Chairman of Keller Manufacturing Company and Paragon Door Designs, Inc. Trustee of Lindsey Wilson College in Columbia, Kentucky.

Leadership Experience Extensive experience as owner and president of a private enterprise.

Finance Experience Experience as Secretary/Treasurer of a private enterprise and trustee of a private university.

Industry and Manufacturing Experience More than 20 years of industrial and manufacturing experience.

***James W. Stuckert**, 72, Class II Director (term expires 2010), senior executive of Hilliard Lyons, Inc., a Director since 1989.

Mr. Stuckert has been a Senior Executive of Hilliard, Lyons, Inc., since 2004, a full service financial asset management firm located in 13 Midwestern states. Mr. Stuckert joined Hilliard, Lyons in 1962 and served in several capacities including Chief Executive Officer prior to being named Chairman in December 1995. He served as Chairman from December 1995 to December 2003. Mr. Stuckert holds a Bachelor of Science degree in Mechanical Engineering and a Master of Arts degree in Business Administration from the University of Kentucky.

Director Qualifications:

Board Service Current Chairman of the Audit Committee and member of the Compensation, Nominating and Governance Committee of Royal Gold. Previous Chairman of Hilliard, Lyons, Inc. and past Chairman of Senbanc Fund, Thomas Transportation, Inc. and United Farm Tool, Inc. Previous Board member of Securities Industry Association and Databeam, Inc.

Leadership Experience Senior Executive and former Chief Executive Officer of Hilliard, Lyons, LLC. Past member of the Nominating Committee of the New York Stock Exchange. Chair of the Regional Firms Committee of the Securities Industry Association. Member of the Board of Trustees, Chairman of the Development Council, past Chairman of a capital campaign (the first \$1 billion) and past President of the National Alumni Association for the University of Kentucky.

Finance Experience The Board of Directors has determined that Mr. Stuckert is an Audit Committee Financial Expert. Extensive financial management experience and satisfies the NASDAQ financial literacy and sophistication requirements. Chair of the Investment Committee for a hospital group (\$650 million in assets) and Chair of the Investment Committee for the University of Kentucky Endowment (\$800 million in assets).

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Donald Worth, 78, Class III Director (term expires 2011), retired mining specialist and retired senior executive of Canadian Imperial Bank of Commerce, a Director since 1999.

Mr. Worth has been involved in the mining industry since 1949. He was a mining specialist prior to joining Canadian Imperial Bank of Commerce (Canada) ("CIBC" now CIBC Mellon) in October 1964. He served as Vice President of CIBC from July 1984 to August 1997, when he retired. He is involved with several professional associations both in Canada and the United States. Mr. Worth holds a Bachelor of Applied Science degree in Mining Engineering and a Master of Science degree in Mineral Economics from the University of Toronto.

Director Qualifications:

Board Service Member of the Audit Committee of Royal Gold. Previous Board member of Cominco Ltd., Canarc Resource Corp., Real del Monte Mining Corp., Corner Bay Silver Inc., Lakefield Research Limited and Tiomin Resources Inc. Currently a Director of Cornerstone Capital Corp. and Labrador Iron Ore Royalty Income Corp. He is also a Trustee of Sentry Select Capital Corp.

Finance Experience During a 33-year career with CIBC, known then as Canada's Mining Bank, he was involved in lending money to mining companies with operations in Canada and elsewhere. He is currently a Trustee of Sentry Select Capital Corp. a company that manages \$4 billion in mutual funds and income trusts.

Mining Experience Experience as a miner's helper, surveyor's helper and sampler. Served as a mine engineer and foreman in Mexico and superintendent in Quebec (asbestos) and Ontario (gypsum).

Officers:

See page 9 for Mr. Jensen, President and Chief Executive Officer.

Karen Gross, 56, Vice President and Corporate Secretary. Ms. Gross has been Vice President of the Company since June 1994 and Corporate Secretary since 1989. From 1987 until 1989, Ms. Gross was the Assistant Secretary to the Company. Ms. Gross is in charge of investor relations, public relations and ensuring the Company's compliance with various corporate governance standards. Ms. Gross is involved with the National Investor Relations Institute, The Society of Corporate Secretaries and Governance Professionals, and is a director of the Denver Gold Group, a mining-related association. Ms. Gross holds a Bachelor of Arts degree in Business Administration from the University of Colorado-Denver.

William Heissenbuttel, 45, Vice President of Corporate Development. Mr. Heissenbuttel has been Vice President of Corporate Development since February 2007. He was Manager of Corporate Development from April 2006 through January 2007. Mr. Heissenbuttel brings more than 20 years of corporate finance experience with 15 of those years in project and corporate finance in the metals and mining industry. Mr. Heissenbuttel served as Senior Vice President from February 2000 to April 2006 and Vice President from 1999 to 2000 at N M Rothschild & Sons (Denver) Inc. From 1994 to 1999, he served as Vice President and then as Group Vice President at ABN AMRO Bank N.V. From 1987 to 1994, he was a Senior Credit Analyst and an Associate at Chemical Bank Manufacturers Hanover. Mr. Heissenbuttel holds a Master of Business Administration degree with a specialization in finance from the University of Chicago and a Bachelor of Arts degree in Political Science and Economics from Northwestern University.

Bruce C. Kirchoff, 51, Vice President and General Counsel. Mr. Kirchoff has been Vice President and General Counsel since February 2007. He has over 20 years experience representing hardrock and industrial minerals mining companies, as well as mineral exploration and development clients. From January 2004 through January 2007, Mr. Kirchoff was a partner with the law firm Carver

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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 Wenger, 37, Chief Financial Officer and Treasurer. Mr. Wenger has been Chief Financial Officer since July 2006 and Treasurer since August 2007. He was Chief Accounting Officer 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 15 years of experience in the mining and natural resources industry working in various financial roles. In March 2010, he became a director of McWatters Mining Inc., a publicly traded Canadian company, in which Royal Gold owns 100% of the common shares and a 45% voting interest. 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, 53, Vice President Operations. Mr. Zisch has been Vice President Operations since March 2009. Mr. Zisch has more than 25 years 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. Prior to his tenure at Newmont