

RIVIERA HOLDINGS CORPORATION

GOVERNANCE POLICIES

The Board of Directors of RIVIERA HOLDINGS CORPORATION (the "Company") has adopted these policies to reflect the commitment by the Company to the highest standards of corporate governance, to comply with American Stock Exchange and other legal requirements and to provide guidance on matters of corporate governance. The Board of Directors will periodically review and reassess these policies. These policies will be made available to stockholders, investors and the general public through publication on the Company's website at www.theriviera.com.

I. AUTHORITY AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors, which is elected by the Company's stockholders, is the ultimate decision making body of the Company, except with respect to matters reserved to the shareholders. The Board will consider all major decisions of the Company. However, the Board has established the following standing Committees so that certain important areas can be addressed in more depth than may be possible in a full Board meeting: Audit Committee and Compensation Committee and Nominating Committee.

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors are entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors are also entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Incorporation, Bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's Certificate of Incorporation.

The Board of Directors selects the Chief Executive Officer and certain other members of the executive management of the Company, who are charged with managing the Company's business. The primary function of the Board of Directors is, therefore, oversight - defining and enforcing standards of accountability that enable management to execute their responsibilities fully and in the interests of the Company's stockholders.

Consistent with this division of authority, the primary responsibilities of the Board of Directors and its committees include:

A. Overseeing the conduct of the Company's business to determine whether it is being effectively managed, including through regular meetings of the non-management Directors without the presence of management; evaluating the performance of the Company and its senior management; and selecting, regularly evaluating, and fixing the compensation of the Chief Executive Officer and other members of executive management as it deems appropriate;

B. Monitoring fundamental operating, financial and other corporate strategies, as well as major plans and transactions;

C. Providing advice and counsel to the Chief Executive Officer and other executive management of the Company;

D. Overseeing management in an effort to ensure that the assets of the Company are safeguarded through the maintenance of appropriate accounting, financial and other controls, and that the business of the Company is conducted in compliance with applicable laws and regulations and the highest ethical standards; and

E. Evaluating the overall effectiveness of the Board of Directors, as well as selecting and recommending to stockholders qualified candidates for election to the Board of Directors.

These Corporate Governance Policies are intended to embody the principles by which the Board of Directors operates in a single, formal document. These policies are not intended to be a code of regulations, but rather a statement of intention. The Board of Directors in its discretion may amend this document from time to time.

II. SELECTION AND COMPOSITION OF THE BOARD OF DIRECTORS

Board Member Criteria and Election

The Board as a whole comprises the Nominating Committee for nominations of directors. The Board of Directors may receive recommendations for Board candidates from various sources, including the Company's directors, management and stockholders. In addition, the Board may engage an independent executive search firm to assist in identifying qualified candidates.

The Board will review all recommended candidates in the same manner regardless of the source of the recommendation. Recommendations from public stockholders should be in writing and addressed to: Corporate Secretary, RIVIERA HOLDINGS CORPORATION, 2901 Las Vegas Boulevard South, Las Vegas, Nevada 89109, and must include the proposed candidate's name, address, age and qualifications together with the information required under federal securities laws and regulations. Such communication must be received in a timely manner and also include the recommending stockholder's name address and the number of shares of the Common Stock, and the length of time, beneficially held.

The Company's Directors should be individuals with substantial accomplishments in their professional backgrounds, and should be leaders in the companies or institutions with which they are affiliated. They should be able to make independent, analytical inquiries and should exhibit practical wisdom and mature judgment. Directors are expected to possess the highest personal and professional ethics, integrity and values, and should be committed to promoting the long-term interests of the Company's stockholders.

The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience. The Board will review, on an annual basis, the composition of the Board in light of the characteristics of financial acumen, general business experience, industry knowledge, diversity, special business experience and expertise, leadership abilities, high ethical standards, independence, interpersonal skills, and overall effectiveness.

Affiliations of Directors

It is the responsibility of each Director to advise the Corporate Secretary or the Chairman of the Board of any significant change in personal circumstances or any affiliation with public or privately held commercial enterprises that may create a potential conflict of interest, potential embarrassment to the Company or possible inconsistency with the Company's policies or values.

III. BOARD STRUCTURE

Number of Directors

The Bylaws of the Company provide that the Board of Directors shall not exceed ten (10) members, with the exact number being determined from time to time by resolution of the Board. Any vacancy (whether because of death, resignation, disqualification or an increase in the number of directors) may be filled by the vote of a majority of the remaining directors.

Board Leadership

The Board selects from among its members the Chairman of the Board. The Board also elects the Chief Executive Officer of the Company. The by-laws of the Company provide that the Chairman of the Board shall be the Company's Chief Executive Officer.

Executive Sessions

The Audit Committee, which is comprised of at least three independent members of the Board, will meet in regularly scheduled executive sessions without management. Executive sessions of the Audit Committee will be chaired by the Chairman of the Audit Committee.

