

ISLE OF CAPRI CASINOS INC
Form DEF 14A
August 22, 2016

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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 under §240.14a-12

ISLE OF CAPRI CASINOS, INC.

(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)(1) and 0-11.
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 - (3) Filing Party:
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**600 EMERSON ROAD
ST. LOUIS, MISSOURI 63141
(314) 813-9200**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be Held on Wednesday, October 19, 2016**

The 2016 Annual Meeting of Stockholders of Isle of Capri Casinos, Inc. will be held at 600 Emerson Road, St. Louis, Missouri, on Wednesday, October 19, 2016 at 9:00 a.m., Central Time, for the following purposes:

- (1) To elect two persons as Class III directors to the Board of Directors to hold office until 2019.
- (2) To ratify the Audit Committee's selection of Ernst & Young, LLP as our independent registered public accounting firm for the 2017 fiscal year.
- (3) To transact such other business as may properly come before the Annual Meeting.

The record date for the determination of stockholders entitled to vote at the Annual Meeting, or any adjournments or postponements thereof, was the close of business on August 22, 2016. A stockholder list will be available for examination for any purpose germane to the meeting, during ordinary business hours at our principal executive offices, located at 600 Emerson Road, St. Louis, Missouri 63141 for a period of 10 days prior to the meeting date. Additional information regarding the matters to be acted on at the Annual Meeting can be found in the accompanying Proxy Statement.

In accordance with the Securities and Exchange Commission rules that allow us to furnish proxy materials to you via the Internet, we have made these proxy materials available to you at www.proxyvote.com, or, upon your request, have delivered printed versions of these materials to you by mail. We are furnishing this proxy statement in connection with the solicitation by our Board of Directors of proxies to be voted at our 2016 Annual Meeting. Reference is made to the proxy statement for further information with respect to the items of business to be transacted at the Annual Meeting. We have not received notice of other matters that may be properly presented at the Annual Meeting.

Your vote is important to us so we encourage you to read these materials and vote as soon as possible whether or not you plan on attending the Annual Meeting in person. Votes can be cast by mail, internet, phone or in person. For further information on voting, please see page 3 of these materials.

BY ORDER OF THE BOARD OF DIRECTORS,

Edmund L. Quatmann, Jr.
Chief Legal Officer and Secretary

St. Louis, Missouri
August 22, 2016

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2016
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 19, 2016**

Isle of Capri Casino's Proxy Statement for the 2016 Annual Meetings of Stockholders is available at www.proxyvote.com.

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**600 EMERSON ROAD
ST. LOUIS, MISSOURI 63141
(314) 813-9200**

**PROXY STATEMENT
August 22, 2016**

We are furnishing this proxy statement to you in connection with the solicitation by the Board of Directors of Isle of Capri Casinos, Inc., a Delaware corporation, of proxies for use at the 2016 Annual Meeting of Stockholders to be held on Wednesday, October 19, 2016, beginning at 9:00 a.m., Central Time, at 600 Emerson Road, St. Louis, Missouri, and at any adjournment(s) of the Annual Meeting. Isle of Capri Casinos, Inc., together with its subsidiaries, is referred to herein as the "Company," "we," "us" or "our," unless the context indicates otherwise.

Our principal executive offices are located at 600 Emerson Road, St. Louis, Missouri 63141. A notice containing instructions on how to access our 2016 Annual Report to Stockholders, this proxy statement, and accompanying proxy card is expected to be first mailed to our stockholders on or about September 9, 2016.

QUESTIONS AND ANSWERS ABOUT THIS YEAR'S PROXY VOTING

When is the Annual Meeting, and why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of printed proxy materials?

The Board of Directors of Isle of Capri Casinos, Inc., a Delaware corporation, seeks your proxy for use in voting at our 2016 Annual Meeting or at any postponements or adjournments of the Annual Meeting. The Board of Directors is soliciting proxies beginning on or about August 22, 2016. Our Annual Meeting will be held at 600 Emerson Road, St. Louis, Missouri on Wednesday, October 19, 2016, at 9:00 a.m., Central Time. All holders of our common stock, par value \$0.01 per share, entitled to vote at the Annual Meeting, will receive a one-page notice in the mail regarding the Internet availability of proxy materials. Along with the proxy statement, you will also be able to access our Annual Report on Form 10-K for the fiscal year ended April 24, 2016 on the Internet.

