



RENARD INTERNATIONAL
HOSPITALITY SEARCH
CONSULTANTS

2016

World Wide Gaming Compensation Study



We represent the “Superstars” of the present and the future!
We guide our clients towards new heights of financial success.



Table of Contents

1. Introduction
2. 2016 Online Gambling Salary Survey
3. Management Role Overseen Casino / Hotel Operations
4. Corporate Compensation by Company Revenues
5. Hotel Services – Single Unit Compensation
6. Casino Management – Property Level Compensation
7. Department Head Salary Survey
8. Casino Executive Committee & Department Head
9. Casino Executive Committee Member – Hotel Component



Introduction to Compensation in the Gaming Industry - 2016

When we did our initial research for our 1995 gaming compensation study, over 20 years ago, the surveys were restricted to solely Las Vegas and Atlantic City. Now, decades later, almost every state in the USA, all provinces in Canada and over 30 different countries offer some form of legalized gaming experience. This takes into consideration Macau, Malaysia, Singapore, the Bahamas, Philippines, Saipan, Korea, Netherlands, Antilles, UK, Switzerland, Vietnam etc. all of whom also offer a similar gaming experience. There are over 216 gaming jurisdictions globally.

With the growth of casinos, the need for experienced management talent has become extremely spirited and for certain difficult postings, cut throat. In turn, upward pressure on executive compensation continues to exist as most of the major casino organizations whom are publicly listed generally offer their key employees stock or stock options.

In our 2015 study, we examine the total cash compensation for senior executives, as well as other forms of compensation, such as stock or stock options.

We have formulated our surveys using data from almost 100 Gaming Corporations. Our sources include self reports, public documents, personal resources, direct requirements from the searches we received, and our salary survey data, which we solicited.

Comments

The most notable results of our study are the major differences in compensation paid by large and small players in the gaming industry, as well as those who are publicly listed as opposed to privately held. For example, the difference can be from a CEO stand point of a total compensation of US\$500,000 for a small gaming group to a large publicly listed organization where the CEO can earn in excess of US\$20Million.

We did not take into consideration any "Black-Scholes" evaluation where in 2015 the value of stock granted in previous years had a substantially higher or lower value than in the year it was granted.

We also noted that in previous years there was a separation of income by country and venue. With the growth of casinos, salaries are more closely aligned with less distinction.

In our previous study we focused on the major North American gaming areas, which included New York State, New Jersey, Nevada, Mississippi, and Ontario Canada, as well as all major native North American Gaming sites. In 2015, we now have in depth information on worldwide casino groups, many of which are still USA controlled. Our current International review takes special focus on the Bahamas, Macau, Vietnam and the Philippines.

We noted that the location and size of casino matters when preparing compensation levels; although the bonus remains fairly consistent as a percentage of the base salary. In other words many companies offer higher base incomes but their bonus percentages (i.e. 25% to 50% of base) are consistent.

As the gaming industry grows around the world, the escalation of pay seems inevitable. What does this mean for gaming companies? Higher payroll, a greater utilization of incentives and an overwhelming need to retain management talent.

The catalyst for this is the specialized USA style gaming which is prevalent everywhere and legal hiring requirements for gaming licenses by any one operating both in the USA and overseas. The majority of key players seem to still be recruited from the USA or Canada, which is why we call it the “bird cage effect”. *On the other hand, operations executives (non gaming executives) can come from anywhere around the world.

Our overall viewpoint is that, i n 2 0 1 6 , there will continue to be a “scavenger hunt” for USA Trained Gaming executives globally, with incestuous employment policies and engagement bonuses being the normal practice.**

Notes:

*The bird cage effect is when you shake the bird cage, the birds change perches (talent moves from company to company), but they are the same birds.

**USA citizens or green card casino executives even offshore must pay some USA taxes. Therefore, they are not tax free and require more financial incentives to recruit them.