Board Committees

Pursuant to the Company's Bylaws, the Board of Directors may establish various committees through which it may perform its duties. In addition, the AMEX and the federal securities laws mandate the establishment of certain committees. The principal standing committees of the Board of Directors are, the Audit Committee, and the Compensation Committee. The general purposes and responsibilities of the Audit Committee are set forth in the Company's Bylaws. In addition, the Audit Committee has a charter that has been approved by the Board. The Company's Bylaws and the charter of the Audit Committee are available on the Company's website at www.theriviera.com. New committees may be formed from time to time as necessary or appropriate in the judgment of the Board, either as standing or adhoc committees.

The Chairperson of each committee, who is appointed by the Board of Directors, shall report on the activities of the committee to the Board of Directors no less frequently than at each meeting of the Board of Directors.

The responsibilities and duties of the standing committees are as follows:

Audit Committee. The Audit Committee has the authority, powers, duties and responsibilities set forth in the Company's Bylaws and the Audit Committee Charter. The Audit Committee Charter is designed to meet all the requirements imposed by all laws and regulations, including, without limitation, the rules of the Securities and Exchange Commission (the "SEC") as well as the rules and regulations of the AMEX.

The Audit Committee is currently comprised of three members, each of whom is financially literate in the judgment of the Board, and at least one of who must be designated by the Board as an "Audit Committee Financial Expert," as required by the AMEX rules and federal securities laws and regulations. Each member of the Audit Committee must be "independent" under the rules of the AMEX and the SEC and free of any relationship that, in the business judgment of the Board, would interfere with the exercise of independent judgment with respect to the Company and its management.

The Audit Committee meets as frequently as necessary to carry out its responsibilities, but no less than once every fiscal quarter.

Compensation and Stock Option Committee. The Compensation and Stock Option Committee (the "Compensation Committee") approves the compensation arrangements for senior executives. The Compensation Committee has the responsibility for the design, approval, evaluation and administration of (i) the Company's compensation plans, programs and policies (including the granting of stock options to employees of the Company) and (ii) certain of the Company's benefit plans, programs and policies. The Compensation Committee also prepares annually the Report on Executive Compensation for inclusion in the Company's Proxy Statement for the Annual Meeting of Stockholders. The Compensation Committee meets as necessary to carry out its responsibilities.

IV. BOARD OPERATIONS.

Director Orientation and Continuing Education

Each new Director has available to him / her information containing appropriate background material on the Company, including copies of its Certificate of Incorporation and Bylaws, recent SEC filings, a memorandum on federal securities laws applicable to Directors, a summary of indemnification provisions and directors and officers liability insurance as well as other information deemed relevant.

In addition, each Director is afforded the opportunity to meet with members of the senior management of the Company, visit the Company's facilities and consult with independent advisors as necessary or appropriate. Directors are expected to undertake such continuing education, as they deem necessary to properly perform their duties.

Frequency of Meetings

The Board of Directors meets no less than once every fiscal quarter. The Chairman of the Board, in consultation with management and the chairperson of each committee, prepares an annual schedule of the regular meetings of the Board and the Board's standing committees. This schedule is presented to the full Board for approval.

Meeting Agenda

The Chairman of the Board, in consultation with the appropriate members of management, and subject to input from the other members of the Board of Directors, establishes the agenda for each Board meeting.

The chairperson of each committee, in consultation with the other members of the committee and the appropriate members of management, establishes and/or approves the agenda for each committee meeting.

Unless otherwise provided in the charter of a committee, topics that are typically addressed by a committee may be addressed instead by the full Board, as determined by the chairperson of the relevant committee in consultation with the Chairman of the Board.

Meeting Material Distributed in Advance; Other Information

In general, voluminous information that is important to the Board's or committee's understanding of the matters to be discussed at each meeting will, to the extent practicable, be distributed in writing to the Board or committee members a reasonable amount of time before the Board or committee meets so that meeting time may be conserved and discussion time focused on questions that the Directors have about the materials. Directors are expected to review meeting materials prior to the meeting. Management will seek to ensure that the information is complete and accurate, while making every attempt to see that this material is as concise as possible.

Meeting Attendance

Directors are expected to attend each meeting of the Board of Directors and of each committee of which the Director is a member. Directors are expected to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Although the Company's Bylaws authorize members of the Board and committee members to participate in and act at a meeting through the use of telephonic or other communication equipment, the personal attendance of Directors at such meetings is preferred. All decisions of the Board or any committee shall be determined by an affirmative vote of the majority of members in attendance. A quorum of the Board or the committee, as the case may be, shall be established when a majority of the members are present or otherwise participating. Any action to be taken at any meeting of the Board or any committee may be taken without a meeting, if all members of the Board or the committee, as the case may be, consent thereto in writing and such writing or writings are filed with the meeting minutes.

Minutes

The Secretary of the Company shall record minutes of all meetings of the Board of Directors. In the absence of the Secretary, the Chairman of the Board, as the case may be, may designate any Director or outside counsel to record such minutes. The person appointed for such purpose by the Chair of such committee shall prepare minutes of the meetings of each other committee. The minutes of each meeting of the Board and its committees shall be filed, together with actions by unanimous written consent, by the Secretary, with the official records of the Company.

