



## **Corporate Governance Guidelines**

The Board of Directors (the "Board") of Pinnacle Entertainment, Inc., a Delaware corporation (the "Company"), has adopted these Corporate Governance Guidelines (the "Guidelines") to promote the functioning of the Board and its committees and to set forth a set of common expectations and principles as to how the Board should perform its functions. These Guidelines are intended to serve as a framework within which the Board operates and not as a set of legally binding obligations. The Board may from time to time deviate from these Guidelines as the Board, in the exercise of its judgment, deems necessary, appropriate or advisable to best serve the interests of the Company and its stockholders. The Board, with the assistance of the Corporate Governance and Nominating Committee, will periodically review these Guidelines in light of changes in the Company's circumstances or the regulatory environment, as well as evolving expectations about corporate governance.

### **Article I**

#### **Basic Responsibilities of Directors and the Board**

1. The property, business and affairs of the Company shall be managed by or under the direction of the Board (which term includes, as appropriate, committees established by the Board). The Board represents the Company's stockholders in acting to maintain and promote the success of the business of the Company and thereby enhancing stockholder value. The fundamental responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company's stockholders and the Company and to discharge their duties of care and loyalty in accordance with applicable law. In carrying out these responsibilities, the Board is entitled to rely on the honesty and full disclosure of the Company's management, employees ("team members"), advisors and auditors.

2. In addition to the general oversight of management and the business of the Company, the specific responsibilities of the Board include (a) the selection and evaluation of senior management and planning for management succession, (b) the selection and recommendation to the stockholders of nominees for election to the Board, and (c) ensuring that procedures are in place for maintaining the integrity of the Company and its financial statements, the Company's compliance with applicable laws and regulations, and its relationships with team members, customers, suppliers and stockholders.

3. Directors are expected to regularly attend and actively participate in Board meetings and the meetings of the committees on which they serve. The Board will meet as frequently as required to faithfully and properly discharge its responsibilities to the Company.

4. Directors are expected to review in advance the materials provided to them regarding matters to be discussed by the Board or the committees on which they serve in order

that they may make meaningful and considered contributions at the Board or committee meeting. Management shall provide to the directors, to the extent practicable and appropriate, information that it deems important for review prior to consideration of such matter by the Board, as well as such information as the Board or its committees shall specifically request.

## **Article II Director Qualifications**

1. The policy of the Board is to recommend and encourage the selection of directors who have achieved success in their personal fields and who demonstrate integrity and high personal and professional ethics, sound business judgment, and willingness to devote the requisite time to their duties as director, and who will contribute to the Company's overall corporate goals. Board members are evaluated and selected based on their individual merit as well as in the context of the needs of the Board as a whole.

2. The Corporate Governance and Nominating Committee is responsible for identifying, reviewing and recommending to the Board qualified individuals to be nominated for election or reelection to the Board, consistent with the criteria set forth in these Guidelines. Depending on the circumstances, the Corporate Governance and Nominating Committee will consider candidates recommended by Board members, third parties and, to the extent deemed appropriate, director search firms. Before recommending to the Board a new or incumbent director for election or reelection, the Corporate Governance and Nominating Committee shall review his or her qualifications, including: capability; availability to serve; conflicts of interest; willingness to submit to gaming licensure; understanding of the gaming industry, finance and other elements relevant to the Company's business; educational, business and professional background; age; and past performance as a Board member (including, for members being renominated, past attendance at, and participation in, meetings of the Board and its committees and contributions to their activities). The Corporate Governance and Nominating Committee, in conducting such evaluation, may also take into account such other factors as it deems relevant. The Corporate Governance and Nominating Committee shall also conduct an annual review of the composition of the Board as a whole, including whether the Board reflects the appropriate degree of independence and balance of sound judgment, business specialization, technical skills, diversity and other desired qualities, and satisfies the other requirements set forth in these Guidelines.

