

**STATION CASINOS INC.
CORPORATE GOVERNANCE GUIDELINES**

I. *The Role of the Board of Directors*

The Board of Directors (the “Board”) of Station Casinos, Inc. (the “Company”) represents the stockholders’ interest in perpetuating a successful business, including optimizing long-term financial returns. The Board is responsible for determining that the Company is managed in such a way to ensure this result. This is an active, not a passive, responsibility. The Board has the responsibility to ensure that in good times, as well as difficult ones, that management is capably executing its responsibilities.

II. *Guidelines on Significant Corporate Governance Issues*

A. *Selection and Composition of the Board*

1. Board Membership Criteria

The Governance & Compensation Committee is responsible for reviewing with the Board, on a semi-annual basis, based on observations, suggestions and comments of Board members and investigating and making recommendations to the Board concerning any allegations of improper conduct on the part of any Director.

2. Selection and Orientation of New Directors

The Board, taking into consideration the recommendations of the Governance & Compensation Committee, shall be responsible for recommending a slate of director candidates for the Board to nominate to stand for election (together with any individuals designated by third parties who the Company is legally required, by contract or otherwise, to nominate) at the Company’s annual meeting of stockholders.

The Governance & Compensation Committee will seek out Board members who possess the highest personal values, judgment and integrity, professional skills and experience in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Company, have demonstrated the ability to act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency, and are willing and able to devote sufficient time to fulfill his or her responsibilities to the Company and its shareholders.

The Governance & Compensation Committee will establish and maintain a comprehensive orientation program for all new directors and a continuing education program for all directors.

B. Board Leadership

1. Selection of Chairman

At its annual meeting the Board shall elect, from among its members, a chairman who may serve as the chief executive officer of the Company and who shall preside at meetings of the Board and may preside at meetings of the stockholders.

2. Lead Director

If the Chairman of the Board is an employee of the Company, the Board shall have a Director selected by the independent Directors who will assume the responsibility of chairing the regularly scheduled executive session meetings of independent Directors and other responsibilities which the independent Directors as a whole might designate from time to time. The same person may serve as the Chairman of a standing committee and the “lead” Director.

3. Other Officers

The Board may also elect such other officers of the Board and for such term as it may, from time to time, determine advisable.

C. Board Composition and Performance

1. Size of the Board

Except as otherwise fixed by resolution of the Board pursuant to the articles of incorporation relating to the authorization of the Board to provide by resolution for the issuance of Preferred Stock and to determine the rights of the holders of such Preferred Stock to elect directors, the authorized number of directors which shall constitute the whole board shall be not less than three (3) nor more than fifteen (15) subject to the foregoing limitations, the exact authorized number of directors shall be fixed (and increased or decreased) from time to time by resolution of the Board.

2. Mix of Management and Independent Directors

The Board shall be comprised of a majority of directors who qualify as “independent” Directors under the listing standards of the New York Stock Exchange (the “NYSE”), under applicable law or under any rule or regulation of any other regulatory body or self-regulatory body applicable to the Company.

3. Board Definition of What Constitutes Independence for Directors

For purposes of defining an “independent” Director, the Board will comply with the listing standards of the NYSE or other law, rule or regulation of any other regulatory body or self-regulatory body applicable to the Company. The Board, in consultation with the Governance & Compensation Committee, will review annually the relationships that each Director has with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). Following such review, only those Directors who the Board affirmatively determines have no relationship which would interfere with the exercise of independent judgment in carrying out their responsibilities will be considered independent Directors, subject to the applicable rules of the NYSE. The Governance & Compensation Committee shall periodically review the compensation arrangements and other business relationships between Directors and the Company, including the Company’s charitable and political contributions, in order to monitor the continued independence of Directors deemed independent. In addition, a member of the Audit Committee may not receive any compensation except for compensation for service on the Board or a Committee.

In addition:

(i) A director who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationship.

(ii) A director who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$100,000 per year in such compensation.

(iii) A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company is not

“independent” until three years after the end of the affiliation or the employment or auditing relationship.

(iv) A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company’s present executives serve on that company’s compensation committee is not “independent” until three years after the end of such service or the employment relationship.

(v) A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues, is not “independent” until three years after falling below such threshold.

4. Directors Who Change Their Present Job Responsibility

It is the sense of the Board that when a Director’s principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the Director shall tender a letter of resignation to the Board. It is not the sense of the Board that in every instance Directors who change the position they held when they came on the Board should necessarily leave. There should, however, be an opportunity for the Board, via the Governance & Compensation Committee, to review the continued appropriateness of the Board membership under these circumstances.

Independent Directors are encouraged to limit the number of other boards (excluding non-profit) on which they serve, taking into account potential board attendance, participation and effectiveness on these boards. Independent Directors should also advise the Chairman of the Board and the Chairman of the Governance & Compensation Committee in advance of accepting an invitation to serve on another board.

Members of the Audit Committee shall not serve on audit committees of more than three other public companies.

5. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term

limits, the Governance & Compensation Committee, in conjunction with the Chief Executive Officer, will formally review each Director's continuation on the Board every three years. This will also allow each Director the opportunity to conveniently confirm his/her desire to continue as a member of the Board.

