

**ROYAL GOLD, INC.**  
**AUDIT AND FINANCE COMMITTEE CHARTER**

**Purpose**

The purpose of the audit and finance committee shall be to represent and assist the board of directors in its general oversight of:

1. The corporation's accounting and financial reporting processes;
2. Audits of the corporation's financial statements, including engagement and retention of a Public Company Accounting Oversight Board ("PCAOB") registered independent public accounting firm and an assessment of its qualifications, independence and overall performance;
3. The corporation's internal controls over financial reporting;
4. The integrity of the corporation's financial statements;
5. Financial strategy and structure;
6. Compliance with legal and regulatory requirements and other ethics standards adopted by the corporation; and
7. Tax strategy and tax compliance in all relevant jurisdictions.

Consistent with this function, the audit and finance committee shall encourage continuous improvement of, and shall foster adherence to, the corporation's policies, procedures, and practices at all levels. The audit and finance committee shall also provide for open communication among the independent auditors, financial and senior management, and the board of directors.

**Membership, Qualifications and Structure**

The audit and finance committee shall be composed of at least three directors, each of whom in the opinion of the board of directors is "independent" in accordance with applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), the listing requirements of The Nasdaq Stock Market, LLC ("NASDAQ") and any other applicable laws, rules and regulations. Each member of the audit and finance committee shall meet the financial literacy requirements of the rules and regulations of the SEC and the listing requirements of NASDAQ and any other applicable securities market, as such qualification is interpreted by the board of directors in its business judgment. No member of the audit and finance committee shall have participated in the preparation of the financial statements of the corporation or any current subsidiary of the corporation at any time during the past three (3) years. In addition, at least one member of the audit and finance committee, as determined by the board of directors in its business judgment, shall be an "audit committee financial expert" as defined by the rules and regulations of the SEC and the listing requirements of NASDAQ to be a person that has past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Appointment to the audit and finance committee, including the designation of the chairperson of the audit and finance committee and the designation of any committee members as "audit committee financial experts," shall be made by the full board of directors upon recommendation of the compensation, nominating and governance committee. Unless the full board of directors designates a chairperson of the audit and finance committee, the members of the committee may elect a chairperson for each meeting by majority vote. Members of the audit and finance committee shall serve until their successors have been

duly elected and qualified or until their earlier resignation or removal. The board of directors may remove a member of the audit and finance committee, or replace the chairperson, in either case with or without cause, provided that the board of directors must, at all times, assure that the committee shall have a chairperson and sufficient members to satisfy the requirements set forth above relating to the number and qualifications of committee members.

### **Meetings and Delegation**

Meetings of the audit and finance committee shall be held at such times and places as the audit and finance committee shall determine, including by written consent; *provided, however*, that the audit and finance committee will meet at least quarterly, and have such other special meetings as may be called by the chairperson of the audit and finance committee, or senior management, or at the request of the independent auditors of the corporation. When necessary, but no less than annually, the audit and finance committee shall meet in executive session with the independent auditors outside the presence of any senior executive officer of the corporation. The audit and finance committee shall keep minutes of its meetings. The chairperson of the audit and finance committee shall regularly report on activities of the audit and finance committee to the full board of directors. A majority of the members of the audit and finance committee shall constitute a quorum. In fulfilling its responsibilities, the audit and finance committee shall have authority to delegate its authority to subcommittees, in each case to the extent permitted by all applicable statutes, rules and regulations, including those of applicable exchanges.

### **Responsibilities**

In carrying out its responsibilities, the audit and finance committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the corporate accounting, audit and reporting practices of the corporation are in accordance with all requirements and are of the highest quality.

The audit and finance committee shall:

#### ***Oversight of Independent Auditors***

1. Be directly responsible for the appointment, determination of compensation, oversight (including the resolution of disagreements between management and the independent auditors regarding financial reporting), and, where appropriate, replacement of the independent auditors engaged to audit the financial statements of the corporation and its divisions and subsidiaries or to perform other audit, review or attest services to the corporation. The independent auditors shall report directly to the audit and finance committee.
2. In connection with the appointment, determination of compensation, retention and oversight of the independent auditors, meet with members of senior management and the financial management of the corporation who work with the independent auditors to review the scope of the proposed audit for the current year and the adequacy of the audit procedures to be utilized, and the appropriateness of the fees proposed to be charged for such services. The audit and finance committee shall also solicit on a regular basis the views of management concerning the quality and timeliness of the independent auditors' services.
3. Meet with the independent auditors, senior management and financial management of the corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and to review and approve in advance all audit and non-audit related services to be performed by the independent auditors. The audit and finance committee may delegate its authority to pre-approve non-audit services to one or more members of the committee to the extent permitted by applicable rules and regulations of the SEC, the listing requirements of NASDAQ and any other applicable securities market; *provided* the audit and finance committee will regularly review (a) the

audit and finance committee's policies and procedures for pre-approving the use of the independent auditors for audit and non-audit services; (b) the audit and non-audit services that have been pre-approved; and (c) fees paid to the independent auditors for pre-approved non-audit services.

