DIVERSE APPROACH

Gaming companies that stressed diversity throughout the enterprise scored high in this year’s review of the industry’s best boardrooms

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ROARING AHEAD

This year’s ranking of gaming’s best boards emphasized diversity, clearing the way for MGM Resorts to capture the top spot

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What value do you place on diversity in the workplace? Well, when it comes to company boards and corporate governance within the gaming industry, it can mean the difference between a business with good PR that is operating on all cylinders and one with a bad public image that is just sputtering along.

AETHOS Consulting Group evaluates corporate governance practices and, in partnership with Casino Journal, has determined and reported on the gaming industry’s top boards for more than a decade. This annual study closely examines board makeup, independence, committee structure and executive pay-for-performance in determining a governance score for each company.

As in past years, this gaming board ranking explored the following five areas of corporate governance:

- Size, makeup, independence and diversity of the board;
- Committee structure, number of meetings and effectiveness;
- Extent of related party transactions;
- Board self-evaluation and communication; and
- Pay-for-performance models for board and executive pay.
There is one difference from previous studies however: this year’s report emphasizes the importance of diversity at the board level, and we have given it added importance in our scoring system. For longtime readers of this study, that means the top point total a company can reach is now 45 points.

Another item to keep in mind with this year’s report: corporate consolidation narrowed the playing field in this year’s study. In total, 26 companies were evaluated, a decrease from 32 in last year’s analysis. Scientific Games bought WMS Gaming, Bally Technologies gobbled up SHFL entertainment, GameTech reorganized, and so on.

**MGM RISES TO THE TOP**

Fewer participants does not detract from the noteworthy performances of some gaming boards this year. Indeed, MGM Resorts International took the top spot in this year’s study, moving up from third place for the prior year and eighth place the year before that. We were impressed that MGM had a section of their proxy related to board diversity and their rationale for board composition. In fact, MGM was the only company to do so. MGM Resorts has set a new standard for excellence in corporate governance practices, and we applaud James Murren and the entire MGM board of directors for their diligence in corporate governance.

Pinnacle Entertainment also had a strong move in governance standards, rising to second place from ninth in the prior year. Other companies appearing in the study’s top five rankings include Ameristar Casinos (third), and MTR Gaming and Nevada Gold & Casinos (tied for fifth).

On the gaming vendor front, Multimedia Gaming was the top finisher, placing fourth. Table games supplier Gaming Partners International was sixth, while machine giants International Game Technology (IGT), Scientific Games and Bally Technologies all finished tied for seventh, with 32 points apiece.

**SIZE AND MAKEUP**

The examination of chairmanship in gaming demonstrates that two-thirds of companies continue to have a chairman who is not considered “independent.” In one-third of these companies, the role of lead director has been assigned to a completely independent board member. A step in the right direction; but we would like to see a complete separation of chairman and CEO responsibilities.

Half of the companies had boards comprised of an odd number of directors; between five and 11, a range that experts consider to be optimal. This percentage was unchanged over last year, although we anticipate an improvement in this area in 2014 based on several companies, such as Carnival, decreasing their board size.

Other aspects of board make-up include the number of truly independent vs. insider members (half the companies had boards comprised of 25 percent or fewer insiders) and length of term (just over half of the companies put the entire
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委员会结构
证券交易委员会（SEC）要求公共公司董事会拥有以下四个委员会：审计、薪酬、治理和提名。如前所述，前一年，六家公司获得了该领域的满分。委员会的会议数量基本保持不变，但平均每次审计委员会会议和一个提名和治理委员会会议。这些委员会在管理中扮演着重要角色，因为它们的会议记录可能有助于理解要求在章程声明中所需的股东利益。管理应适当且符合股东的最佳利益。本文本的题为“治理和沟通”，就内部董事会运作的有效性、董事的薪酬、治理和沟通。这是一个好事情。

交易与相关方
此“与相关方的交易”类别考察利益冲突。可能由于公司内部人或董事会成员正在与公司内部人或董事会成员处理业务，而使公司按其他方式受到损害。如果相关方交易是存在的，公司应得零分。在这一领域中，虽然没有这些“相关交易”在市场价“股东是怀疑的一群人。它表明，大多数公司正在处理这些交易的股东，并且这是一个好事情。

评价与沟通
问题涉及内部董事会运作的有效性，包括董事会的评价和沟通。股东的评价和沟通。董事会成员的评价和沟通。这是一个好事情。