

MGM MIRAGE  
Form DEF 14A  
April 11, 2008

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(A) OF  
THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.    )**

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to 240.14a-12

**MGM MIRAGE**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
  - 1) Title of each class of securities to which transaction applies:
  - 2) Aggregate number of securities to which transaction applies:
  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - 4) Proposed maximum aggregate value of transaction:
  - 5) Total fee paid:
- ☐ Fee paid previously with preliminary materials.

## Edgar Filing: MGM MIRAGE - Form DEF 14A

- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**MGM MIRAGE  
3600 Las Vegas Boulevard South  
Las Vegas, Nevada 89109**

**NOTICE OF ANNUAL MEETING TO BE HELD ON  
May 13, 2008**

To the Stockholders:

The Annual Meeting of Stockholders of MGM MIRAGE, a Delaware corporation (the Company), will be held at Luxor Hotel and Casino in the Egyptian Ballroom, located at 3900 Las Vegas Boulevard South, Las Vegas, Nevada 89119, on May 13, 2008, at 10:00 a.m., Pacific Time, for the following purposes:

1. To elect a Board of Directors;
2. To ratify the selection of the independent registered public accounting firm for the year ending December 31, 2008;
3. To consider a stockholder proposal if presented at the Annual Meeting; and
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

Stockholders of record at the close of business on March 31, 2008 are entitled to notice of and to vote at the meeting. A complete list of such stockholders will be available for examination by any stockholder during ordinary business hours at the Company's executive offices, located at 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109, for a period of 10 days prior to the meeting date.

**YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE FOR PROPOSALS 1 AND 2.**

By Order of the Board of Directors,

/s/ J. Terrence Lanni

J. Terrence Lanni  
*Chairman of the Board  
and Chief Executive Officer*

April 14, 2008

**PLEASE DATE, SIGN AND MAIL THE ENCLOSED PROXY CARD OR  
SUBMIT YOUR PROXY USING THE INTERNET OR TELEPHONE.  
Use of the enclosed envelope requires no postage for mailing in the United States.**



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**MGM MIRAGE  
3600 Las Vegas Boulevard South  
Las Vegas, Nevada 89109**

**PROXY STATEMENT  
April 14, 2008**

**General**

The form of proxy accompanying this Proxy Statement and the persons named therein as proxies have been approved by, and this solicitation is made on behalf of, the Board of Directors of MGM MIRAGE in connection with the Annual Meeting of Stockholders of MGM MIRAGE to be held at Luxor Hotel and Casino in the Egyptian Ballroom, located at 3900 Las Vegas Boulevard South, Las Vegas, Nevada 89119, on May 13, 2008, at 10:00 a.m., Pacific Time, and at any postponements or adjournments thereof. MGM MIRAGE, together with its subsidiaries, is referred to herein as the Company, unless the context indicates otherwise.

Matters to be considered and acted upon at the meeting are set forth in the Notice of Annual Meeting accompanying this Proxy Statement and are more fully outlined herein. This Proxy Statement will be first mailed to stockholders on or about April 14, 2008.

**Voting Rights and Outstanding Shares**

Only stockholders of record of the Company's Common Stock, \$.01 par value per share (the Common Stock), as of March 31, 2008 will be entitled to vote at the meeting. The authorized capital stock of the Company presently consists of 600,000,000 shares of Common Stock. At the close of business on March 31, 2008, 278,715,913 shares of Common Stock were outstanding and entitled to vote. Each stockholder of record is entitled to one vote for each share held on that date on all matters that may come before the meeting. There is no cumulative voting in the election of directors.

You may vote in person by attending the meeting, by completing and returning a proxy by mail or by using the Internet or telephone. To submit your proxy by mail, mark your vote on the enclosed proxy card, then follow the instructions on the card. To submit your proxy using the Internet or by telephone, see the instructions on the proxy form and have the proxy form available when you access the Internet website or place your telephone call.

All shares represented by properly submitted proxies will, unless such proxies have previously been revoked, be voted at the meeting in accordance with the directions on the proxies. If no direction is indicated, the shares will be voted in favor of the nominees for the Board of Directors listed in this Proxy Statement and in favor of Proposal 2, and against Proposal 3, as described herein. By signing, dating and returning the enclosed proxy card, you will confer discretionary authority on the named proxies to vote on any matter not specified in the Notice of Annual Meeting. Management knows of no other business to be transacted, but if any other matters do come before the meeting, the persons named as proxies or their substitutes will vote or act with respect to such other matters in accordance with their best judgment.