USA Only
2016 Online Gambling Survey (in \$USD)
Base Salary Only

| | Median | High | Low |
|---|---------------|-------------|------------|
| Software Engineer 105 International Game Technology | \$88k | \$196k | \$63k |
| Software Engineer II 59 International Game Technology | \$85k | \$121k | \$67k |
| Systems Analyst 53 International Game Technology | \$73k | \$89k | \$65k |
| Software Engineer III 51 International Game Technology | \$101k | \$146k | \$78k |
| Software Engineer IV 26 International Game Technology | \$115k | \$161k | \$89k |
| Computer Systems Analyst 16 International Game Technology | \$75k | \$132k | \$71k |
| Project Manager 15 International Game Technology | \$83k | \$99k | \$58k |
| Systems Analyst 15 International Game Technology | \$73k | \$81k | \$70k |
| Business Analyst 13 International Game Technology | \$74k | \$91k | \$72k |
| Software Engineer I 11 International Game Technology | \$77k | \$105k | \$68k |
| Technical Manager 11 International Game Technology | \$91k | \$148k | \$80k |
| Manager 9 International Game Technology | \$111k | \$148k | \$81k |
| Software Engineer (Product Assurance Engineer II) 9 International Game Technology | \$83k | \$94k | \$74k |
| Senior Software Engineer 8 International Game Technology | \$110k | \$151k | \$78k |
| Lead Software Engineer 8 International Game Technology | \$81k | \$95k | \$74k |

Up and above base salary are extensive benefits and bonuses, and may include stock or stock options. The median value of bonuses and benefits is \$31.1% and some receive over 100% of base not including stock or stock options. This does not include hiring bonuses or one time special bonuses for devising a new process or inventing a new piece of software to increase traffic on the site, etc.

Note: The online gaming experience in 2015 raised almost USD 10 billion dollars.



North America Only
Management Role Supervising Both Casino / Hotel Operations
Canada & USA 2005-2016
(Salary Rounded To Closest Thousand)

| Corporate | **Minimum Base Salary or Lowest Reported | | **Average Base Salary | | **Maximum Base Salary Reported | | **Average Bonus (Excluding Stock or Stock Options) | | **Average Total Cash Component | | **Average Total Financial Package (Including Stock or Stock Options) | |
|---------------------------|--|-------|-----------------------|-------|--------------------------------|---------|--|-------|--------------------------------|---------|--|---------|
| | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 |
| *Chief Executive Officer | \$117 | \$572 | \$553 | \$936 | \$3,024 | \$5,620 | \$324 | \$425 | \$867 | \$2,100 | \$1,836 | \$3,000 |
| *Chief Financial Officer | \$113 | \$297 | \$298 | \$545 | \$768 | \$1,300 | \$103 | \$215 | \$433 | \$770 | \$961 | \$1,100 |
| *Chief Operating Officer | \$67 | \$255 | \$434 | \$652 | \$1,404 | \$2,750 | \$217 | \$395 | \$647 | \$840 | \$1,621 | \$1,990 |
| *Executive Vice President | \$130 | \$291 | \$282 | \$519 | \$621 | \$1,750 | \$139 | \$270 | \$409 | \$536 | \$550 | \$969 |
| *Sr. VP Operations | \$129 | \$276 | \$251 | \$426 | \$541 | \$1,575 | \$127 | \$271 | \$422 | \$515 | \$535 | \$850 |
| *VP Sales / Marketing | \$113 | \$253 | \$189 | \$299 | \$283 | \$639 | \$66 | \$144 | \$243 | \$400 | \$334 | \$590 |

- These roles in many cases are not the most senior in the organizations so may not be the highest earners and may report to another individual with a similar title in another division of the group.

- This does not include any initial hiring bonuses.

- Size matters; highest compensation logically goes to the casino hotels which are the largest with biggest revenues.

- Bonus programs potentially differ greatly between branded and independent operations.

- Long-term tenure employees have a great effect on base income.

* These figures are jaded by the fact that some casino companies' compensation and stock combined maybe up to 5 times higher than smaller private hotel & casino operations.

