

## CAESARS ENTERTAINMENT CORPORATION

### STATEMENT OF BUSINESS PRINCIPLES AND POLICIES (updated as of January 31, 2012)

This Statement of Business Principles and Policies (the "Policy") contains general guidelines for conducting the business of the company consistent with the highest standards of business ethics, and the Board of Directors of Caesars Entertainment Corporation (with its subsidiaries, the "Company") has adopted the Policy with the intent that it qualify as a "code of conduct and ethics" for purposes of Rule 5610 of the Nasdaq Stock Market Listing Rules.

The Policy applies to all directors, officers and employees of the Company.

#### The Policy

*Conflicts of Interest.* Each director, officer and employee of the Company must fully disclose to the General Counsel or his or her Policy Contact (described below), or if the director, officer or employee does not feel comfortable reporting the conduct to the General Counsel or his or her Policy Contact or does not get a satisfactory response, to the Board of Directors, any situations, including situations involving immediate family members, that reasonably could be expected to give rise to a conflict of interest. A conflict of interest exists when a director, officer or employee's private interest, or the private interest of the family member of a director, officer or employee, interferes, or appears to interfere, in any way with the interests of the Company as a whole. The following are examples of situations (applicable to both a director, officer or employee, or a family member) that may present a conflict of interest:

- employment by, service as a director of, or the provision of any services to, a company that is one of our material customers, suppliers or competitors, or a company whose interests could reasonably be expected to conflict with our interests;
- receipt of personal benefits or favors (other than nominal benefits or favors) as a result of the director, officer or employee's position with the Company;
- a significant financial interest (ownership or otherwise)<sup>1</sup> in any company that is one of our material customers, suppliers or competitors; and
- any loan or guarantee of personal obligations from, or any other financial transaction with, any company that is one of our material customers, suppliers or competitors (other than loans from commercial lending institutions in the ordinary course of business).

While such situations are not automatically prohibited, they are not desirable and may only be waived in accordance with this Policy.

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<sup>1</sup> Examples of a significant financial interest include (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the director, officer or employee.

*Corporate Opportunities.* Directors, officers and employees of the Company owe a duty to the Company to advance its legitimate interests when the opportunity so arises. Directors, officers and employees are prohibited from taking (or directing to a third party) a business opportunity discovered through the use of the Company's property, information or position. In general, directors, officers and employees may not use corporate property, information or position for personal gain or compete with the Company (it being understood that ownership of a financial interest in a competitor that is not a significant financial interest, as defined above, does not constitute competing with the Company).

Any director, officer or employee that discovers a business opportunity that is in our line of business must first present the business opportunity to our Company before pursuing the activity in his or her individual capacity. If our Company waives our right to pursue the opportunity in accordance with this Policy, then the director, officer or employee may do so in his or her individual capacity.

*Confidentiality.* In the course of the Company's business, directors, officers and employees of the Company may gain confidential information, including non-public information that might be of use to competitors or harmful to the Company or its customers, if disclosed. Directors, officers and employees should maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated.

*Competition and Fair Dealing.* All directors, officers and employees of the Company are obligated to deal fairly with our customers, suppliers, competitors and employees. Directors, officers and employees will not take unfair advantage of any person or entity through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice.

*Company Records.* The executive officers of the Company are responsible for implementing policies that will ensure that all Company records are complete, accurate and reliable in all material respects. Company records include bookkeeping information, payroll, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business. All directors, officers and employees of the Company are responsible for understanding and complying with our document retention policy. Please refer to our document retention policy for more information about Company records.

*Accuracy of Financial Reports and other Public Communications.* Our policy is to promptly disclose information that is accurate and complete in all material respects regarding our business, financial condition and results of operations. Materially inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and cause legal liability.

Each director, officer or employee of the Company, to the extent involved in the Company's disclosure process, including the Chief Executive Officer, the Chief Financial Officer and the Chief Accounting Officer (the "Senior Financial Officers"), is required to be familiar with the Company's disclosure controls and procedures applicable to him or her so that the

Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee of the Company, to the extent involved in the Company's disclosure process, including without limitation the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.
- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.

The Senior Financial Officers are responsible for implementing and maintaining an adequate internal control structure and procedures for financial reporting, including without limitation disclosure controls and procedures. All directors, officers and employees of the Company should be on guard for, and promptly report, evidence of improper public reporting.

*Company Assets.* All directors, officers and employees of the Company should protect the Company's assets employed by or entrusted to them, and ensure their efficient and responsible use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

*Compliance with Laws and Regulations.* Each director, officer and employee of the Company has an obligation to comply with the laws of the cities, states and countries in which we operate. We will not tolerate any activity that violates any laws, rules or regulations applicable to us. This includes, without limitation, laws covering the gaming industry, commercial bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets.

