

MGM MIRAGE
Form DEF 14A
June 25, 2009

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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.

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
August 4, 2009

To the Stockholders:

The Annual Meeting of Stockholders of MGM MIRAGE, a Delaware corporation (the Company), will be held at The Mirage in the Terry Fator Theatre, located at 3400 Las Vegas Boulevard South, Las Vegas, Nevada 89109, on August 4, 2009, 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, 2009;
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 June 12, 2009 are entitled to notice of and to vote at the annual 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 annual meeting date.

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

By Order of the Board of Directors,

James J. Murren
Chairman of the Board
& *Chief Executive Officer*

June 25, 2009

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
June 25, 2009**

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 The Mirage in the Terry Fator Theatre, located at 3400 Las Vegas Boulevard South, Las Vegas, Nevada 89109, on August 4, 2009, 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 annual meeting are set forth in the Notice of Annual Meeting accompanying this Proxy Statement and are more fully outlined herein. On June 25, 2009, the Company distributed to stockholders a notice containing instructions on how to access this Proxy Statement and the Company's Annual Report to Stockholders via the internet, and it has undertaken to mail a full set of proxy materials to stockholders who request paper copies.

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 June 12, 2009 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 June 12, 2009, 441,007,329 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 of Common Stock represented by properly submitted proxies will, unless such proxies have previously been revoked, be voted at the annual 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 abstained with respect to Proposal 3, as described herein. By returning a signed proxy card by mail or by duly submitting a proxy by internet or telephone, 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 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

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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 meeting. The election of directors and the ratification of the selection of the independent registered public accounting firm as our independent auditors for 2009 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 described in Proposal 3, if presented at the meeting, 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, respectively, 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, respectively, 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, respectively. 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 and Proposal 3, respectively.

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 August 4, 2009.

As permitted by the Securities and Exchange Commission, the Company is making available its Notice of Annual Meeting, Proxy Statement and 2008 Annual Report at www.proxyvote.com. If you received the Company's notice containing instructions on how to access these materials via the internet, you will not receive a printed copy of the proxy materials unless you follow the instructions contained in the notice or as set forth below.

Stockholders of Record. If your shares are registered in your own name, to enroll in the electronic delivery service of future proxy materials via e-mail or the internet, with the control number on your proxy card go directly to the following website at www.proxyvote.com and follow the instructions therein.

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 furnish to each stockholder of record a proxy statement and annual report and to arrange for a proxy statement, annual report and, if

applicable, notice of internet availability of proxy materials to be furnished 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 may result in duplicate

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mailings of proxy materials to stockholders who share the same address. Stockholders can 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 copy of proxy materials (other than proxy cards), go directly to the following website at www.proxyvote.com and follow the instructions therein.

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 copy of proxy materials (other than proxy cards) if there are other stockholders who share an address with you. If you currently receive more than one copy of proxy materials at your household and would like to receive only one copy in the future, you should contact your nominee.

Right to Request Separate Copies. If you consent to the delivery of a single copy of proxy materials but later decide that you would prefer to receive a separate copy of proxy materials for each account at your address, then please notify the Company or your nominee, as applicable, and the Company or your nominee will promptly deliver such additional proxy materials. If you wish to receive a separate copy of the proxy materials for each account at your address in the future, you may call toll-free at 1-800-542-1061 or write to Broadridge Financial Solutions, Inc. 51 Mercedes Way, Edgewood NY, 11717.

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Shown below is certain information as of June 12, 2009 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, who are not directors and by all directors and executive officers of the Company as a group who held office as of the date of this Proxy Statement. Information as of June 12, 2009 with respect to beneficial ownership of shares of Common Stock by the directors of the Company, including Named Executives who are also directors of the Company, are set forth under Election of Directors-Information Concerning the Nominees below.

Name and Address(1)	Amount Beneficially Owned(2)	Percent of Class(3)
Tracinda Corporation 150 South Rodeo Drive, Suite 250 Beverly Hills, California 90212	163,123,044(4)	37.0%
Infinity World (Cayman) L.P. Emirates Towers, Level 47 Sheikh Zayed Road Dubai, United Arab Emirates	26,048,738(5)	5.9%
James J. Murren	2,605,324(6)(8)	(7)
Daniel J. D Arrigo	199,728(6)	(7)
Robert H. Baldwin	1,077,887(6)	(7)
Gary N. Jacobs	876,614(6)(9)	(7)
Aldo Manzini	12,573(6)	(7)
J. Terrence Lanni	0(10)	(7)
All directors and executive officers as a group (21 persons)	168,893,065(6)(10)(11)	37.8%

