

BOYD GAMING CORPORATION

COMPENSATION AND STOCK OPTION COMMITTEE CHARTER

(As adopted by the Board October 23, 2003, and
as amended by the Board December 7, 2006)

I. Authority and Purpose

The Compensation and Stock Option Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Boyd Gaming Corporation (the “Company”). The Committee is generally responsible for Boyd’s overall compensation philosophy and specifically responsible for approving, reviewing and monitoring compensation strategies, plan design, guidelines and practices as they relate to senior management employees. The scope of the Committee’s responsibility extends to the total compensation program and terms of employment for Boyd’s employees. The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Company’s Bylaws and by applicable law.

II. Committee Membership

The Committee shall consist of no fewer than three members. Each member of the Committee shall meet the independence requirements of the New York Stock Exchange, the definition of a “Non-employee Director” under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, the requirements of Section 162(m) of the Internal Revenue Code for “outside directors,” any other regulatory requirements, and the standards established by the Board from time to time.

Committee members shall be elected by the Board at the annual meeting of the Board of Directors. Committee members may be removed at any time by vote of the Board. The Board shall elect successors to Committee members that have been removed from or otherwise ceased to serve on the Committee.

III. Structure and Meetings

The Committee shall conduct its business in accordance with this Charter, the Company’s Bylaws and any direction by the whole Board.

The Committee chairperson shall be designated by the Board, or, if it does not do so, the Committee members shall elect a chairperson by a vote of the majority of the full Committee.

The Committee will meet at least three (3) times each year. The Committee may establish its own schedule, which it will provide to the Board in advance. The Chairperson or a majority of the members of the Committee may call meetings of the Committee upon such notice as is required for special Board meetings in accordance with the Company’s Bylaws. A majority

of the Committee, but not less than two members shall constitute a quorum for the transaction of business. Unless the Committee by resolution determines otherwise, any action required or permitted to be taken by the Committee may be taken without a meeting if all members of the Committee consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the Committee. As necessary or desirable, the Chairman of the Committee may require that any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, be present at meetings of the Committee. Members of the Committee may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another, and such participation shall constitute presence at such meeting.

The Committee chairperson will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The Chairperson of the Committee (or other member designated by the Chairperson or the Committee in the Chairperson's absence) shall regularly report to the full Board on its proceedings any actions that it takes. The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

IV. Duties and Responsibilities

The Committee shall:

- A. Annually review and approve the Company's corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in consultation with the other outside directors in light of such goals and objectives, and have sole authority to set the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.
- B. Annually review and make recommendations to the Board with respect to incentive compensation plans and equity-based plans. The Committee shall ensure that the Company's compensation program is effective in attracting and retaining key employees, reinforces business strategies and objectives for enhanced shareholder value, and is administered in a fair and equitable manner consistent with established policies and guidelines.
- C. Produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
- D. Administer the Company's incentive compensation plans and equity-based plans as in effect and as adopted from time to time by the Board.

- E. Periodically review senior management succession plans in consultation with the other outside directors.
- F. Approve guidelines for senior management salary, incentive, stock option, benefit and other compensation levels; approve any stock option award or any other type of award as may be required for complying with any tax, securities, or other regulatory requirement, or otherwise determined to be appropriate or desirable by the Committee or Board of Directors.
- G. Ensure appropriate overall corporate performance measures and goals are set and determine the extent that established goals have been achieved and any related compensation earned.
- H. Approve an overall annual salary increase budget for exempt employees.
- I. Monitor the administration of compensation plans and supporting systems and processes to ensure compliance with established philosophies, strategies, principles, objectives and guidelines.
- J. Perform such other functions and have such other powers consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board may deem appropriate.

V. Performance Evaluation

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee shall also perform an annual evaluation of its own performance.

VI. Committee Resources

The Committee shall have the sole authority to retain and terminate any consultant that it uses to assist in the Committee's evaluation of director, CEO or senior executive compensation and shall have the sole authority to approve that consultant's fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from such other advisors that it deems necessary or appropriate.

The Committee may form and delegate authority to subcommittees when appropriate.