**Quorum and Votes Required**

The presence, in person or by proxy, of the holders of at least a majority of the total number of outstanding shares of the Common Stock is necessary to constitute a quorum at the meeting. If you are the beneficial owner of shares held in street name by a broker, your broker, as the record holder of the shares, must vote those shares in accordance with your instructions. In accordance with the rules of the New York Stock Exchange (the Exchange), certain matters submitted to a vote of stockholders are considered by the Exchange to be routine items upon which brokerage firms may vote in their discretion on behalf of their customers if such customers have not furnished voting instructions within a specified period prior to the

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meeting. The election of directors and the ratification of the selection of the independent registered public accounting firm as our independent auditors for 2008 are considered routine matters for which brokerage firms may vote shares for which they have not received instructions. For those matters that the Exchange determines to be non-routine, brokerage firms that have not received instructions from their customers would not have discretion to vote. Your broker may not vote on the stockholder proposal requesting us to conduct a study of dividends paid by other companies in our peer group without your specific instructions. Abstentions and broker non-votes are counted as present for the purpose of determining the presence or absence of a quorum for the transaction of business, but broker non-votes are not counted as votes for or against the proposals to be acted on at the meeting.

The affirmative vote of a plurality of the votes cast at the meeting will be required for the election of directors. The affirmative vote of a majority of the shares of Common Stock represented at the meeting in person or by proxy and entitled to vote on the proposal will be required for approval of Proposal 2 and Proposal 3, assuming that a quorum is present or represented at the meeting. A properly executed proxy marked **WITHHOLD AUTHORITY** with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, and will have no effect. With respect to Proposal 2 and Proposal 3, a properly executed proxy marked **ABSTAIN**, although counted for purposes of determining whether there is a quorum, will not be voted. Accordingly, an abstention will have the same effect as a vote cast against Proposal 2 and Proposal 3. Pursuant to Delaware law, a broker non-vote will be counted for purposes of determining a quorum but will not be counted as a vote for or against Proposal 2 or Proposal 3.

## **How to Revoke or Change Your Vote**

Any proxy given pursuant to this solicitation is revocable by the communication of such revocation in writing to the Secretary of the Company at any time prior to the exercise thereof, and any person executing a proxy, if in attendance at the meeting, may vote in person instead of by proxy.

## **Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 13, 2008**

The Notice of Annual Meeting and Proxy Statement and the Company's 2007 Annual Report are available on the Company's website at [www.mgmmirage.com/proxymaterials](http://www.mgmmirage.com/proxymaterials). In the future, instead of receiving copies of the Proxy Statement and Annual Report in the mail, stockholders may elect to receive an e-mail with a link to these documents on the Internet. Receiving your proxy materials online saves the Company the cost of producing and mailing documents to your home or business and gives you an automatic link to the proxy voting site.

*Stockholders of Record.* If your shares are registered in your own name, to enroll in the electronic delivery service go directly to our transfer agent's website at [www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd) and follow the instructions.

*Beneficial Stockholders.* If your shares are not registered in your name, to enroll in the electronic delivery service check the information provided to you by your bank or broker, or contact your bank or broker for information on electronic delivery service.

## **Delivery of One Proxy Statement and Annual Report to a Single Household to Reduce Duplicate Mailings**

Each year in connection with the Annual Meeting of Stockholders, the Company is required to send to each stockholder of record a proxy statement and annual report and to arrange for a proxy statement and annual report to be sent to each beneficial stockholder whose shares are held by or in the name of a broker, bank, trust or other nominee. Because many stockholders hold shares of the Common Stock in multiple accounts, this process results in duplicate mailings of proxy statements and annual reports to stockholders who



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share the same address. Stockholders may avoid receiving duplicate mailings and save the Company the cost of producing and mailing duplicate documents as follows:

*Stockholders of Record.* If your shares are registered in your own name and you are interested in consenting to the delivery of a single proxy statement or annual report, go directly to our transfer agent's website at [www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd) and follow the instructions.

*Beneficial Stockholders.* If your shares are not registered in your own name, your broker, bank, trust or other nominee that holds your shares may have asked you to consent to the delivery of a single proxy statement or annual report if there are other stockholders who share an address with you. If you currently receive more than one proxy statement or annual report at your household, and would like to receive only one copy of each in the future, you should contact your nominee.