- (1) Unless otherwise indicated, the address for the persons listed above 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 June 12, 2009 and the total number of shares subject to stock options and stock appreciation rights exercisable as of June 12, 2009, and stock options, stock appreciation rights or restricted stock units that become exercisable or vest within 60 days thereafter held by such person or group. The number of shares of Common Stock outstanding as of June 12, 2009 was 441,007,329.
- (4)

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Based upon a Schedule 13D/A filed May 20, 2009 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 March 2, 2009 with the SEC by Infinity World (Cayman) L.P. and its affiliates.
- (6) Included in these amounts are 2,360,000 shares, 195,472 shares, 1,047,187 shares, 837,800 shares, and 12,573 shares underlying stock options and stock appreciation rights that are exercisable as of June 12, 2009, and stock options, stock appreciation rights or restricted stock units that become exercisable or vest within 60 days thereafter held by Messrs. Murren, D Arrigo, Baldwin, Jacobs and Manzini, respectively.

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

- (7) Less than 1%.
- (8) Includes 22,870 shares held by a Grantor Retained Annuity Trust, of which Mr. Murren is Trustee, and 222,454 shares held by the Murren Family Trust, of which Mr. Murren is co-Trustee.
- (9) Includes 30,024 shares held by a Grantor Retained Annuity Trust, of which Mr. Jacobs is Trustee.
- (10) Based upon the last Form 4 filed by Mr. Lanni, who resigned as Chairman of the Board and Chief Executive Officer of the Company effective as of November 30, 2008.
- (11) Also included are 407,750 shares subject to stock options or stock appreciation rights exercisable as of June 12, 2009, and stock options, stock appreciation rights or restricted stock units that become exercisable or vest within 60 days thereafter held by non-employee directors and 480,275 shares underlying stock options and stock appreciation rights exercisable as of June 12, 2009, and stock options, stock appreciation rights or restricted stock units that become exercisable or vest within 60 days thereafter held by executive officers other than the Named Executives.

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Proposal No. 1****Information Concerning the Nominees**

One of the purposes of the annual meeting is to elect 13 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 Amended and Restated Bylaws, the Board of Directors may determine the number of directors, not to exceed 20, and has fixed the number of directors at 13.

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 and certain other matters, in each case, as of June 12, 2009. 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 designated as 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.

Name (age)	Principal Occupation and Other Directorships	First Became a Director	Shares of Common Stock Beneficially Owned(1)
Robert H. Baldwin (59)	Chief Design and Construction Officer of the Company 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	1,077,887(2)(3)
Willie D. Davis (74)	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.	1989	93,396(2)(4)
Kenny C. Guinn (72)	Governor of the State of Nevada from 1999 through 2006. Chairman of the Board of Directors and a member of the Audit Committee and Compensation Committee of Service 1st Bank of Nevada since 2007.	2007	18,557(2)(4)

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Name (age)	Principal Occupation and Other Directorships	First Became a Director	Shares of Common Stock Beneficially Owned(1)
Alexander M. Haig, Jr. (84)	Chairman and President of Worldwide Associates, Inc., an international business advisory firm, for more than the past five years. Chairman of the Board of Directors of Xvionics, LP. Director of Tigris Pharmaceutical, Inc. Director and a member of the Nominating Committee of TRANSCU Group Ltd. Consultant to the Company since 1990.	1990	89,800(2)(4)
Alexis Herman (61)	Chair and Chief Executive Officer of New Ventures, a corporate consulting company for more than the past five years since 2001. Lead Director and member of the Audit Committee and Chair of Compensation Committee of Cummins Inc. Director and member of the Personnel Committee and Chair of the Governance Committee of Entergy Corp. Director and member of the Compensation Committee and Public Issues and Diversity Committee of Coca Cola Corp. United States Secretary of Labor from 1997 to 2001.	2002	47,800(2)(4)
Roland Hernandez (51)	Director and owner of minority interests in privately-held companies engaged in real estate, investment, media and security services for more than the past five years. Director and Chairman of the Audit Committee of Wal-Mart Stores, Inc. from June 1998 to June 2008. Director, Chairman of the Audit Committee and member of the Finance Committee of The Ryland Group. Presiding Director and member of the Audit Committee, Nominating Committee and Corporate Governance Committee of Vail Resorts, Inc. Director of Lehman Brothers Holdings Inc. Director and member of the Nominating Committee of Sony Corporation.	2002	60,500(2)(4)(5)

