

**INTERNATIONAL GAME TECHNOLOGY  
CORPORATE GOVERNANCE GUIDELINES**

**Amended as of August 22, 2011**

## **CORPORATE GOVERNANCE GUIDELINES**

### **INTRODUCTION**

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of the Company to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing shareholder value over the long term. The Guidelines are subject to modification from time to time by the Board.

### **BOARD SIZE AND INDEPENDENCE**

The by-laws provide that the Board will have not less than 6 nor more than 11 members. The Board will fix the exact number of directors at any time after considering the recommendation of the Nominating and Corporate Governance Committee.

A majority of the directors shall be independent. For a director to be independent, the Nominating and Corporate Governance Committee must affirmatively determine that an individual is independent, taking into account any applicable regulatory requirements (including the requirements set forth in Rule 303A.02 of the New York Stock Exchange) and such other factors as such Committee may deem appropriate.

### **BOARD MEMBERSHIP**

The Nominating and Corporate Governance Committee has the responsibility for identifying and recommending to the Board individuals to serve as directors of the Company. Prior to making its recommendations for new board members, such Committee shall discuss the qualifications of the individuals being considered with other directors and with the Chief Executive Officer of the Company. In considering possible candidates for election as a director, the Committee should be guided by the following principles: (a) each director should be an individual of high character and integrity; (b) each director should be accomplished in his or her respective field, with superior credentials and recognition; (c) each director should have relevant expertise and experience, and be able to offer advice and guidance to management based on that expertise and experience; (d) each director should have sufficient time available to devote to the affairs of the Company; (e) each director should represent the long-term interests of the stockholders as a whole; and (f) directors should be selected such that the Board represents a diversity of background and experience.

The Nominating and Corporate Governance Committee shall consider all director nominations annually.

### **RESPONSIBILITIES OF THE BOARD**

Each member of the Board shall have the responsibility to exercise his or her business judgment in good faith and in a manner that he or she reasonably believes to be in the best interests of the Company and will endeavor to enhance the long-term value of the company for

its stockholders. The Board shall conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively.

### LEAD INDEPENDENT DIRECTOR

If the Chairman of the Board is not an independent director under the listing standards of the New York Stock Exchange, the non-management directors shall select one of the independent, non-management directors serving on the Board as the Lead Independent Director. The Lead Independent Director shall be responsible for coordinating the activities of the other non-management directors and shall have such other responsibilities as are specified by the Board or the non-management directors from time to time. If the Chairman of the Board is an independent director under the listing standards of the New York Stock Exchange, the responsibilities of the Lead Independent Director will be assumed by the Chairman.

### BOARD MEETINGS

The Board shall meet at least quarterly and may meet more frequently if the Chairman deems it appropriate. Members of the Board are expected to attend at least 75% of these meetings. Directors should review carefully information distributed to them prior to Board and committee meetings. Each director should make every reasonable effort to be reasonably available to management and the other directors for consultation between meetings.

Non-management directors shall meet without management in regular executive sessions at each Board meeting. Meetings of the non-management directors shall be chaired by the Chairman of the Board or by the Lead Independent Director if the Chairman of the Board is not an independent director under the listing standards of the New York Stock Exchange.

### BOARD COMMITTEES

The Board utilizes an active committee structure. The Committees are the Audit, Compensation, Nominating and Corporate Governance, and Capital Deployment Committees, each of which is to be chaired by, and comprised entirely of, independent directors.

### COMMITTEE ASSIGNMENTS

The Nominating and Corporate Governance Committee is charged with recommending committee assignments to the Board each year. In developing these recommendations, it takes into account the background and experiences of the individual members of the Board and the desirability of rotating assignments in appropriate situations. Director's compensation must be the sole remuneration from the Company for members of the Audit, Compensation, Nominating and Corporate Governance, and Capital Deployment Committees.

### BOARD AND COMMITTEE AGENDA

The Chairman of the Board, with advice of the Lead Independent Director, if any, and senior management, develops the agenda for Board meetings. The Chairperson of the applicable committee, with advice of the Lead Independent Director, if any, and in consultation with the Chairman of the Board, sets the agenda for committee meetings. In general, time at Board

meetings should focus on strategic and major potential problem areas rather than on operational/reporting issues. The Board expects to receive candid and timely information on potential problems and be given an opportunity to discuss strategic decisions before they are made.

#### DIRECTOR ACCESS TO MANAGERS AND OUTSIDE ADVISORS

Each director may consult with any manager or employee of the Company or with any outside advisor to the Company at any time. If appropriate, it is expected that the director will inform the Chairman when significant issues are being discussed.

The Board, as well as each Committee of the Board, shall have the right to retain, at the Company's expense, such outside advisors as the Board or applicable Committee shall deem appropriate.