4. Ensure the receipt from the independent auditors of a formal written statement delineating all relationships between the auditors and the corporation, actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors, take appropriate action to ensure the independence of the independent auditors, and set hiring policies for employees or former employees of the independent auditors.
5. Review, at least annually, with the independent auditors their internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority (including the PCAOB), within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues.
6. Review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements are executed.
7. Provide sufficient opportunity for the independent auditors to meet with the members of the audit and finance committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the corporation's financial, accounting, and auditing personnel, and the cooperation that the independent auditors received during the course of the audit.

#### ***Financial Statements and Disclosure Matters***

8. Upon conclusion of the annual audit, review and discuss with the independent auditors, senior management and financial management of the corporation:
  - a. The corporation's financial statements and related notes and disclosures, including the "Management's Discussion and Analysis of Financial Conditions and Results of Operations" section of the corporation's annual report on Form 10-K;
  - b. The independent auditors' report on the financial statements;
  - c. The management letter issued by the independent auditors, and any other material written communications between the independent auditors and management;
  - d. The responsibilities, resources, function and performance of the Company's internal audit process, including results of, and plans for, the internal audit performed by a third-party public accounting firm;
  - e. The Company's critical accounting policies, significant judgments and estimates, any significant new policies or changes in the Company's selection or application of accounting principles and the effect of regulatory and accounting initiatives (including initiatives discussed by PCAOB, FASB, the SEC and NASDAQ) on the financial statements of the Company;
  - f. Any disagreements that occurred during the audit between the independent auditors and management of the corporation;
  - g. Whether the independent auditors are satisfied with the quality of disclosure and content of the financial statements to be presented to the shareholders;

- h. The conclusions of the independent auditors of the quality and acceptability of the corporation's critical accounting principles and judgments used in preparing the financial statements, including the consistent application of such accounting principles, alternative accounting principles that have been discussed with management and the independent auditors' preferred treatment;
  - i. Any other matters required to be communicated to the independent auditors under Auditing Standard No. 1301, Communications with Audit Committees, or any successor provisions; and
  - j. Based upon its reviews and discussions, determine whether to recommend to the board of directors that the audited financial statements be included in the corporation's annual report on Form 10-K.
- 9. Review the interim financial statements and the quarterly report on Form 10-Q with senior management and the financial management of the corporation and the independent auditors prior to filing the report with the SEC to determine that the independent auditors are satisfied with the disclosure and content of the financial statements and other information contained in the report, including the "Management's Discussion and Analysis of Financial Conditions and Results of Operations" section of the corporation's quarterly report on Form 10-Q.
- 10. Review and discuss with management and the independent auditors the corporation's earnings press releases, including the use of non-GAAP financial measures, prior to public disclosure, as well as the corporation's policies with respect to earnings press releases.
- 11. Review changes to the corporation's accounting principles and practices based on advice of or otherwise raised by the independent auditors, senior management and the corporation's financial and accounting personnel, including as a result of accounting and financial reporting changes adopted by the SEC and FASB.
- 12. Review the internal financial function of the corporation including the independence and authority of its reporting obligations, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors and internal financial and accounting personnel.
- 13. Review accounting and financial planning within the corporation and review, at least annually, (i) the material reserves established for contingent liabilities of the corporation and its subsidiaries, (ii) the corporation's major risk exposures, including risks relating to the financial statements and financial reporting process and any key credit risks, liquidity risks and market risks, and the corporation's policies and processes for managing such risks, and (iii) any "off-balance sheet" transaction or off-balance sheet assets or liabilities.
- 14. Provide for inclusion in the corporation's proxy statement a report to shareholders as required by the rules and regulations of the SEC and the listing requirements of NASDAQ and any other applicable securities market.