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Name (age)	Principal Occupation and Other Directorships	First Became a Director	Shares of Common Stock Beneficially Owned(1)
Gary N. Jacobs (63)	Executive Vice President, General Counsel and Secretary of the Company for more than the past five years. Director, Secretary and member of the Executive Committee, Nominating Committee, Securities Investment Committee, Compensation Committee and Special Strategic Options Committee of The InterGroup Corporation for more than the past five years.	2000	876,614(2)(3)
Kirk Kerkorian (92)	Employed by, and Chief Executive Officer, President and sole director and shareholder of Tracinda, for more than the past five years.	1987	163,123,044(6)
Anthony Mandekic (68)	Employed by, and Secretary and Treasurer of Tracinda for more than the past five years since 1976. Director of Delta Petroleum Corporation.	2006	26,000(2)(4)
Rose McKinney-James (57)	Managing Partner of Energy Works Consulting LLC, an energy consulting company, for more than the past five years. Managing Principal of McKinney James & Associates since 2003. Director of Marketing and External Affairs of the Nevada State Bank Public Finance since 2007. Chairman of the Board of Directors of Nevada Partners. Director and member of the Audit Committee and Governance Committee of Employers Holdings, Inc. Director of Toyota Financial Savings Bank.	2005	30,100(2)(4)
James J. Murren (47)	Chairman and Chief Executive Officer of the Company since December 2008. 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 and member of the Compensation Committee of Delta Petroleum Corporation.	1998	2,605,324(2)(3)

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Name (age)	Principal Occupation and Other Directorships	First Became a Director	Shares of Common Stock Beneficially Owned(1)
Daniel J. Taylor (52)	Employed by 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. Chairman of the Board of Directors, since May 2009, and a member of the Audit Committee, Nominating and Governance Committee, since February 2008, of Delta Petroleum Corporation.	2007	20,000(2)(4)
Melvin B. Wolzinger (89)	Principal owner of various privately held restaurants and gaming establishments in Las Vegas for more than the past five years. Director and member the Loan Committee of Colonial Bank.	2000	113,300(2)(4)

- (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.
- (3) Included in these amounts are 1,047,187 shares, 837,800 shares and 2,360,000 shares underlying options that are exercisable as of June 12, 2009 or that become exercisable within 60 days thereafter held by Messrs. Baldwin, Jacobs and Murren, respectively. Mr. Baldwin disclaims beneficial ownership of 123,397 shares underlying such options which were the subject of a divorce decree. Included in these amounts with respect to Mr. Jacobs are 30,024 shares held by a Grantor Retained Annuity Trust, of which Mr. Jacobs is Trustee. Included in these amounts with respect to Mr. Murren are 22,870 shares held by a Grantor Retained Annuity Trust, of which Mr. Murren is Trustee, and 222,454 shares held by the Murren Family Trust, of which Mr. Murren is co-Trustee.
- (4) Included in these amounts are shares underlying options and stock appreciation rights that are exercisable as of June 12, 2009 or become exercisable within 60 days thereafter, held as follows:

Name	Shares Underlying Options and SARs
Mr. Davis	60,750

Mr. Guinn	12,000
Mr. Haig	85,000
Ms. Herman	46,000
Mr. Hernandez	56,000
Mr. Mandekic	24,000
Ms. McKinney-James	30,000
Mr. Taylor	20,000
Mr. Wolzinger	74,000

(5) Includes 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

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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.

- (6) Shares are owned by Tracinda, which is wholly owned by Mr. Kerkorian. As of June 12, 2009, Tracinda owned 37.0% of the outstanding Common Stock (see Principal Stockholders) based upon a Schedule 13D/A filed May 20, 2009 with the SEC by Tracinda.

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 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 elected not to exercise this right in connection with our recent underwritten public offering of 143,000,000 shares of Common Stock and the issuance of an additional 21,450,000 shares of Common Stock pursuant to the underwriters' over-allotment option. 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 the number of nominees for election to our Board of Directors is 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. Based upon a Schedule 13D/A filed March 2, 2009 with the SEC by Infinity World group, it owned 26,048,738 shares of our Common Stock, or approximately 5.9% 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 14 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 ended December 31, 2008 were filed on a timely basis.

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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/corporategovernance under the caption Corporate Governance Policies, and a copy will be made available to any stockholder who requests it.

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/codeofconduct under the caption Code of Business Conduct and Ethics and Conflict of Interest Policy. It 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.

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, 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 major 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 12 meetings during 2008. 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 2008, 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 that Mr. Kerkorian attended 1 of the 3 meetings of the Executive Committee. Directors are expected to attend each annual meeting of stockholders. All of the members of the Board of Directors attended last year's annual meeting.

Executive Committee. During intervals between the meetings of the Board of Directors, the Executive Committee is empowered to exercise all the powers of the Board, except those powers specifically reserved by Delaware law or by the Company's Amended and Restated 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 James J. Murren (Chair), Robert H. Baldwin, Kirk Kerkorian, Anthony Mandekic, Rose McKinney-James, Daniel J. Taylor and Melvin B. Wolzinger. The Executive Committee held 3 meetings during 2008.

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 7 meetings during 2008.

