

Pinnacle

Entertainment®

CHARTER OF COMPENSATION COMMITTEE

I. Purpose

This Charter specifies the scope of the responsibilities of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Pinnacle Entertainment, Inc. (the "Company") and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary purpose of the Committee is to discharge the Board's responsibilities relating to compensation and benefits of the Company's executive officers and directors. In carrying out these responsibilities, the Committee shall review all components of executive officer and director compensation for consistency with the Committee's compensation philosophy as in effect from time to time.

II. Organization and Membership Requirements

The Committee shall consist of at least two directors and each member of the Committee shall be determined by the Board to meet the independence requirements of The NASDAQ Stock Market LLC (the "NASDAQ"). In addition, no director may serve unless he or she (i) is a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The members of the Committee shall be appointed by the Board based on the recommendation of the corporate governance and nominating committee. The members may be removed from the Committee by the Board. The Board shall appoint the Chair of the Committee. If the Board fails to appoint a Chair, the members of the Committee shall elect a Chair by majority vote.

The Committee may, to the extent permitted by applicable laws and regulations, form and delegate any of its responsibilities to a subcommittee, provided that the subcommittee consists of at least two members of the Committee.

III. Meetings

The Committee shall meet as often as it deems appropriate to review the compensation of the executive officers, directors and, if it chooses, other employees ("Team Members") of the Company, and otherwise perform its duties under this Charter. The Committee shall report regularly to the Board.

IV. Committee Advisers

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel (other than in-house counsel) or other adviser (individually, the "Committee Adviser" and collectively, the "Committee Advisers"). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Committee Adviser retained by the Committee. The Company shall provide for the appropriate funding, as determined by the Committee for payment of reasonable compensation to the Committee Adviser.

Except as otherwise provided under the listing standards of the NASDAQ, the Committee may select, or receive advice from, a Committee Adviser only after taking into consideration, all factors relevant to that person's independence from management, including:

- (a) The provision of other services to the Company by the person that employs the Committee Adviser;
- (b) The amount of fees received from the Company by the person that employs the Committee Adviser, as a percentage of the total revenue of the person that employs the Committee Adviser;
- (c) The policies and procedures of the person that employs the Committee Adviser that are designed to prevent conflicts of interest;
- (d) Any business or personal relationship of the Committee Adviser with a member of the Committee;
- (e) Any stock of the Company owned by the Committee Adviser; and
- (f) Any business or personal relationship of the Committee Adviser or the person employing the adviser with an executive officer of the listed company.

V. Committee Authority and Responsibilities

The Committee shall have the following duties and responsibilities and any others that may be appropriate to carry out its specified purposes or that are delegated to it by the Board from time to time.

1. Establish and review the overall executive compensation philosophy of the Company, including an annual review and selection of peer companies, and establish the Company's relative mix of pay elements and overall market positioning in relation to the peer companies.
2. Review and approve corporate goals and objectives, including annual performance objectives, relevant to compensation for the CEO and other executive officers, and evaluate the performance of the CEO and other executive officers in light of these goals and objectives, including as required under Section 162(m) of the Internal Revenue Code. The CEO and other executive officers shall not attend Committee or Board meetings discussing his or her evaluation. For purposes of this charter, "executive officers" are those individuals who have been designated by the Board as "officers" or "executive officers" for purposes of the federal securities laws, including Section 16(b) of the Securities Exchange Act of 1934, as amended.
3. Based on the evaluation of the performance of the CEO and other executive officers, determine, approve and report to the full Board the annual compensation of the CEO and other executive officers, including salary, bonus, stock options and other benefits, direct and indirect. In determining the long-term incentive component of the compensation of the CEO and other executive officers, the Committee shall consider, among other factors, (1) the Company's performance and relative stockholder return, (2) the value of similar incentive awards to CEOs and executive officers at comparable companies, and (3) awards given to the CEO and other executive officers in past years. When approving the compensation of the Company's named executive officers, the Committee also shall confer with independent members of the Board and consider their views in establishing such compensation. With respect to the CEO's annual compensation, the Committee shall obtain the approval from the Board (excluding the CEO).
4. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans when deemed appropriate.
5. Annually review and propose to the Board changes, if any, in director compensation.
6. Prepare the report of the Committee for inclusion in the Company's proxy statement as required by the rules of the Securities and Exchange Commission (the "SEC"), including preparing the disclosure required by Item 407(e)(5) of Regulation S-K.
7. Review and approve incentive-based or equity-based compensation plans (subject to ratification of the Board) in which the Company's executive officers and/or directors participate.
8. Administer the Company's incentive-compensation, stock option and other equity-based compensation plans.

9. Approve grants of awards of shares, share options or other equity units pursuant to the Company's incentive-compensation, stock option or other equity-based compensation plans. With respect to grants to the CEO of shares, share options or other equity units, the Committee shall obtain approval from the Board (excluding the CEO).
10. Approve, or recommend to the Board for approval when deemed appropriate, all employment, severance, or change-in-control agreements, special or supplemental benefits, or provisions including the same, applicable to executive officers. With respect to the CEO's employment, severance or change-in-control agreements, special or supplemental benefits, or provisions including the same, the Committee shall obtain approval from the Board (excluding the CEO).
11. Report to the Board as deemed necessary regarding the Committee's recommendations and activities or as the Board otherwise requests.
12. Perform an annual performance evaluation of the Committee and oversee the evaluation of management.
13. Perform such other activities consistent with this Charter, the Company's Bylaws, governing law and the rules of the NASDAQ and/or the SEC, as the Committee or the Board deems necessary or appropriate.
14. Review and reassess the adequacy of this Charter annually.