3. Stockholders who have beneficially owned more than five percent of the Company's then-outstanding shares of common stock for a period of at least two consecutive years as of the date of making the proposal may propose nominees for consideration by the Corporate Governance and Nominating Committee by submitting in writing the names and supporting information to: Chair, Corporate Governance and Nominating Committee, Pinnacle Entertainment, Inc., 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169. A stockholder recommendation for nomination must contain:

(a) as to the stockholder making the recommendation, the name and address of such stockholder (and if such stockholder is not the owner of record, the name and address of the record holder), and the class and number of shares of the capital stock of the Company that are owned beneficially by such stockholder, as well as documentary support that the stockholder satisfies the requisite stock ownership threshold and holding period; and (b) as to the proposed

nominee, the name, age, business and residence addresses, principal occupation or employment, the number of shares of the Company's common stock held by the nominee, a resume of his or her business and educational background, the information that would be required under the rules of the Securities and Exchange Commission ("SEC") in a proxy statement soliciting proxies for the election of such nominee as a director, and a signed consent of the nominee to serve as a director, if nominated and elected. In order to be considered, a stockholder recommendation for nomination with respect to an upcoming annual meeting of stockholders must be received by the Chair of the Corporate Governance and Nominating Committee by a date not later than the 120th calendar day before the first anniversary of the date of the Company's proxy statement released to stockholders in connection with the previous year's annual meeting; provided, however, that if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 30 days after such anniversary date, the recommendation by such stockholder to be timely must be so delivered within a reasonable time before the Company begins to print and mail its proxy materials.

4. A majority of the full Board shall consist of independent directors. A director shall qualify as independent if (a) the Board affirmatively determines that the director has no material relationship with the Company other than in such person's capacity as a director and (b) the director is not otherwise considered non-independent according to the Corporate Governance Rules of The NASDAQ Stock Market LLC ("NASDAQ"). The Board shall be entitled to consider all relevant facts and circumstances, including the director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, in making its determination as to the independence of a director. Members of the Company's Audit Committee and Compensation Committee shall also meet the NASDAQ's and any other applicable independence criteria for audit committee members and compensation committee members, respectively.

5. Each director is expected to promptly disclose to the Board any material changes in his or her relationships or circumstances that such director believes may affect the director's designation as independent as to general board service or service on a particular committee. The Corporate Governance and Nominating Committee shall at the time of each director's initial disclosures, and upon any further disclosures, review with the Board such director's relationships and circumstances that may impact independence. The Corporate Governance and Nominating Committee shall also periodically monitor the composition of the Board in order to comply with the NASDAQ's standards and these Guidelines.

6. Members of the Board are expected to limit the number of other companies on whose boards they serve to a number that allows them to responsibly carry out their duties to the Company and such other companies. Each director shall disclose to the Chairman of the Board and the Chair of the Corporate Governance and Nominating Committee such other board memberships prior to accepting any such director memberships. Members of the Audit Committee may not serve on the audit committees of more than two additional public companies other than the Company.

7. The Board selects from among its members the Chairman of the Board. The Board also elects the Chief Executive Officer (the "CEO"). The Board has no formal policy on separation of the offices of Chairman of the Board and CEO, but generally believes that decisions regarding whether to combine or separate the Chairman and CEO positions should be

made in the context of creating long-term stockholder value. When the Chairman of the Board and the CEO are the same individual, or when the Chairman of the Board otherwise does not qualify as independent according to the standards set forth in paragraph four, the Board shall select from among its members a lead independent director (the "Lead Independent Director") with such duties as delegated to him or her by the Board.

8. Each director shall tender his or her resignation from the Board if his or her principal employment or occupation shall materially change. The Board may accept or reject such tendered resignation based upon its evaluation (and the recommendation with respect thereto made by the Corporate Governance and Nominating Committee) of all the facts and circumstances surrounding such change in employment or occupation and the Board's evaluation of the ongoing qualifications of the director to serve on the Board after giving effect to such change.