** Some information sourced from tax reports filed by public companies.



Worldwide

* Global Study - Corporate Cash Compensation by Company Revenues (in Thousands)

| Company Annual Revenue | Average Base Salary | | Average Bonus | | Average Total Cash Component | |
|--|---------------------|---------|---------------|---------|------------------------------|---------|
| | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 |
| Under \$150M/Year Chief Executive Officer | \$348 | \$550 | \$144 | \$199 | \$492 | \$730 |
| Over \$150M/Year Chief Executive Officer | \$1,032 | \$1,388 | \$2,033 | \$1,170 | \$3,066 | \$2,450 |
| Under \$150M/Year Chief Financial Officer | \$219 | \$418 | \$55 | \$170 | \$274 | \$601 |
| Over \$150M/Year Chief Financial Officer | \$484 | \$802 | \$260 | \$329 | \$744 | \$1,275 |
| Under \$150M/Year Chief Operating Officer | \$310 | \$450 | \$52 | \$126 | \$363 | \$580 |
| Over \$150M/Year Chief Operating Officer | \$648 | \$977 | \$418 | \$555 | \$1,067 | \$1,555 |
| Under \$150M/Year Exec. Vice President | \$209 | \$375 | \$67 | \$115 | \$276 | \$501 |
| Over \$150M/Year Exec. Vice President | \$400 | \$555 | \$288 | \$298 | \$684 | \$799 |
| Under \$150M/Year Sr. VP Operations | \$200 | \$330 | \$100 | \$110 | \$300 | \$485 |
| Over \$150M/Year Sr. VP Operations | \$413 | \$450 | \$262 | \$288 | \$675 | \$726 |
| Under \$150M/Year VP Sales / Marketing | \$172 | \$226 | \$32 | \$77 | \$204 | \$330 |
| Over \$150M/Year VP Sales / Marketing | \$340 | \$380 | \$187 | \$217 | \$627 | \$594 |

Note: Did not include operations where total revenues were less than \$50 million. Many of these employees are long-term executives, which account for their large base salaries and exceptional bonuses.

- Bonus programs potentially differ greatly between branded and independent operations.

- Note: information sourced from public filing or tax reports.

- Long-term tenure employees have a great effect on base income.

- This does not include any stocks or stock options offered.

- Size matters; highest compensation logically goes to the casino hotels which are the largest with biggest revenues.

** This is for the most senior executives in the entire organization who overlook everything from casinos to other investments, including real estate. They may also be a board member.*



North America Only
USA & Canada Based Casino Hotel – *Hotel Services Only
Single Unit Compensation (Rounded to Closest Thousand)

| | Minimum Base Salary | | Average Base Salary | | Maximum Base Salary Reported | | Average Bonus | |
|--|---------------------|-------|---------------------|-------|------------------------------|---------|---------------|-------|
| | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 | 2005 | 2016 |
| CEO Hotel Services | \$94 | \$195 | \$326 | \$404 | \$2,061 | \$3,550 | \$113 | \$370 |
| VP Casino & Hotel Operations | \$54 | \$175 | \$162 | \$283 | \$347 | \$525 | \$48 | \$136 |
| Sales & Marketing | \$68 | \$165 | \$143 | \$191 | \$436 | \$445 | \$50 | \$151 |
| Property Finance | \$73 | \$148 | \$133 | \$189 | \$470 | \$466 | \$44 | \$100 |
| Property Hotel Operations – Room Division | \$77 | \$156 | \$120 | \$211 | \$386 | \$438 | \$26 | \$72 |
| Property Hotel Operations – Food & Beverage | \$73 | \$143 | \$106 | \$160 | \$280 | \$324 | \$22 | \$70 |

- Titles may be different as many operators use different designations due to size of complex or for historic reasons.

- Bonus programs potentially differ greatly between branded and independent operations.

- Long-term tenure employees have a great effect on base income.

- This does not include any stocks or stock options offered.

- Size matters; highest compensation logically goes to the casino hotels which are the largest with biggest revenues.

* This survey is valid for a hotel in conjunction with an established USA-style gaming facility, not valid for a stand-alone hotel.



North America Only
***USA & Canada Casino Management**
Property Level Compensation 2005-2016

| Established Casinos | Average Base Salary | | Average Bonus | |
|---|---------------------|-----------|---------------|-----------|
| | 2005 | 2016 | 2005 | 2016 |
| CEO | \$320,250 | \$656,800 | \$102,900 | \$276,000 |
| VP Casino Operations | \$176,400 | \$332,400 | \$40,950 | \$133,800 |
| Top Property Sales & Marketing | \$173,250 | \$225,100 | \$39,900 | \$131,500 |
| Top Property Finance | \$135,450 | \$190,450 | \$25,200 | \$104,000 |
| Top Property Human Resources | \$108,150 | \$166,300 | \$21,000 | \$101,500 |
| Top Property Hotel Operations | \$119,700 | \$205,600 | \$18,900 | \$110,800 |

** This does not include other perks nor stock or stock options*

- Titles may be different as many operators use different designations due to size of complex or for historic reasons.