*Right to Request Separate Copies.* If you consent to the delivery of a single proxy statement and annual report but later decide that you would prefer to receive a separate copy of the proxy statement or annual report, as applicable, for each stockholder sharing your address, then please notify the Company or your nominee, as applicable, and the Company or your nominee will promptly deliver such additional proxy statements or annual reports. If you wish to receive a separate copy of the proxy statement or annual report for each stockholder sharing your address in the future, you may contact BNY Mellon Shareowner Services directly by telephone at 1-800-358-2066 or by visiting the Company's transfer agent's website at [www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd) and following the instructions thereon.

**Table of Contents****PRINCIPAL STOCKHOLDERS**

Shown below is certain information as of March 31, 2008 with respect to beneficial ownership, as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), of shares of Common Stock by the only persons or entities known to the Company to be a beneficial owner of more than five percent of the outstanding shares of Common Stock, by the Named Executives, as defined under Executive and Director Compensation and Other Information, and by all directors and executive officers of the Company as a group who held office as of the date of this Proxy Statement.

<b>Name and Address(1)</b>	<b>Amount Beneficially Owned(2)</b>	<b>Percent of Class(3)</b>
Tracinda Corporation 150 South Rodeo Drive, Suite 250 Beverly Hills, California 90212	148,837,330(4)	53.4%
Infinity World (Cayman) L.P. Emirates Towers, Level 47 Sheikh Zayed Road Dubai, United Arab Emirates	26,048,738(5)	9.3%
Marsico Capital Management, LLC 1200 17th Street, Suite 1600 Denver, Colorado 80202	23,115,947(6)	8.3%
Private Capital Management 8889 Pelican Bay Boulevard Naples, Florida 34108	11,276,689(7)	4.0%
J. Terrence Lanni	1,216,700(8)(9)	(10)
Daniel J. D Arrigo	176,256(8)	(10)
James J. Murren	2,465,324(8)(11)	(10)
Robert H. Baldwin	957,887(8)	(10)
Gary N. Jacobs	804,420(8)(12)	(10)
Aldo Manzini	40,000(8)	(10)
John T. Redmond	544,000(8)	(10)
All directors and executive officers as a group (24 persons)	155,511,592(8)(13)	54.6%

- (1) Unless otherwise indicated, the address for the persons listed is 3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109.
- (2) Except as otherwise indicated, and subject to applicable community property and similar laws, the persons listed as beneficial owners of the shares have sole voting and investment power with respect to such shares.
- (3) For purposes of calculating the percentage of outstanding shares beneficially owned by any person or group identified in the table above, the number of shares outstanding with respect to each person or group was deemed to be the sum of the total shares outstanding as of March 31, 2008 and the total number of shares subject to stock options and stock appreciation rights exercisable as of March 31, 2008 or that become exercisable within 60 days thereafter held by such person or group. The number of shares of Common Stock

outstanding as of March 31, 2008 was 278,715,913.

- (4) Based upon a Schedule 13D/A filed March 5, 2008 with the Securities and Exchange Commission (the SEC) by Tracinda Corporation ( Tracinda ), a Nevada corporation. Tracinda is wholly owned by Kirk Kerkorian.
- (5) Based upon a Schedule 13D/A filed February 27, 2008 with the SEC by Infinity World (Cayman) L.P. and its affiliates.
- (6) Based upon a Schedule 13G/A filed February 14, 2008 with the SEC by Marsico Capital Management, LLC, an investment advisor under the Investment Advisors Act of 1940, as amended, which is deemed to

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be the beneficial owner of 23,115,947 shares of Common Stock as a result of acting as investment advisor to its clients, as to which it reported sole voting power as to 20,975,862 shares and sole dispositive power as to 23,115,947 shares.