9. In accordance with the Company's Bylaws, if none of the Company's stockholders provides the Company notice of an intention to nominate one or more candidates to compete with the Board's nominees in a director election, or if the Company's stockholders have withdrawn all such nominations on or prior to the tenth day preceding the date the Company mails its notice of meeting to stockholders, a nominee must receive more votes cast "FOR" than "AGAINST" his or her election or re-election in order to be elected or re-elected to the Board. The Board shall nominate for re-election as directors only incumbent candidates who tender, prior to the mailing of the proxy statement for the annual meeting at which they are to be re-elected as directors, irrevocable resignations that will be effective upon (i) the failure to receive such required vote at any annual meeting at which they are nominated for re-election and (ii) the acceptance by the Board of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, at or prior to the time of their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Guideline. If a nominee fails to receive the required vote and is an incumbent director, the Corporate Governance and Nominating Committee (or such other committee as the Board may appoint) shall make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board shall act on the tendered resignation, taking into account the recommendation of such committee, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation within ninety days from the date of the certification of the election results. The Corporate Governance and Nominating Committee (or such other committee as the Board may appoint) in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant, including whether the acceptance of any resignation would cause the Company to fail to comply with any requirement of the NASDAQ or any rule or regulation promulgated under the Securities Exchange Act of 1934. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. If such incumbent director's resignation is not accepted by the Board, the director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board, then the Board, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board.

**Article III**  
**Executive Sessions of the Board**

To promote open discussion among the independent directors, the independent directors shall have regularly scheduled meetings at which only independent directors are present, which shall occur at least twice per year, in conjunction with regularly-scheduled Board meetings. The Chairman of the Board (or, if appointed, the Lead Independent Director) shall preside at these executive sessions. Any independent director may request that an executive session of the independent members of the Board be scheduled. Following such meetings, the Chairman of the Board (or, if appointed, the Lead Independent Director) will discuss with the CEO, to the extent appropriate, matters emanating from the executive sessions.

**Article IV**  
**Board Access to Management and Advisors**

Directors shall have full access to the management of the Company and, to the extent necessary and appropriate to perform their obligations, to independent advisors. Meetings or communications with management and retention of independent advisors should ordinarily be arranged through the Chairman of the Board or, if appropriate, the Chairman of the Corporate Governance and Nominating Committee of the Company.

**Article V**  
**Director Compensation**

1. Non-employee directors shall receive cash and/or stock based compensation for their service on the Board and on committees that is competitive with the practices of similarly situated companies in the gaming industry, taking into account the particular duties and responsibilities applicable to the Company. The Board, either directly or through delegation to either the Corporate Governance and Nominating Committee or the Compensation Committee, will periodically review its compensation policies for directors and committee members.
2. Any substantial charitable contributions made by the Company to organizations in which a director is affiliated, and any Company consulting contracts with, or other indirect forms of compensation to, a director, shall be disclosed to the Board so that it may evaluate such matters when determining the form and amount of director compensation and the independence of directors.
3. The Company will not make any personal loans or extensions of credit to directors or executive officers except in accordance with applicable law.

**Article VI**  
**Director Orientation and Continuing Education**

Directors are responsible for maintaining the necessary level of business and financial expertise and familiarity with the gaming industry and the Company's business to enable them to perform their responsibilities. The Company may offer programs or materials to, or approve attendance at relevant conferences for, the directors from time to time to assist them in maintaining the appropriate level of expertise.

**Article VII**  
**Management Succession**

1. The Board shall review the performance of the CEO periodically, taking into account, among other things, the CEO's individual performance and the performance of the Company in meeting its business goals.
2. The Board shall review annually with the CEO short-term and long-term management succession plans, including plans for interim succession in the event of an unexpected occurrence.

**Article VIII**  
**Evaluation of the Board and Committees**

1. The Board, with the assistance of the Corporate Governance and Nominating Committee, shall perform an annual evaluation of the effectiveness and contribution to the Company of the Board and its committees.
2. Each committee shall undertake the same evaluation process as the Board, with comments being provided to the chair of such committee.

**Article IX**  
**Stockholder Communications**

Stockholders may communicate directly with the Board of Directors, the Chairman of the Board, the Chair of any committee, or the non-management directors as a group about matters of general interest to stockholders by writing to the Company's Secretary. The Secretary will forward these communications as directed.

**Article X**  
**Amendments to Guidelines**

The Corporate Governance and Nominating Committee shall review these Guidelines from time to time and at least once annually to assure compliance with applicable laws and regulations. If necessary or appropriate, the Corporate Governance and Nominating Committee shall recommend amendments to the Guidelines for approval by the Board.