- Bonus programs potentially differ greatly between branded and independent operations.

- Long-term tenure employees have a great effect on base income.

- This does not include any initial hiring bonuses.

- Size matters; highest compensation logically goes to the casino hotels which are the largest with biggest revenues.

- With several North American casino companies with financial challenges, some in bankruptcy protection, salaries were not greatly changed in the last 12 months; but bonuses are paid as per contract.



North America
USA & Canada Department Head Salary Survey
Average Salary For a Branded Or Well Established Casino
750 Rooms Or Greater (as of January 2016)

| Role | Salary | |
|---|----------|------------------|
| | Average | Highest Reported |
| Executive Chef | \$90,430 | \$166,000 |
| Executive Sous Chef | \$65,650 | \$111,100 |
| Hotel Resident Manager | \$72,950 | \$121,600 |
| Food & Beverage Manager | \$95,125 | \$132,640 |
| Executive Housekeeper Public Areas | \$52,230 | \$90,000 |
| Security Manager | \$89,450 | \$126,300 |
| Director of Sales | \$73,430 | \$111,720 |
| Financial Controller of a Single Unit or Department | \$74,650 | \$136,000 |
| Social Network Supervisor | \$33,600 | \$52,800 |
| Revenue Manager | \$44,750 | \$76,000 |

CASINOS

| Role | Salary | |
|--------------------------------------|-----------|------------------|
| | Average | Highest Reported |
| Surveillance Operations Manager (#2) | \$66,350 | \$111,300 |
| Slot Marketing Manager (#2) | \$60,430 | \$132,400 |
| Gaming Dealer of Multiple Games | \$32,640* | \$48,100* |
| Cage Manager | \$64,100 | \$148,000 |
| Casino Pit Manager | \$66,800 | \$136,200 |
| IT Manager | \$75,000 | \$107,800 |
| Graphic Designer | \$52,050 | \$75,640 |
| HR Director | \$77,760 | \$121,900 |

Note: The great majority of source information for this survey came from Las Vegas hotels.

**Gratuities increase salary substantially as this is an hourly paid role.*

- Size of hotel for this study was 500 Rooms or larger.

- Benefits or bonuses are not included.

-Some employees in this study had extensive tenure with these hotels.

- Size matter; highest compensation logically goes to the casino and hotel which are the largest with biggest revenues.

Note: Some employees are unionized, no expatriate benefits offered.

Global

2016 International Casino Executive Committee and Department Head Salary Survey - All Locations Outside North America (USA & Canada)

| Average Format | USA Dollars | |
|---|---------------------|-------------------------|
| **CASINO EXECUTIVES | | |
| Designation | Salary | |
| | Average Base Salary | Maximum Salary Reported |
| CEO Casino & Hotel Operations | \$396,850 | \$865,000 |
| CEO Hotel Services only | \$274,000 | \$355,900 |
| VP Casino & Hotel Operations | \$211,050 | \$275,100 |
| VP Casino Player Sales & Marketing | \$125,500 | \$199,750 |
| VP Sales & Marketing Hotel Division | \$139,800 | \$190,225 |
| Casino Property Finance | \$136,225 | \$298,400 |
| Property Hotel Operations (Rooms Division Manager) Paiza Manager | \$89,125 | \$126,200 |
| Inside Casino Operations Food & Beverage Manager | \$89,600 | \$119,900 |

| *DEPARTMENT HEAD CASINO ROLES – NOT EXCOM MEMBERS | | |
|--|----------|------------------|
| Role | Salary | |
| | Average | Highest Reported |
| Surveillance Operations Manager (#2) | \$72,950 | \$136,600 |
| Slot Marketing Manager (#2) | \$61,400 | \$143,800 |
| Gaming Dealer of Multiple Games | \$32,850 | \$60,000 |
| Cage Manager | \$66,700 | \$148,350 |
| Casino Pit Manager | \$61,450 | \$128,100 |
| IT Manager | \$65,500 | \$73,000 |
| Graphic Designer | \$46,000 | \$61,950 |
| HR Director Casino staff only | \$81,550 | \$120,640 |