- (7) Based upon a Schedule 13G/A filed February 14, 2008 with the SEC by Private Capital Management, L.P., an investment advisor under the Investment Advisors Act of 1940, as amended, which is deemed to be the beneficial owner of 11,276,689 shares of Common Stock as a result of acting as investment advisor to its clients, as to which it reported shared voting and dispositive power as to 11,276,689 shares, and sole voting and dispositive power as to 185,500 shares.
- (8) Included in these amounts are 1,180,000 shares, 172,000 shares, 2,220,000 shares, 927,187 shares, 757,800 shares, 40,000 shares, and 540,000 shares underlying options that are exercisable as of March 31, 2008 or that become exercisable within 60 days thereafter held by the Lanni Family Trust, of which Mr. Lanni is Trustee and by Messrs. D Arrigo, Murren, Baldwin, Jacobs, Manzini and Redmond, respectively. Mr. Baldwin disclaims beneficial ownership of 123,397 shares underlying such options which were the subject of a divorce decree.
- (9) Includes 36,700 shares held by the Lanni Family Trust, of which Mr. Lanni is Trustee.
- (10) Less than 1%.
- (11) Includes 45,324 shares held by a Grantor Retained Annuity Trust, of which Heather Murren is Trustee, 45,324 shares held by a Grantor Retained Annuity Trust, of which Mr. Murren is Trustee, and 154,676 shares held by the Murren Family Trust, of which Mr. Murren is co-Trustee.
- (12) Includes 37,830 shares held by two Grantor Retained Annuity Trusts, of which Mr. Jacobs is Trustee.
- (13) Also included are 387,750 shares subject to stock options or stock appreciation rights exercisable as of March 31, 2008 or that become exercisable within 60 days thereafter held by non-employee directors and 478,500 shares underlying options that are exercisable as of March 31, 2008 or that become exercisable within 60 days thereafter held by executive officers other than the Named Executives.

As indicated above, Mr. Kerkorian, through his ownership of Tracinda, beneficially owns over 50% of the currently outstanding shares of Common Stock. Tracinda intends to vote its shares of Common Stock in favor of the nominees for the Board of Directors listed in the Proxy Statement. Since the holders of Common Stock do not have cumulative voting rights and since Tracinda's shares represent more than 50% of the shares to be voted at the meeting, Tracinda will be able to elect the entire Board of Directors. Tracinda also intends to vote its shares (1) in favor of Proposal 2, which will be sufficient to adopt that proposal, and (2) against Proposal 3, which will be sufficient to defeat that proposal.

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**ELECTION OF DIRECTORS**  
**Proposal No. 1**

**Information Concerning the Nominees**

One of the purposes of the meeting is to elect 15 directors, each of whom will serve until the next annual meeting of stockholders or until his or her respective successor shall have been elected and qualified or until his or her earlier resignation or removal. Pursuant to the Company's Bylaws, the Board of Directors may determine the number of directors, not to exceed 20. The Board has fixed the number of directors at 15.

The following table sets forth, for each nominee, his or her name, principal occupation for at least the past five years, beneficial ownership of the Common Stock, age as of March 31, 2008 and certain other matters. If any of these nominees should be unavailable to serve as director, which contingency is not presently anticipated, it is the intention of the persons named in the proxies to select and cast their votes for the election of such other person or persons as the Board of Directors may designate. All of the nominees listed below were elected as directors at the last annual meeting of stockholders.

<b>Name (age)</b>	<b>Principal Occupation and Other Directorships</b>	<b>First Became a Director</b>	<b>Shares of Common Stock Beneficially Owned(1)</b>
Robert H. Baldwin (57)	Chief Design and Construction Officer of MGM MIRAGE since August 2007. President of Project CC, LLC, the managing member of CityCenter Holdings, LLC, since March 2005, and President and CEO of Project CC, LLC since August 2007. Previously, President and Chief Executive Officer of Mirage Resorts, Incorporated from June 1, 2000 to August 21, 2007. President and Chief Executive Officer of Bellagio, LLC or its predecessor from June 1996 to March 2005.	2000	957,887(2)(3)
Willie D. Davis (73)	President and director of All-Pro Broadcasting, Inc., an AM and FM radio broadcasting company, for more than the past five years. Director and member of the Audit Committee of Fidelity National Financial and Manpower, Inc. Director of Alliance Bancshares California.	1989	78,396(2)(3)
Kenny C. Guinn (71)	Governor of the State of Nevada from 1999 through 2006. Chairman of the Board of Directors and a member of the Audit Committee of Service 1st Bank of Nevada.	2007	4,000(2)(3)
Alexander M. Haig, Jr.(83)	Chairman of Worldwide Associates, Inc., an international business advisory firm, for more than the past five years. Consultant to the Company since 1990.	1990	78,800(2)(3)