#### STRATEGIC PLANNING

The Board shall dedicate a substantial portion of one meeting per year to presentations by management and a discussion of the Company's strategic plan. The Board also expects management to periodically report to the Board on the Company's programs and actions to implement the strategic plan.

#### CONFIDENTIALITY AND NON-DISCLOSURE

Pursuant to their fiduciary duties of loyalty and care, directors are required to protect and hold confidential all non-public information obtained due to their directorship position ("Confidential Information") absent the express permission of the Board to disclose such information. Accordingly, no director shall use Confidential Information for his or her personal benefit or to benefit persons or entities outside the Company and no director shall disclose Confidential Information outside the Company, either during or after his or her service as a director of the Company, except with authorization of the Board or as may be otherwise required by law.

Confidential Information includes, but is not limited to, non-public information about the Company's financial condition, prospects or plans, its sales and marketing programs and research and development information, as well as information relating to mergers and acquisitions or other transactions with other companies, stock splits and divestitures. Confidential Information also includes non-public information about discussions and deliberations relating to business issues and decisions between and among management and the directors.

#### SUCCESSION PLANNING

Succession planning for the top positions in the Company shall be an agenda item for at least one Board meeting annually. The non-management members of the Board shall perform a performance review of the Company's Chief Executive Officer at least annually. The Compensation Committee should monitor issues associated with Chief Executive Officer succession and management development, and regularly report to the Board on them. This

should include issues associated with preparedness for the possibility of an emergency situation involving senior management, the long-term growth and development of the senior management team, and identifying the Chief Executive Officer's successor.

#### ORIENTATION AND CONTINUING EDUCATION

When a new director joins the Board, management will provide an orientation program to enable the new director promptly to gain an understanding of the Company and its industry. Each director is encouraged to participate in continuing education programs pertinent to service on the Board. If a new director has not previously served on the board of a publicly traded company, the new director will attend a continuing education program during the first year of service on the Board. To facilitate the participation in continuing education programs, the Company will provide a list of accredited programs annually and pay the expenses of one such program for each director each year. Additionally, each director is expected to take steps reasonably necessary to be adequately informed about the Company and external matters affecting it and to enable the director to function effectively on the Board and committees on which the director serves.

#### BOARD COMPENSATION

Management should report periodically to the Nominating and Corporate Governance Committee about the status of Board compensation in relation to compensation paid by the other comparable companies. Director fees and benefits should be determined with appropriate reference to the fees and benefits for directors of comparable companies. A portion of each director's compensation should be in the form of Company equity. Changes in Board compensation, if any, should be approved by the Board upon recommendation of the Nominating and Corporate Governance Committee.

#### OUTSIDE DIRECTORSHIPS BY EXECUTIVE OFFICERS

Each director and executive officer shall advise the Board, through the Secretary of the Company, of all of his or her directorships in publicly held companies. The Board may limit the number of such directorships for any director or executive officer if it believes that they will interfere with the director's or executive officer's responsibilities to the Company.

#### CORPORATE GOVERNANCE POLICY ON MAJORITY VOTING

In an uncontested election of directors (that is, where the number of nominees is equal to the number of seats open), any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" at any meeting for the election of directors at which a quorum is present, such director shall promptly tender his or her resignation to the Nominating and Corporate Governance Committee (following certification of the stockholder vote) for consideration in accordance with the following procedures. Abstentions with respect to a director's election shall not be counted.

The Nominating and Corporate Governance Committee will promptly consider such resignation and will recommend to the Qualified Independent Directors (as defined below) the

action to be taken with respect to such offered resignation, which may include (i) accepting the resignation; (ii) maintaining the director but addressing what the Qualified Independent Directors believe to be the underlying cause of the withheld votes; (iii) determining that the director will not be renominated in the future for election; or (iv) rejecting the resignation. The Nominating and Corporate Governance Committee will consider all relevant factors including, without limitation, (i) the stated reasons why votes were withheld from such director; (ii) any alternatives for curing the underlying cause of the withheld votes; (iii) the tenure and qualifications of the director; (iv) the director's past and expected future contributions to the Company; (v) the Company's director criteria; (vi) the Company's Corporate Governance Guidelines (of which this policy is a part); and (vii) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet any applicable Securities and Exchange Commission or New York Stock Exchange requirement.

The Qualified Independent Directors will act on the Nominating and Corporate Governance Committee's recommendation no later than 90 days following the date of the stockholders' meeting when the election occurred. In considering the Nominating and Corporate Governance Committee's recommendation, the Qualified Independent Directors will consider the factors considered by the Nominating and Governance Committee and such additional information and factors the Board believes to be relevant. Following the Qualified Independent Directors' decision, the Company will promptly disclose in a Report on Form 8-K filed with the Securities and Exchange Commission the decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation).

