

**CHARTER OF THE
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
CAESARS ENTERTAINMENT, INC.
AS ADOPTED BY THE BOARD ON JANUARY 23, 2004**

Purpose

The Nominating and Corporate Governance Committee (the "Committee") of the Board of Directors (the "Board") of Caesars Entertainment, Inc. (the "Company") shall have responsibility for, among other things, new director and Board committee nominations, evaluation of the Board and management, and corporate governance.

Membership

The Committee shall be comprised of three or more directors who qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE").

The members of the Committee shall be appointed by the Board at the first meeting of the Board to be held following the annual meeting of the stockholders and shall serve one-year terms. Vacancies on the Committee shall be filled by majority vote of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the Independent Directors then in office.

Procedural Matters

The Committee shall fix its own rules of procedure, which shall be consistent with the amended and restated by-laws of the Company (the "By-laws"), the restated certificate of incorporation of the Company (the "Certificate of Incorporation") and this charter (the "Charter"). The Committee shall meet as provided by its rules, which shall be at least annually or more frequently as circumstances require. The Committee shall, to the extent it deems necessary or appropriate, report regularly to the Board. Following each of its meetings, the Committee shall deliver to the Board a report, including a description of all actions taken by the Committee at the meeting. The Committee shall designate one member of the Committee as its Chairperson. The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee. The Committee may form and delegate authority to subcommittees when appropriate. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee may request any officer or employee of the Company, the Company's outside counsel, or any other persons whose advice or counsel are sought by the Committee to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Authority and Responsibilities

The Committee shall have the following goals and responsibilities with respect to Board candidates and nominees:

- To establish, as the Committee deems appropriate, a policy on considering potential director nominees recommended by stockholders and procedures for stockholders to follow in submitting recommendations for potential director nominees.
- To establish procedures for identifying potential director nominees and evaluating the suitability of potential director nominees either identified by the Board or proposed by management or stockholders.
- To recommend that the Board select the director nominees for election by the stockholders or appointment by the Board, as the case may be, which recommendations shall be in accordance with the corporate governance guidelines.
- To establish, as the Committee deems appropriate, specific qualifications that a potential director nominee must meet for the Committee to recommend that the Board select such individual as a director nominee.
- To establish, as the Committee deems appropriate, specific qualities or skills that one or more of the Company's directors must possess.
- To establish, as the Committee deems appropriate, standards for the overall structure and composition of the Board.
- To make recommendations to the Board with respect to the assignment of Board members to the various committees and the size and composition of such committees.

The Committee shall be responsible for overseeing the evaluation of the whole Board, including the committees of the Board, and the management, including the Chief Executive Officer. The Committee shall establish procedures and take any other steps necessary to allow it to exercise this oversight function.

The Committee shall, with respect to corporate governance, develop and recommend to the Board a set of corporate governance guidelines for the Company, which shall be consistent with any applicable laws, regulations and listing standards. The Committee shall review periodically, and at least annually, the corporate governance guidelines adopted by the Board to assure that they are appropriate for the Company and recommend any desirable changes to the Board. The Committee shall also consider any other corporate governance issues that arise from time to time and develop appropriate recommendations for the Board. At a minimum, the corporate governance guidelines developed and recommended by the Committee shall address the following.

- Director qualification standards, which shall reflect at a minimum the independence requirements of the NYSE, director tenure, retirement and succession, and the number of corporate boards on which a director of the Company may serve.
- Director responsibilities, including duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.
- Director access to management and, as necessary and appropriate, independent advisors.
- Director compensation, including principles for determining the form and amount of director compensation, and for reviewing those principles, as appropriate.
- Director orientation and continuing education.
- Management succession, including policies and principles for the selection and performance review of the chief executive officer, as well as policies regarding succession in the event of an emergency or the retirement of the chief executive officer.
- Annual self-evaluation of the Board to determine whether the Board and its committees are functioning effectively.

In fulfilling its goals and responsibilities, the Committee may (i) conduct or authorize, at the Company's expense, investigations or studies as the Committee deems necessary and (ii) retain, at the Company's expense, such independent counsel or other advisers, including search firms to identify director candidates, as the Committee deems necessary. The Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates. The Committee shall also have the sole authority to approve the search firm's fees and other retention terms.

The Committee shall, on an annual basis, evaluate its performance under this Charter by reviewing at least the information and recommendations presented by the Committee to the Board and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner. The Committee shall annually review and assess the adequacy of the Charter and recommend any proposed changes to the Board for approval.