Attendance of Non-Directors at Board Meetings

The Chairman of the Board may invite members of senior management to attend Board or committee meetings. Such members of senior management may include individuals who can provide additional insight into the items being discussed because of personal involvement in those areas.

Director Compensation

The Company believes that director compensation should be reasonable in light of what is customary for companies of similar size, scope and complexity and should reflect the time, effort and expertise required of directors to adequately perform their duties. Such compensation is currently comprised of a cash component as well as an opportunity to participate in the Company's future growth prospects through stock options. Such compensation arrangements are reviewed from time-to-time by the Company's management in light of the foregoing considerations, with any changes in compensation to be approved by the Board. Currently, each Board member who is not an employee of the Company receives an annual retainer, paid quarterly an annual award of stock options and reimbursement of all expenses incurred in attending meetings of the Board and any committees on which he or she may serve. The Chairman of the Audit Committee receives a higher fee than the other non-employee Board members.

The Board has adopted a policy on benefits available to Directors which provides for a limited number of complimentary event tickets at the Company's properties for the personal use of Directors and their spouses or significant others, as well as complimentary rooms, food and beverages for directors and their spouses or significant others when staying at a Company properties on Company business.

Stockholder Communications with the Board

The Board of Directors has established a process for stockholders to communicate with members of the Board, including the non-management directors and the Presiding Director. All such communications shall be in writing and shall be addressed to: Corporate Secretary, RIVIERA HOLDINGS CORPORATION, 2901 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

All inquiries are reviewed by the corporate Secretary, who forwards to the Board a summary of all such correspondence and copies of all communications that he or she determines requires their attention. Matters relevant to other departments of the Company are directed to such departments with appropriate follow-up to ensure that inquiries are responded to in a timely manner. Matters related to accounting, auditing and/or internal controls are referred to the Chairman of the Audit Committee and included in the report to the Board, together with a report of any action taken to address the matter. The Board or the Audit Committee, as the case may be, may direct such further action as it deems necessary or appropriate.

Code of Conduct

The Company has previously adopted a Code of Conduct and Ethics and Conflict of Interest Policy (the "Code of Conduct") that applies to all of the Company's directors and officers and to certain of its employees, including the Company's Chief Executive Officer and the Company's Chief Financial Officer (who is also the Company's principal accounting officer). In addition, the Code of Conduct applies to all personnel of the Company and its operating subsidiaries at the Managers or more senior level, all accounting and finance personnel, and those personnel serving in such other categories as the Company designates from time to time. For all other personnel that are not expressly subject to the Code of Conduct, the Company has comparable policies and procedures set forth in the Employee Handbooks of the Company's operating subsidiaries. The Code of Conduct establishes policies and procedures that the Board believes promote the highest standards of integrity, compliance with the law and personal accountability. The Company's Code of Conduct is posted on the Company's website at www.theriviera.com and is provided to all new directors, new officers and certain new employees and distributed annually to all directors, officers and certain employees of the Company, each of whom is required to acknowledge in writing his or her receipt and understanding thereof and agreement to adhere to the principles contained therein. The Company periodically evaluates the Code of Conduct to ensure that it conforms to applicable laws and best practices.

Conflict of Interest/Recusal

A Director's business or personal relationships may occasionally give rise to material personal interest on a particular issue that conflicts, or appears to conflict, with the interests of

the Company. The Board of Directors, after consultation with counsel, will determine on a case-by-case basis whether an actual or apparent conflict of interest exists. The Board will take appropriate steps to identify such potential conflicts to ensure that all Directors voting on an issue are disinterested with respect to that issue. In appropriate cases, the Director with a conflict will recuse himself or herself from the discussion and the voting process at the Board or committee meeting in question.

Assessing the Board's Performance

The Board of Directors will establish procedures to, at least annually, evaluate its performance and effectiveness, reviewing, among other things, the Board's composition, access to and review of management and adequacy of the Corporate Governance Policies. Each standing committee shall establish procedures to conduct a similar evaluation of the performance and effectiveness of each such committee and each such committee shall report the results of its performance evaluation to the Company's Board of Directors.

Evaluation and Management Succession

As an ongoing process, the non-management members of the Board will evaluate the performance of the Chief Executive Officer based on such criteria as it deems appropriate, which may include such factors as (i) the overall performance of the Company's business, (ii) the progress toward the achievement of the Company's long-term strategic objectives, (iii) the development of a strong management team, and (iv) the development and maintenance of a corporate culture that sets high standards of performance, accountability and ethical behavior. The results of the evaluation shall be reported to the Company's Chief Executive Officer by the Presiding Director or such other non-management members of the Board of Directors as selected by the Presiding Director from time to time.

The Board is also responsible, in consultation with the Chief Executive Officer for establishing such formal and informal policies and procedures as it deems appropriate regarding succession in the event of the retirement, death, incapacity, emergency or other eventuality with respect to the Chief Executive Officer.