### ***Compliance Matters***

- 15. Review with the independent auditors and the corporation's senior management and its financial and accounting personnel:
  - a. The process and schedule for evaluating the corporation's internal controls over financial reporting;
  - b. Management's evaluation of the adequacy and effectiveness of the internal controls over financial reporting of the corporation, including any material changes to such controls, and the independent auditors' report on management's evaluation of the internal controls;

- c. Any actions being taken to correct any material weaknesses or significant deficiencies in such controls; and
  - d. The process to maintain and update internal control documentation and to address weaknesses in controls as they may occur.
16. Elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis shall be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
  17. Review and approve any related-party business transactions 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.
  18. Establish and review procedures for the receipt, retention and treatment of whistleblower or other complaints regarding accounting matters, internal accounting controls or audit matters and review any complaints that have been received, including inquiring about status and resolution. Such procedures shall allow for the confidential, anonymous submission of concerns from employees of the corporation regarding any questionable accounting or auditing matters.

#### ***Finance Matters***

19. Review with management, and provide oversight of, the corporation's financial strategy, capital structure and liquidity position. This responsibility includes, without limitation, oversight of the following:
  - a. Transactions involving equity securities of the corporation such as public offerings, stock buyback programs or stock splits (but not including equity compensation plans);
  - b. Transactions involving debt securities of the corporation and other material debt obligations undertaken by the corporation;
  - c. The corporation's dividend policies and practices;
  - d. The corporation's liquidity and cash flow position; and
  - e. The corporation's tax strategy and tax compliance.
20. Oversee the corporation's investment policies and strategy.
21. Review transactions and expenditures as specifically delegated by the board of directors.
22. Review significant relationships with analysts, banks, and investment banks.
23. Review and discuss with management the corporation's effective tax rate, adequacy of tax reserves and significant tax developments.
24. Perform such other financial oversight responsibilities as the board of directors may request.

#### ***General Responsibilities***

25. Review and reassess the adequacy of the charter of the audit and finance committee annually, or more often if needed, and submit any recommended changes to the board of directors for approval. The audit and finance committee shall make the charter publicly available as required by applicable rules of NASDAQ and the SEC.

26. Engage in an annual review of the audit and finance committee's own performance.
27. Submit the minutes of all meetings of the audit and finance committee to, or discuss the matters discussed at each committee meeting with, the board of directors.
28. Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel, accountants, experts and other advisors as the audit and finance committee determines necessary to carry out its duties.
29. Review the security of the corporation's information technology systems and operations, including programs and defenses against cyber threats to the same.

### **Limitation on Audit and Finance Committee's Role**

While the audit and finance committee has the responsibilities and powers set forth in this charter, it is not the duty or responsibility of the audit and finance committee to, and the audit and finance committee will not, (a) plan or conduct audits, (b) implement internal controls, (c) prepare the corporation's financial statements, or (d) determine or certify that the corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These matters and tasks are the responsibility of management and the independent auditors. Management is also responsible for executing the corporation's risk management, treasury and financial operations. It is the responsibility of the corporation's management and/or the independent auditors to bring appropriate matters to the attention of the audit and finance committee, and to keep the audit and finance committee informed of matters that the corporation's management or the independent auditors believe require attention, guidance, resolution or other actions, the basis therefore and other relevant considerations. The audit and finance committee is not responsible for assuring compliance with laws and regulations or the corporation's standards of business conduct, code of ethics, internal policies, procedures or controls.

Each member of the audit and finance committee shall be entitled to rely, to the maximum extent permitted under applicable law, on (i) the integrity of those persons and organizations within and outside the corporation from which he or she receives information and (ii) the accuracy of the financial and other information provided to the audit and finance committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the board of directors). Such information shall include, but is not limited to, the certifications of the corporation's CEO and CFO required by the SEC, as well as reports to the audit and finance committee on the due diligence processes which support such certifications.

### **Powers and Funding**

The audit and finance committee shall have the power to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The audit and finance committee shall be empowered to obtain advice and assistance from outside legal, accounting or other advisors as the audit and finance committee deems necessary to carry out its duties. Any communications between the audit and finance committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the corporation, and the audit and finance committee shall not share such communications with persons outside of the corporation.

The corporation shall provide appropriate funding, as determined by the audit and finance committee, for the payment of:

1. Compensation to any PCAOB registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the corporation.

2. Compensation to any advisors, including outside counsel, retained by the audit and finance committee.
3. Ordinary administrative expenses of the audit and finance committee that are necessary or appropriate for the carrying out of the audit and finance committee's duties.

The audit and finance committee is empowered to retain and compensate these advisors without seeking the board of directors' approval. The committee may ask members of management or others to attend its meetings and provide pertinent information as necessary.

Approved by the Board of Directors on May 29, 2018.