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<b>Name (age)</b>	<b>Principal Occupation and Other Directorships</b>	<b>First Became a Director</b>	<b>Shares of Common Stock Beneficially Owned(1)</b>
Alexis Herman (60)	Chair and Chief Executive Officer of New Ventures, a corporate consulting company, for more than the past five years. Director and member of the Audit Committee and Chair of Compensation Committee of Cummins Inc. Also Director of Entergy Corp. and Coca-Cola Corp. United States Secretary of Labor from 1997 to 2001.	2002	32,800(2)(3)
Roland Hernandez (50)	Chairman and Chief Executive Officer of Telemundo Group, Inc., a Spanish-language television station company from August 1998 to December 2000 and President and Chief Executive Officer of Telemundo Group, Inc. from March 1995 to August 1998. Director and Chairman of the Audit Committee of Wal-Mart Stores, Inc. Director and member of the Audit Committee of The Ryland Group and Vail Resorts, Inc. Director of Lehman Brothers Holdings Inc.	2002	45,500(2)(3)(4)
Gary N. Jacobs (62)	Executive Vice President, General Counsel and Secretary of the Company for more than the past five years. Of counsel to Christensen, Glaser, Fink, Jacobs, Weil & Shapiro, LLP, a law firm, for more than the past five years. Director and Secretary of The InterGroup Corporation for more than the past five years.	2000	804,420(2)(3)
Kirk Kerkorian (90)	Chief Executive Officer, President and sole director and stockholder of Tracinda.	1987	148,837,330(5)
J. Terrence Lanni (65)	Chairman and Chief Executive Officer of the Company for more than the past five years. Director of KB Home.	1995	1,216,700(2)(3)
Anthony Mandekic (66)	Secretary and Treasurer of Tracinda for more than the past five years.	2006	14,000(2)(3)

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<b>Name (age)</b>	<b>Principal Occupation and Other Directorships</b>	<b>First Became a Director</b>	<b>Shares of Common Stock Beneficially Owned(1)</b>
Rose McKinney-James (56)	Principal of Energy Works Consulting LLC, an energy consulting company, for more than the past five years. Managing Principal of McKinney James & Associates since 2003. Member of the Board of Directors of Mandalay Resort Group from 1999 until April 2005. Director and member of the Audit Committee of Employers Holdings, Inc. Director of Toyota Financial Savings Bank. Director of MGM Grand Detroit, LLC, a subsidiary of the Company.	2005	12,100(2)(3)
James J. Murren (46)	President and Chief Operating Officer of the Company since August 2007. Prior to that, President, Chief Financial Officer and Treasurer of the Company for more than the past five years. Director of Delta Petroleum Corporation.	1998	2,465,324(2)(3)
Ronald M. Popeil (72)	Founder of Ronco. Inventor and marketer of consumer products.	2000	147,700(2)(3)(6)
Daniel J. Taylor (51)	Executive of Tracinda since 2007. President of Metro-Goldwyn-Mayer Inc. ( MGM Studios ) from April 2005 to January 2006 and Senior Executive Vice President and Chief Financial Officer of MGM Studios from June 1998 to April 2005. Director and a member of the Audit Committee of Delta Petroleum Corporation.	2007	8,000(2)(3)
Melvin B. Wolzinger (87)	Principal owner of various privately-held restaurants and gaming establishments in Las Vegas for more than the past five years. Director of Colonial Bank.	2000	91,300(2)(3)

(1) Except as otherwise indicated and subject to applicable community property and similar laws, the persons listed as beneficial owners of the shares have sole voting and investment power with respect to such shares.

(2) The number of shares shown as beneficially owned represents less than 1% of the outstanding shares.

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- (3) Included in these amounts are shares underlying options and stock appreciation rights that are exercisable as of March 31, 2008 or become exercisable within 60 days thereafter, held as follows:

<b>Name</b>	<b>Shares Underlying Options and SARs</b>
Mr. Baldwin	927,187(A)
Mr. Davis	45,750
Mr. Guinn	4,000
Mr. Haig	78,000
Ms. Herman	31,000
Mr. Hernandez	41,000
Mr. Jacobs	757,800
Mr. Lanni	1,180,000(B)
Mr. Mandekic	12,000
Ms. McKinney-James	12,000
Mr. Murren	2,220,000
Mr. Popeil	78,000(C)
Mr. Taylor	8,000
Mr. Wolzinger	78,000

(A) Mr. Baldwin disclaims beneficial ownership of 123,397 shares underlying such options which were the subject of a divorce decree.

