

**ROYAL GOLD, INC.  
COMPENSATION, NOMINATING AND GOVERNANCE  
COMMITTEE CHARTER**

**Purpose**

The Compensation, Nominating and Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Royal Gold, Inc. (the “Company”) to (1) (a) fulfill the Board’s responsibilities to oversee the Company’s compensation policies, plans and programs, and to review and determine the compensation to be paid to the Company’s executive officers and directors, (b) administer and implement the Company’s incentive compensation plans and equity-based plans, (c) oversee and assist the Company in preparing the Compensation Discussion & Analysis (“CD&A”) for inclusion in the Company’s proxy statement and annual report on Form 10-K, as appropriate, (d) provide for inclusion in the Company’s proxy statement a description of the processes and procedures for the consideration and determination of executive and director compensation, and (e) prepare and submit for inclusion in the Company’s proxy statement and annual report on Form 10-K, as appropriate, a Compensation Committee Report, each as more fully described below and in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) in effect from time to time, (2) identify or review individuals proposed to become members of the Board and recommend director nominees for election or appointment to the Board; (3) consider and make recommendations to the Board concerning the size and composition of the Board and Board committee structure and makeup; and (4) develop and recommend to the Board corporate governance principles applicable to the Company.

**Committee Membership**

The Committee shall consist of three or more members of the Board. Members of the Committee shall be appointed and may be removed by the Board. All members of the Committee shall meet (1) the independence requirements of Nasdaq; (2) the “non-employee director” standard within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”) and the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”); and (3) any other legal requirements, including requirements under the federal securities laws.

**Committee Authority and Responsibilities**

To implement the Committee’s purpose and policies, the Committee shall be charged with the duties and responsibilities set forth below. The Committee may supplement and, except as otherwise required by applicable law or the requirements of Nasdaq, deviate from these activities as appropriate under the circumstances. All recommendations from the Committee shall be submitted to the Board for approval.

## A. Compensation

1. Overall Compensation Strategy. The Committee shall review, modify (as needed) and approve the overall compensation strategy and policies for the Company, including:
  - evaluating and recommending to the Board the compensation plans and programs advisable for the Company, as well as modification or termination of existing plans and programs;
  - reviewing regional and industry-wide compensation practices and trends to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry; however, the Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid;
  - considering and deciding on management proposals regarding officer compensation including salary, bonus, stock option or other equity incentives, retirement, long-term disability and other management welfare and benefit plans; and
  - reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements for the Company's executive officers and other senior management, as directed by the Board.
2. Evaluation and Compensation of Chief Executive Officer. The Committee shall annually review personal and corporate goals and objectives relevant to compensation of the Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation in accordance with any applicable employment agreement. In determining the long-term incentive component of CEO compensation, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years, and may consider such other factors as it deems necessary or advisable. The Committee shall annually and, at the time of any new CEO hire, review and approve his or her compensation and related employment agreements, if any, including without limitation any perquisites and other personal benefits provided by the Company. The CEO may be present during the evaluation process but may not be present during deliberations or voting on the CEO's compensation.
3. Compensation of Other Officers. The Committee shall annually, and at the time of any new executive hire, review and recommend to the Board for its approval, compensation and related employment agreements, if any, including without limitation any perquisites and other personal benefits provided by the Company to its executive officers. The CEO may be present during these deliberations, but may not vote. To the extent appropriate or necessary to comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Exchange Act, or Section 162 (m) of the Code, the Board may delegate

exclusive authority to the Committee to approve or ratify elements of compensation of executive officers.

4. Compensation of Directors. The Committee shall annually review and approve director compensation, including without limitation any perquisites and other personal benefits provided by the Company to its directors, taking into consideration the value of items such as meeting fees, retainer payments, and incentive awards at comparable companies. The Committee may consider such other factors as it deems necessary or advisable in setting the director compensation.
5. Administration of Benefit Plans. Unless otherwise provided in a plan document or resolutions of the Board, the Committee shall consider, recommends administer and implement the Company's stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards, and exercise such other power and authority as may be permitted or required under such plans. The Committee shall annually assess whether to make any recommendations to the Board with respect to any new incentive compensation plans and equity-based plans and any increase in shares reserved for issuance under any existing equity plans.
6. Insurance Coverage. The Committee shall review and establish an appropriate insurance coverage strategy for the Company's directors and officers.
7. Compensation Discussion & Analysis. The Committee shall oversee and assist the Company in preparing the CD&A, in accordance with Item 402(b) of Regulation S-K, for inclusion in the Company's proxy statement and annual report on Form 10-K, as appropriate, as well as other Company filings or reports (when and as necessary).
8. Description of Compensation Determination Process. The Committee shall oversee and assist the Company in preparing and following the processes and procedures for the consideration and determination of executive and director compensation, as required for inclusion in the Company's proxy statement under Item 407(e)(3) of Regulation S-K.
9. Compensation Committee Report. The Committee shall review and discuss the CD&A with Company management and, based on the review and discussion, make a recommendation to the Board regarding whether to include the CD&A in the Company's proxy statement and/or annual report on Form 10-K. The Compensation Committee shall prepare a Compensation Committee Report describing the above actions and authorize the inclusion of the report in the Company's proxy statement and/or its annual report on Form 10-K, all in accordance with Item 407(e)(5) of Regulation S-K.