*Compliance with Insider Trading Laws.* Directors, officers and employees of the Company are strictly prohibited from trading in our stock or other securities, or the stock or other securities of any other company, while in possession of material, nonpublic information about the Company or the other company. In addition, directors, officers and employees are strictly prohibited from recommending, "tipping" or suggesting that anyone else buy or sell our stock or other securities, or the stock or securities of any other company, while in possession of material, nonpublic information. For more information, please refer to our securities trading policy and procedures.

*Public Communications.* Our policy is to provide timely, materially accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. In connection with our public communications, we are required, and our policy is, to comply with Regulation FD (which stands for "fair disclosure") under the federal securities laws.

Directors, executive officers and employees who are authorized to speak to the media, analysts, investors or the public on behalf of our Company must be aware of the requirements of Regulation FD and must make every effort to ensure that our public disclosures comply with those requirements.

### Reporting Violations of the Policy and Accountability

The Board of Directors has the authority to interpret this Policy in any particular situation. Any director, officer or employee of the Company who becomes aware of any violation of this Policy is required to notify his or her "Policy Contact" promptly. "Policy Contact" means (a) for directors and executive officers of the Company, the General Counsel (unless the General Counsel is the subject of the potential violation, in which case the Policy Contact shall be the Chief Financial Officer) and (b) for other employees of the Company, his or her immediate supervisor or the General Counsel. If any director, officer or employee does not feel comfortable reporting the conduct in question to his or her Policy Contact, or does not get a satisfactory response, he or she may contact any member of the Board of Directors.

Any questions relating to how these policies should be interpreted or applied should be addressed to the General Counsel or the Policy Contact. A director, officer or employee who is unsure of whether a situation violates this Policy should discuss the situation with the General Counsel or the Policy Contact.

Each director, officer or employee of the Company must:

- Notify the appropriate Policy Contact promptly of any existing or potential violation of this Policy.
- Not retaliate against any other director, officer or employee of the Company for reports of potential violations that are made in good faith.

The Company will follow the following procedures in investigating and enforcing this Policy and in reporting on the Policy:

- The General Counsel will take all appropriate action to investigate any violations reported and all Policy Contacts will ensure that the General Counsel is notified promptly of any reports not made to them directly. In the case of violations or alleged violations involving the General Counsel, the Chief Financial Officer will take on this role.
- The General Counsel shall report each violation and alleged violation involving a director or an executive officer to the Chair of the Audit Committee. In the case of

violations or alleged violations involving the General Counsel, the Chief Financial Officer will take on this role. To the extent he or she deems appropriate, the Chair of the Audit Committee shall participate in any investigation of a director or executive officer. After the conclusion of an investigation of a director or executive officer, the conclusions shall be reported to the Audit Committee.

- The Audit Committee will conduct such additional investigation as it deems necessary. If the Audit Committee determines that a director or executive officer has violated this Policy, it will report its determination to the Board of Directors. Upon being notified that a violation has occurred, the Board of Directors and the General Counsel will take such disciplinary or preventive action as deemed appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities. In the case of violations or alleged violations involving the General Counsel, the Chief Financial Officer will act in the General Counsel's place in this process.

All questions and reports of known or suspected violations of the law or this Policy will be treated with sensitivity and discretion. We will protect each director's, officer's and employee's confidentiality to the extent possible consistent with the law and our need to investigate each report. We strictly prohibit retaliation against a director, officer or employee who, in good faith, seeks help or reports known or suspected violations.

#### Waivers of the Policy

Waivers of this Policy will be granted on a case-by-case basis and only in extraordinary circumstances. Any employee or director who believes that a waiver may be called for should discuss the matter with the General Counsel or his or her Policy Contact. Any waiver of the Policy for directors or executive officers (including Senior Financial Officers) of the Company may be made only by the Board of Directors and must be promptly disclosed.

#### Compliance Policy

This Policy is not intended to amend or replace the Company's Compliance Policy or any other Company policies of conduct. Directors, officers and employees of the Company must comply with all applicable Company policies.

#### Conclusion

This State of Business Principles and Policies contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. Please contact the General Counsel with any questions about these guidelines. Each director, officer and employee is separately responsible for his or her actions. If a director, officer or employee engages in conduct prohibited by the law or this Policy, he or she will be deemed to have acted outside the scope of their directorship or employment. Such conduct will subject the director, officer or employee to disciplinary action, including possibly termination of employment in the case of officers and employees.

THIS POLICY AND THE MATTERS CONTAINED HEREIN ARE NEITHER A CONTRACT OF EMPLOYMENT NOR A GUARANTEE OF CONTINUING COMPANY POLICY. WE RESERVE THE RIGHT TO AMEND, SUPPLEMENT OR DISCONTINUE THIS POLICY AND THE MATTERS ADDRESSED HEREIN, WITHOUT PRIOR NOTICE, AT ANY TIME.