(B) Shares underlying options that are held by the Lanni Family Trust, of which Mr. Lanni is Trustee.

(C) Shares underlying options and stock appreciation rights that are held by the Ronald M. Popeil 1997 Trust, of which Mr. Popeil is Trustee.

- (4) Included in these amounts are 4,500 shares of Common Stock, 2,000 shares of which the direct ownership is held by Roland Hernandez, 1,000 shares of which are held by the Roland Hernandez SEP Retirement Account, of which Mr. Hernandez is the beneficiary and 1,500 shares of which are held by Mr. Hernandez as custodian pursuant to the California Uniform Transfer to Minors Act in the amounts set forth for the following persons: 500 shares for Katherine Hernandez, 500 shares for Charles Hernandez and 500 shares for Roland Scott Hernandez. Mr. Hernandez disclaims beneficial ownership of such 1,500 shares held as custodian pursuant to the California Uniform Transfer to Minors Act. Further, included in these amounts are 41,000 shares underlying options and stock appreciation rights that are exercisable as of March 31, 2008 or become exercisable within 60 days thereafter, which shares are held by Mr. Hernandez.
- (5) Shares are owned by Tracinda, which is wholly owned by Mr. Kerkorian. As of March 31, 2008, Tracinda owned 53.4% of the outstanding Common Stock (see Principal Stockholders ).
- (6) Included in these amounts are 69,700 shares of Common Stock, 64,150 shares of which the direct ownership is held by Ronald Popeil and 5,550 shares of which are held by Mr. Popeil as custodian pursuant to the California Uniform Transfer to Minors Act in the amounts set forth for the following persons: 925 shares for Asher

Gantman, 650 shares for Contessa Popeil, 825 shares for Valentina Popeil, 1,050 shares for Nicole Stairs, 1,050 shares for Rachel Gantman and 1,050 shares for Isabella Gantman. Mr. Popeil disclaims beneficial ownership of such 5,550 shares held as custodian pursuant to the California Uniform Transfer to Minors Act. Further, included in these amounts are 78,000 shares underlying options and stock appreciation rights that are exercisable as of March 31, 2008 or become exercisable within 60 days thereafter, which shares are held by the Ronald M. Popeil 1997 Trust of which Mr. Popeil is Trustee.

### **Stockholder Agreements**

*Company Stock Purchase and Support Agreement.* In August 2007, we entered into a Company Stock Purchase and Support Agreement, as amended in October 2007, with Infinity World Investments LLC, a

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Nevada limited liability company ( Infinity World ) and an indirect wholly owned subsidiary of Dubai World, a Dubai, United Arab Emirates government decree entity. Under the agreement, in October 2007, we sold Infinity World 14.2 million shares of our Common Stock at a per share price of \$84 for a total purchase price of \$1.19 billion.

The agreement provides that, as long as Infinity World and its affiliates, which we refer to, from time to time, as the Infinity World group, beneficially own at least five percent of our outstanding Common Stock, whenever we propose to sell shares of our Common Stock (except for shares issued under an employee benefit plan), we will grant a preemptive right (which may be transferred to an affiliate of Infinity World) to acquire that number of shares needed to maintain the percentage ownership of the Infinity World group as calculated at the time we propose to sell shares. Infinity World has agreed that the Infinity World group will not acquire beneficial ownership of more than 20% of our outstanding shares, subject to certain exceptions.

The agreement also provides that as long as the Infinity World group owns at least five percent of our outstanding Common Stock and the joint venture agreement contemplated by the agreement has not been terminated, Infinity World will have the right, subject to applicable regulatory approvals, to designate one nominee for election to our Board of Directors. If the Infinity World group beneficially owns at least 12% of our outstanding Common Stock, Infinity World will have the right to designate that number of nominees for election to our Board of Directors equal to the product (rounded down to the nearest whole number) of (x) the percentage of outstanding shares owned by the Infinity World group multiplied by (y) the total number of directors then authorized to serve on our Board of Directors. Currently, the Infinity World group owns 26,048,738 shares of our Common Stock, or approximately 9.3% of the outstanding shares. Infinity World has not, as yet, designated a nominee for the Board of Directors. If Infinity World designates a nominee for election to our Board of Directors after the Annual Meeting of Stockholders, our Board of Directors will, in accordance with the agreement, increase the authorized number of directors to 16 and appoint the nominee to serve on the Board until the next meeting of stockholders at which directors are to be elected.