To the extent that any resignation is accepted, the Nominating and Corporate Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to this provision will not participate in the Nominating and Corporate Governance Committee's recommendation or Qualified Independent Directors' consideration regarding whether or not to accept the tendered resignation. Prior to voting, the Qualified Independent Directors will afford the director an opportunity to provide any information or statement that he or she deems relevant. If a majority of the members of the Nominating and Corporate Governance Committee received a greater number of votes "withheld" from their election than votes "for" their election at the same election, then the remaining Qualified Independent Directors who are on the Board who did not receive a greater number of votes "withheld" from their election than votes "for" their election (or who were not standing for election) would consider the matter directly or may appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations that would make the recommendation to the Board whether to accept or reject them.

For purposes of this Policy, the term "Qualified Independent Directors" means:

- a. All directors who (1) are independent directors (as defined in accordance with applicable NYSE rules) and (2) are not required to offer their resignation in accordance with this policy.

- b. If there are fewer than three independent directors then serving on the Board who are not required to offer their resignations in accordance with this policy, then the Qualified Independent Directors shall mean all of the independent directors and each independent director who is required to offer his or her resignation in accordance with this policy shall recuse himself or herself from the deliberations and voting only with respect to his or her individual offer to resign.

This policy will be summarized or included in each proxy statement relating to election of directors of the Company.

CORPORATE GOVERNANCE POLICY ON CHANGE IN PERSONAL OR PROFESSIONAL STATUS

For purposes of this policy, a “Change in Status” means:

- a. Such director is arrested or charged with or convicted of a crime (excluding moving traffic violations and other minor offenses); or
- b. Such director is found not to meet the suitability requirements of any (1) Federal, state, or local gaming regulatory agency or board, (2) tribal official or organization, or (3) foreign government, or any such findings of suitability is revoked, suspended or conditioned at any time; or
- c. Such director takes any action or engages in any activity that demonstrates (1) poor judgment, (2) lack of character, integrity or accountability, or (3) otherwise results in, or could be reasonably expected to cause, material damage to the Company (or any of its affiliates); or
- d. Such director experiences a change in his or her principal occupation or business association, is appointed or elected to the board of directors of another company, resigns or otherwise ceases service as a member of the board of directors of another company, or who, in the judgment of either the Nominating and Corporate Governance Committee or the Board, experiences other changed circumstances that could pose a conflict of interest, materially diminish his or her effectiveness as a Board member, or is otherwise detrimental to the Company.

Upon any director experiencing a Change in Status, such director must promptly provide written notice to the Nominating and Corporate Governance Committee, which written notice shall set forth the details of such Change in Status, and tender his or her resignation to the Nominating and Corporate Governance Committee for consideration in accordance with the following procedures. The Nominating and Corporate Governance Committee will consider any such tendered resignation and, within sixty (60) days of learning of the Change in Status, will make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Nominating and Corporate Governance Committee will consider all factors deemed relevant by the members of the Committee including, without limitation, (a) the stated details of the Change in Status, (b) any alternatives for curing the Change in Status, (c) the tenure and qualifications of the director, (d) the director’s

past and expected future contributions to the Company, (e) the Company's director qualifications, (f) the Company's Corporate Governance Guidelines (of which this policy is a part), (g) the Company's regulatory requirements, and (h) the best interests of the Company and its stockholders.

The Nominating and Corporate Governance Committee will also consider a range of possible alternatives concerning the director's tendered resignation as the members of the Committee deem appropriate, which may include, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with the director's commitment to cure the Change in Status.

The Board will take formal action on the Nominating and Corporate Governance Committee's recommendation within sixty (60) days of receiving the recommendation. In considering the Committee's recommendation, the Board will consider the information, factors and alternatives considered by the Committee and such additional information, factors and alternatives as the Board deems relevant.

The director shall provide any additional information reasonably requested by, and otherwise cooperate with, the Nominating and Corporate Governance Committee and the Board in their investigation and deliberations of the Change in Status.

No director whose resignation, in accordance with this Policy, is required to be considered by the Board, shall participate in the Nominating and Corporate Governance Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director.

#### PERIODIC REVIEW

The operation of a Board of Directors is a dynamic and evolving process and so these Corporate Governance Guidelines need also to be periodically reviewed and revised. The Nominating and Corporate Governance Committee will review these Guidelines from time to time to ensure that they remain suitable for the needs of the Company. The Nominating and Corporate Governance Committee will recommend needed changes to the Board.

While no guidelines can cover each and every issue that may surface, we believe these principles set the proper tone for the operation of the Board and will assist us in fulfilling our obligations to the diverse group of owners and other stakeholders of the Company.