## **B. Nominating**

1. Recommendation of Candidates. The Committee shall evaluate the qualifications of potential candidates for director and recommend to the Board nominees for election at the next annual meeting or any special meeting of stockholders, and any person to be considered to fill a Board vacancy resulting from death, disability, removal, resignation or an increase in Board size. This responsibility includes working with the full Board to establish criteria for Board membership, however, in selecting director nominees, the Committee should assess the nominee's independence, as well as consider his or her experience, areas of expertise, including without limitation, experience in the mining industry, diversity, perspective, broad business judgment and leadership, all in the context of an assessment of the perceived needs of the Board at that time. In the event that the Company is legally required by contract or otherwise to provide third parties with the ability to designate directors, the selection and nomination of such directors need not be subject to the process set forth herein.
2. Director Membership and Succession. The Committee shall annually review the organization of the Board in terms of Board procedures, the size and membership of the Board, and recommend to the Board the adoption of any changes the Committee believes necessary or desirable.
3. Committee Structure and Membership. The Committee shall advise the Board with respect to the structure and operations of the various committees of the Board and qualifications for membership thereon, including policies for removal of members and rotation of members among other committees of the Board. The Committee shall also make recommendations to the Board regarding which directors should serve on the various committees of the Board.
4. Stockholder Nominees. The Committee will consider director candidates recommended by stockholders, provided such written recommendations are submitted to the Secretary of the Company in accordance with the advance notice and other provisions of the Company's Bylaws.

## **C. Governance**

1. General Governance Principles. The Committee shall develop and recommend to the Board a set of corporate governance principles or guidelines. The Committee shall review the principles on an annual basis, or more frequently, if appropriate, and recommend changes as necessary to the Board.
2. New Director Orientation. The Committee shall oversee the orientation and training of newly elected or appointed directors.
3. Succession Planning. The Committee shall make recommendations to the Board regarding succession planning in the event of an emergency, retirement or other need to consider replacing the CEO.

4. Board and Committee Evaluations. The Committee shall develop and recommend to the Board for its approval a process for self-evaluations of the Board and its committees.
5. Compliance with Governance Rules. The Committee shall review and assess the Company's compliance with the corporate governance guidelines and requirements established by Nasdaq and the requirements established under the Sarbanes-Oxley Act and by applicable laws and regulations, and shall recommend any proposed changes to the Board for approval.
6. Stockholder Relations. The Committee shall review and make recommendations to the Board regarding stockholder relations, including the review of any stockholder proposals and procedures for stockholder communications with the Board.

#### **D. General**

1. Other Duties. The Committee shall perform such other duties as are delegated to it by the Board from time to time.
2. Report to the Board. The Committee shall report its actions and recommendations to the Board at its next regularly scheduled Board meeting following any meeting of the Committee.
3. Committee Charter and Performance Review. The Committee shall annually reassess the adequacy of this charter and recommend any proposed changes to this charter to the Board for its approval. The Committee shall annually review its own performance.
4. Engagement of Search Firms and Other Advisors. The Committee shall have, in conjunction with senior management, the authority to retain and terminate compensation consultants, any search firm engaged to identify director candidates, and may retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have, in conjunction with senior management, the authority to approve fees and other terms relating to the retention of any such compensation consultants, search firm or other advisor.
5. Delegation of Authority. The Committee may form and delegate authority to subcommittees of one or more members of the Committee as determined by the Committee to be necessary or advisable.

Recommended by the Compensation, Nominating and Governance Committee to the Board on July 25, 2007.

Adopted by the Board on August 23, 2007.