6. Retirement Age

It is the sense of the Board that Directors that there should not be a mandatory or recommended retirement age. Rather, age should be taken into consideration in the Governance & Compensation Committee's semi-annual evaluations.

7. Board Compensation

It is appropriate for the Governance & Compensation Committee to request an impartial review of the status of Board compensation in relation to other comparable companies. As part of a Director's total compensation and to create a direct linkage with corporate performance, the Board believes that a portion of a Director's compensation should be provided and held in equity or rights to obtain equity of the Company.

Changes in Board compensation, if any, should come at the suggestion of the Governance & Compensation Committee, but with full discussion and approval by the Board.

8. Executive Sessions of Independent Directors

The independent Directors of the Board will meet in executive session at least two times per year. Executive sessions will be chaired by the Lead Director. The format and agenda of these meetings will be set by Lead Director after consultation with the independent Directors.

9. Continuing Education

The Board will comply with the listing standards of the NYSE or other law, rule or regulation of any other regulatory body or self-regulatory body applicable to the Company regarding the continuing education of the Directors.

10. Assessing the Board's Performance

The Governance & Compensation Committee is responsible to perform semi-annual evaluations based on observations, suggestions and comments of Board members and investigate and make recommendations to the Board concerning any allegations of improper conduct on the part of any director.

11. Board's Interaction with Institutional Investors, Press, Customers, Etc.

It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a non-management director to speak on behalf of the Company to one of these constituencies, the Director should consult with the Chief Executive Officer.

12. Responsibilities

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. The Directors shall be 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 charter and bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

D. Board Relationship to Senior Management

1. Regular Attendance of Non-Directors at Board Meetings

The Board welcomes the regular attendance at each Board meeting of non-Board members who are in the most senior management positions of the Company and the Secretary. Should the Chairman or Chief Executive Officer want to add additional people as attendees on a regular basis, it is expected that this suggestion would be made to the Board for its concurrence.

2. Board Access to Senior Management / Advisors

All Board members shall have complete access to the Company's management.

Furthermore, the Board encourages management, from time to time, to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

E. Meeting Procedures

1. Selection of Agenda Items for Board Meetings

The Chairman or Chief Executive Officer will establish the agenda for each Board meeting. The agenda will be coordinated with the Lead Director. They will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can

be foreseen). Each Board member is free to suggest the inclusion of item(s) on the agenda.

2. Board Materials Distributed in Advance

Information and data that is important to the Board's understanding of the business will be distributed in writing to the Board before the Board meets. Management will make every attempt to see that this material is as brief as possible while still providing the desired information.

3. Board Presentations

As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. The material should be sent sufficiently in advance to allow meaningful review of the information so distributed. On those occasions in which the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting.

F. Committee Matters

1. Number, Structure and Independence of Committees

The current Board committees are the Audit Committee and the Governance & Compensation Committee. From time to time, the Board may desire to form a new committee.

Each committee shall have access to such outside advice as such committee in its sole discretion deems necessary or appropriate, including, but not limited to, attorneys, compensation consultants and/or auditors.

The Audit Committee and the Governance & Compensation Committee shall each consist solely of independent directors.

2. Assignment and Rotation of Committee Members

The Board of Directors is responsible, after consultation with the Governance & Compensation Committee, the committee chairs and the standing committees, for the assignment of Board members to various committees.

It is the sense of the Board that consideration should be given to rotating committee members periodically at about a five year interval, but the Board does not feel that such a rotation should be mandated as a policy since there may be reasons at a given point in time to maintain an individual Director's committee membership for a longer period.

3. Frequency and Length of Committee Meetings

The committee chairperson, in consultation with committee members, will determine the frequency and length of the meetings of the committee.

4. Committee Agenda

The chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can be foreseen). This forward agenda will also be shared with the Board.

5. Committee Evaluation

The Audit and Governance & Compensation committees shall each undertake an annual performance evaluation as specified in their respective charters.

6. Charters

Each committee shall have its own charter as required by applicable SEC rules and the NYSE listing standards, which will set forth the purposes, goals and responsibilities of the committees and the qualifications for committee membership, procedures for committee member appointment and removal, committee structure and committee reporting to the Board. Current versions of such committee charters shall be available on the Company's website and in print to any stockholder who requests a copy.

7. Executive Sessions

The Audit Committee shall meet, in separate executive sessions, with each of management, internal auditors and the independent auditors as decided upon by the Audit Committee.

G. Leadership Development

1. Formal Evaluation of the Chief Executive Officer

The Governance & Compensation Committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO and the other executive officers, evaluate the performance of the CEO and the other executive officers in light of these goals and objectives and set the compensation of the CEO and the other executive officers based on this evaluation.

2. Succession Planning

The Governance & Compensation Committee shall develop plans and guidelines for CEO succession.

G. *Amendment*

These Corporate Governance Guidelines are subject to future amendments as the Board may find necessary or appropriate for the Company. The Governance & Compensation Committee shall review these Corporate Governance Guidelines on at least an annual basis, and report to the Board with any recommendations it may have in connection therewith. Such review shall be referred to in the Company's annual proxy statement.