*Stockholder Support Agreement.* In August 2007, Infinity World also entered into a Stockholder Support Agreement with Tracinda. Under this agreement, Tracinda has agreed to vote its shares of our Common Stock in favor of Infinity World's nominee(s) to the Board of Directors, subject to applicable regulatory approvals.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires the Company's executive officers and directors to file reports of ownership of the Common Stock with the SEC. Executive officers and directors are required to furnish the Company with copies of all Section 16(a) forms that they file. Based upon a review of these filings and representations from the Company's directors and executive officers that no other reports were required, the Company notes that all reports for the year 2007 were filed on a timely basis.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Guidelines**

The Board of Directors has adopted corporate governance guidelines for the Company ( Guidelines ) setting forth the general principles governing the conduct of the Company's business and the role, functions, duties and responsibilities of the Board of Directors, including, but not limited to such matters as (i) composition, (ii) membership criteria, (iii) orientation and continuing education, (iv) committees, (v) compensation, (vi) meeting procedures and (vii) annual evaluation. In addition to the foregoing, the Guidelines provide for management succession planning, communications with the Board and a code of conduct governing all directors, officers and certain employees of the Company. The Company believes that the Guidelines are in compliance with the listing standards adopted in 2003 by the Exchange. The Guidelines are posted and maintained on the Company's website at [www.mgmmirage.com](http://www.mgmmirage.com) under the caption

Investor Relations   Investor Information   Corporate Governance   Corporate Governance Policies, and a copy will be made available to any stockholder who requests it.

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### **Code of Conduct**

The Board of Directors has adopted a Code of Business Conduct and Ethics and Conflict of Interest Policy (the "Code of Conduct") that applies to all of the Company's directors and officers and certain of its employees, including the chief executive officer, the chief financial officer and the chief accounting officer. In addition, the Code of Conduct applies to all personnel of the Company and its operating subsidiaries at the Vice President, division director or more senior level, and to all accounting and finance personnel, and those personnel serving in such other categories as the Company designates from time to time. The Code of Conduct establishes policies and procedures that the Board believes promote the highest standards of integrity, compliance with the law and personal accountability. The Company's Code of Conduct and amendments and waivers thereto are posted on the Company's website at [www.mgmmirage.com](http://www.mgmmirage.com) under the caption "Investor Relations" "Investor Information" "Corporate Governance" "Code of Business Conduct and Ethics and Conflict of Interest Policy" and is provided to all new directors, new officers and certain new employees and distributed annually to all directors, officers and certain employees of the Company, each of whom is required to acknowledge in writing his or her receipt and understanding thereof and agreement to adhere to the principles contained therein. Additionally, the Company will provide a copy of the Code of Conduct to any stockholder who requests it.

### **New York Stock Exchange Listing Standards**

The Corporate Governance Rules of the Exchange were adopted in 2003. Certain provisions of such rules are not applicable to "controlled companies," defined by such rules to be companies of which more than 50 percent of the voting power is held by an individual, a group or another company. The Company currently is a "controlled company" under this definition by virtue of the ownership by Tracinda in excess of 50 percent of the voting power of the Common Stock and the ability to elect the entire Board of Directors. Accordingly, the Company has chosen to take advantage of certain of the exemptions provided in such rules, specifically, the exemptions to the requirements that listed companies have: (i) a majority of independent directors, although a majority of the Company's directors are independent; (ii) a nominating/governance committee composed entirely of independent directors; and (iii) a compensation committee that is composed entirely of independent directors and operates under a written charter, although the Company's Compensation Committee is composed entirely of independent directors and operates under a written charter.

### **Director Independence**

Pursuant to the Corporate Governance Rules of the Exchange, the Board of Directors assesses each director's independence annually by reviewing any potential conflicts of interest and outside affiliations, based on the standards set forth below. Using these standards and based upon information provided by each director, the Board of Directors has determined that Ms. Herman, Ms. McKinney-James and Messrs. Davis, Guinn, Haig, Hernandez, Kerkorian, Mandekic, Popeil, Taylor and Wolzinger, who constitute a majority of the Board, are independent within the meaning of the rules of the Exchange.