- Gross or net depends on jurisdiction i.e. Macau, Singapore is gross and Bahamas is net.
- Size of hotel for this study was 500 Rooms or larger.
- Stock Benefits or bonuses are not included.
- Some employees in this study had extensive tenure with these casinos.
- Size matters! The highest compensation logically goes to the casino and hotel that are the largest with biggest revenues.
- Average salary for a branded or well established Casino.
- 22 casinos used for this survey. Some casinos did not have a hotel component or were not associated with a connecting or a nearby hotel.
- Single unit responsibility only.
- *All receive some expatriate benefits.
- **All receive full expatriate benefits, including schooling for all their children if applicable.

This does not include other perks nor stock or stock options. These are the most senior individuals overseeing a single unit; but may report to an individual in another division if it is a multi-unit organization.

- Titles are diverse as many operators use different designations due to size of complex or for historic reasons.
- Bonus programs potentially differ greatly between branded and independent operations.
- Long-term tenure employees are logically the highest paid and so have a great effect on base income calculation.
- This does not include any initial hiring bonuses.

Note: Some salaries and bonuses have been lower, reflecting the challenges faced by some casinos in 2015.

Some inflation in salaries is solely due to changes in currency exchange.

Global

2016 Casino Executive Committee Member Compensation Report Hotel Component for All Locations Outside Canada and USA - Including Macau (China), Singapore, Philippines and Nassau (Caribbean)

| Average Format USA Dollars (Single Unit Responsibilities Only) | | |
|---|-----------|------------------|
| Designation | Salary | |
| Hotel Component | Average | Highest Reported |
| General Manager ** | \$185,740 | \$348,400 |
| Executive Chef *** | \$75,400 | \$143,000*** |
| Executive Sous Chef | \$62,500 | \$90,400 |
| Hotel Resident Manager* | \$76,100 | \$141,600 |
| Food & Beverage Director | \$72,400 | \$120,100 |
| Executive Housekeeper Casino Public Areas and Hotel | \$65,900 | \$101,000 |
| Hotel Security Manager | \$59,150 | \$89,500 |
| Hotel Director of Sales & Marketing | \$95,700 | \$145,350 |
| Hotel Financial Controller of a Single Unit or Department | \$72,000 | \$120,200 |
| Social Network Manager | \$31,900 | \$48,100 |
| Revenue Director | \$48,650 | \$66,400 |
| Human Resources Director – Hotelstaff only | \$75,000 | \$109,100 |

- Gross or net depends on jurisdiction i.e. Macau, Singapore is gross and Bahamas is net.
- Size of hotel for this study was 500 Rooms or larger.
- Benefits or bonuses are not included.
- Some employees in this study had extensive tenure with these hotels/casinos.
- Size matters! The highest compensation logically goes to the casino and hotel which are the largest with biggest revenues.
- Average salary for a branded or well established Casino Hotel.
- 18 casinos used for this survey. Some casinos did not have a hotel component or were not associated with a connecting or a nearby hotel.
- Single unit responsibility only.

This does not include other perks nor stock or stock options. These are the most senior individuals overseeing a single unit; but may report to an individual in another division if it is a multi-unit organization.

- Titles are diverse as many operators use different designations due to size of complex or for historic reasons.
- Bonus programs potentially differ greatly between branded and independent operations.
- Long-term tenure employees are logically the highest paid and so have a great effect on base income calculations.
- This does not include any initial hiring bonuses.

*May be termed as Hotel Manager, Director of Operations or EAM reporting to the General Manager.

**Hotel operations ONLY and reports to the CEO of both the Casino and Hotel.

***In this scenario all restaurants managed by the casino hotel non outsourced, but some operated under license.

All receive expatriate benefits.





**RENARD INTERNATIONAL
HOSPITALITY SEARCH
CONSULTANTS**

Renard International Hospitality Search Consultants

121 Richmond Street West, Suite 500
Toronto, Ontario, M5H 2K1
Canada

General Inquiries

Telephone: 001-416-364-8325
Fax: 001-416-364-4924
Email: consultants@renardinternational.com