Compensation Committee. For a complete discussion of the functions of the Compensation Committee, see "Corporate Governance Compensation Committee" below. The current members of the Compensation Committee are Anthony

Mandekic (Chair), Willie D. Davis, Kenny C. Guinn, Daniel J. Taylor and Melvin B. Wolzinger. The Compensation Committee held 14 meetings during 2008.

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Nominating/Corporate Governance Committee. For a complete discussion of the functions of the Nominating/Corporate Governance Committee, see Corporate Governance Nominating/Corporate Governance Committee below. The current members of the Nominating/Corporate Governance Committee are Daniel J. Taylor (Chair), Willie D. Davis and Anthony Mandekic. The Nominating/Corporate Governance Committee was not formed until May 2009 and, therefore, no meetings were held during 2008.

Diversity and Community Affairs Committee. The functions of the Diversity and Community Affairs Committee include developing, implementing and monitoring the Company's diversity and philanthropy initiatives. The current members of the Diversity and Community Affairs Committee are Alexis Herman (Chair), Willie D. Davis, Roland Hernandez, Gary N. Jacobs, Anthony Mandekic and Melvin B. Wolzinger. The Diversity and Community Affairs Committee held 6 meetings during 2008.

Presiding Director

In accordance with the applicable rules of the Exchange, the Board of Directors has scheduled regular executive sessions of the non-management directors in which directors have an opportunity to meet outside the presence of management. Such sessions are chaired by Mr. Hernandez, as Presiding Director, who was elected by, and serves at the pleasure of, the Board of Directors. The Presiding Director was selected by a majority of the non-management directors and is responsible for convening such sessions and setting the agenda. The Board of Directors has established a process for stockholders and other interested parties to communicate with the Presiding Director, which is set forth in Stockholder and Interested Parties Communications with Directors below.

Audit Committee

The Audit Committee's responsibilities are described in a written charter adopted by the Board of Directors. The charter is posted on the Company's website at www.mgmmirage.com/auditcommittee under the caption Audit Committee, and a copy will be made available to any stockholder who requests it.

The current members of the Audit Committee are Roland Hernandez (Chair), Kenny C. Guinn, Alexis Herman and Rose McKinney-James. The Audit Committee is responsible for providing independent, objective oversight of the Company's financial reporting system. Among its various activities, the Audit Committee reviews:

1. The adequacy of the Company's internal controls and financial reporting process and the reliability of the Company's financial statements;
2. The independence and performance of the Company's internal auditors and independent registered public accountants; and
3. The Company's compliance with legal and regulatory requirements.

The Audit Committee also appoints the independent registered public accountants; reviews with such firm the plan, scope and results of such audit, and the fees for the services performed; and periodically reviews their performance and independence from management.

Under written guidelines adopted by the Board of Directors in connection with its Code of Conduct, the Audit Committee, or its designated member, is required to review reports of potential conflicts of interest involving directors, the management committee (which is comprised of James J. Murren (Chair), Robert H. Baldwin and Gary N. Jacobs), and to the extent not otherwise determined by the management committee, the other senior executives of the Company. With respect to such reports, it is the Audit Committee's responsibility to determine whether a conflict

exists and whether or not to waive the conflict. In determining whether a conflict of interest exists, the Audit Committee considers the materiality of the relationship between the third party and the Company pursuant to standards set forth in such written guidelines. In determining whether a conflict of interest should be waived, the Audit Committee considers the effectiveness of any safeguards that may be implemented, the feasibility of the individual's recusal in matters that affect the Company and the third party, and the materiality of lost services for the Company that may result from the recusal.

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The Audit Committee meets regularly in open sessions with the Company's management, independent registered public accountants and internal auditors. In addition, the Audit Committee meets regularly in closed executive sessions with the Company's management, independent registered public accountants and internal auditors, and reports its findings to the full Board of Directors.

The Board of Directors has determined that Mr. Hernandez, Mr. Guinn, Ms. Herman and Ms. McKinney-James meet the current independence and experience requirements of the Exchange's listing standards. The Board of Directors has determined that each of the members of the Audit Committee is financially literate and that Mr. Hernandez qualifies as an audit committee financial expert, as defined in the Exchange's listing standards and the Commission's regulations. In addition, the Board of Directors has determined that the service of Mr. Hernandez on other audit committees, as described earlier in the description of his principal occupation and other directorships under Election of Directors, would not impair his ability to effectively serve on the Company's Audit Committee. The Board of Directors will review such determination at its meeting following the Annual Meeting of Stockholders, when it makes committee assignments for the coming year.

Compensation Committee

The Compensation Committee operates under a written charter adopted by the Board of Directors. The charter is posted on the Company's website at www.mgmmirage.com/compensationcommittee under the caption Compensation Committee Charter, and a copy will be made to any stockholder who requests it. The primary function of the Compensation Co