Under the standards of independence adopted by the Board of Directors, a director is deemed to be independent only if the Board of Directors determines that such director satisfies each of the criteria set forth below:

*No Material Relationship.* The director does not have *any* material relationship with the Company. Material relationships do not take into consideration a director's status as a stockholder of the Company (including status as a majority stockholder).

*Employment.* The director is not, and has not been at any time in the past three years, an employee of the Company. In addition, no member of the director's immediate family is, or has been in the past three years, an

executive officer of the Company.

*Other Compensation.* The director or immediate family member has not received more than \$100,000 in direct compensation from the Company during any 12-month period within the past three years, other than in the form of director fees, pension or other forms of deferred compensation for prior

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service, provided such compensation is not contingent in any way on continued service. Compensation received by a director for former service as an interim Chairman, CEO or other executive officer or compensation received by an immediate family member for services as an employee (other than an executive officer) of the Company need not be considered in determining independence under this standard.

*Auditor Affiliation.* The director is not a current partner or employee of the Company's internal or external auditors; no member of the director's immediate family is a current partner of the Company's internal or external auditors or a current employee of such auditors who participates in such firm's audit, assurance or tax compliance (but not tax planning) practice; and the director or an immediate family member has not been within the past three years a partner or employee of the Company's internal or external auditors and has not personally worked on the Company's audit within that time.

*Interlocking Directorships.* The director or an immediate family member is not, and has not been within the past three years, employed as an executive officer by another entity where any of the Company's present executive officers at the same time serves or served on that entity's compensation committee.

*Business Transactions.* The director is not an employee, or an immediate family member is not an executive officer, of another entity that, during any one of the past three fiscal years, received payments from the Company, or made payments to the Company, for property or services that exceed the greater of \$1 million or 2% of the other entity's annual consolidated gross revenues.

For the purposes of determining whether a director who is a member of the Audit Committee is independent, the Company applies additional independence standards, including those set forth in Rule 10A-3 of the Exchange Act, and the Corporate Governance Rules of the Exchange applicable to audit committee composition.

## **Information Regarding Board and Committees**

*Board of Directors.* The Board of Directors held eight meetings during 2007. The work of the Company's directors is performed not only at meetings of the Board of Directors and its committees, but also by consideration of the Company's business through the review of documents and in numerous communications among Board members and others. During 2007, each member of the Board of Directors attended at least 75% of all meetings of the Board of Directors and the committees on which they served (held during the period for which they served), except for Mr. Aljian, who attended less than 75% of all meetings due to health issues. Mr. Aljian passed away in April 2007. Directors are expected to attend each annual meeting of stockholders. Of the 16 members of the Board of Directors in May 2007, 15 of them attended last year's annual meeting.

*Executive Committee.* In October 2007, the Board of Directors voted to establish an Executive Committee, which, during intervals between the meetings of the Board of Directors, is empowered to exercise all the powers of the Board, except those powers specifically reserved by Delaware law or by the Company's Bylaws to the full Board of Directors, in the management and direction of the Company's business and conduct of the Company's affairs in all cases in which specific directions have not been given by the Board. The current members of the Executive Committee are J. Terrence Lanni (Chair), Robert H. Baldwin, Kirk Kerkorian, Anthony Mandekic, Rose McKinney-James, James J. Murren, Daniel J. Taylor and Melvin B. Wolzinger. The Executive Committee did not hold any meetings during 2007.

*Audit Committee.* For a complete discussion of the functions of the Audit Committee, see "Corporate Governance Audit Committee" below. The current members of the Audit Committee are Roland Hernandez (Chair), Kenny C. Guinn, Alexis Herman and Rose McKinney-James. The Audit Committee held nine meetings during 2007.

*Compensation Committee.* For a complete discussion of the functions of the Compensation Committee (the Compensation Committee, see the Corporate Governance Compensation Committee section below. The current members of the Compensation Committee are Anthony Mandekic (Chair), Willie D. Davis, Kenny

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C. Guinn, Ronald M. Popeil, Daniel J. Taylor and Melvin B. Wolzinger. The Compensation Committee held 13 meetings during 2007.

*The Diversity Committee.* The functions of the Diversity Committee include developing, implementing and monitoring the Company's diversity initiatives. The current members of the Diversity Committee are Alexis Herman (Chair), Willie D. Davis, Roland Hernandez, Gary N. Jacobs, Anthony Mandekic and Melvin B. Wolzinger. The Diversity Committee held five meetings during 2007.

**Presiding Director**

In accord