Pursuant to the rules adopted by the Securities and Exchange Commission ("SEC"), we have elected to provide access to our proxy materials over the Internet. Accordingly, we sent a notice to all of our stockholders as of the record date. All stockholders may access our proxy materials on the website referred to in the notice. Stockholders may also request to receive a printed set of our proxy materials. Instructions on how to access our proxy materials over the Internet or to request a printed copy can be found on the notice. In addition, by following the instructions in the notice, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you. If you choose to receive future proxy materials by email, you will receive an

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email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

THE PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF ISLE OF CAPRI CASINOS, INC.

What am I being asked for vote on this year?

At the Annual Meeting, the Company's stockholders will be asked to vote on the following proposals:

- (1) To elect two persons as Class III directors to the Board of Directors to hold office until 2019.
- (2) To ratify the Audit Committee's selection of Ernst & Young, LLP as our independent registered public accounting firm for the 2017 fiscal year.

The stockholders may also transact any other business that may properly come before the meeting.

Who is entitled to vote at the Annual Meeting?

The record date for the Annual Meeting was August 22, 2016, and only stockholders of record at the close of business on that date may vote at and attend the Annual Meeting.

What constitutes a quorum for the purposes of voting?

A majority of the shares of the Company's common stock outstanding, represented in person or by proxy, at the Annual Meeting, will constitute a quorum for the purpose of transacting business at the Annual Meeting. Abstentions and "broker non-votes" (explained below) are counted as present for the purpose of determining the presence or absence of a quorum for the transaction of business. As of the record date, August 22, 2016, there were 41,303,063 shares of the Company's common stock outstanding and entitled to vote, which excludes 763,085 shares held by us in treasury.

What if a quorum is not present at the Annual Meeting?

If a quorum is not present during the meeting, we may adjourn the meeting. In addition, in the event that there are not sufficient votes for approval of any of the matters to be voted upon at the meeting, the meeting may be adjourned in order to permit further solicitation of proxies.

How many votes do I have?

Each outstanding share of the Company's common stock entitles its owner to one vote on each matter that comes before the meeting. Your proxy card indicates the number of shares of the Company's common stock that you owned as of the record date, August 22, 2016.

How many votes are needed to approve each item?

Provided a quorum is present, directors will be elected by the affirmative vote of a plurality of the shares of our common stock present at the Annual Meeting, in person or by proxy, and entitled to vote on the proposal. Withheld votes, if any, and broker non-votes, if any, will have no effect on the vote for the proposal. Stockholders are not allowed to cumulate their votes for the election of directors.

Ratification of the Audit Committee's selection of Ernst & Young, LLP as our independent registered public accounting firm for the 2017 fiscal year requires the affirmative vote of at least a majority of the shares of our common stock present at the Annual Meeting, in person or by proxy, and

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entitled to vote on the proposal. Broker non-votes, if any, will have no effect on the vote for this proposal. Abstentions will have the same effect as a vote against this proposal. If this selection is not ratified by our stockholders, the Audit Committee may reconsider its selection.

What if my stock is held by a broker?

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. Certain matters submitted to a vote of stockholders are considered 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, so called "broker non-votes." For those matters that are considered to be "non-routine," brokerage firms that have not received instructions from their customers will not be permitted to exercise their discretionary authority. The election of directors is a "non-routine" item and the ratification of the Audit Committee's selection of our independent registered public accounting firm is a "routine" matter.

How do I cast my vote?

Stockholders of record can choose to vote by any of the following ways:

- (1) By mail:
Isle of Capri Casinos, Inc.
c/o Broadridge
51 Mercedes Way
Edgewood, NY 11717
- (2) By Internet: www.proxyvote.com
- (3) By telephone: 1-800-690-6903; or
- (4) In person at the Annual Meeting.

By casting your vote in any of the four ways listed above, you are authorizing the individuals listed on the proxy to vote your shares in accordance with your instructions.

If you hold our voting securities in "street name," only your broker or bank can vote your shares. If you want to vote in person at our Annual Meeting and you hold our voting securities in street name, you must obtain a proxy from your broker and bring that proxy to our Annual Meeting.

How do I vote using the proxy card?

If the proxy is properly signed and returned, the shares represented by the proxy will be voted at the Annual Meeting according to the instructions indicated on your proxy. If the proxy does not specify how your shares are to be voted, your shares represented by the proxy will be voted:

1. For the election of the two Class III directors recommended by the Board of Directors;
2. To ratify the Audit Committee's selection of Ernst & Young, LLP as our independent registered public accounting firm for the 2017 fiscal year; and
3. In the discretion of the Board of Directors, upon such other business as may properly come before the meeting.

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Can I change my vote after I have submitted my proxy?

Yes, a stockholder who has submitted a proxy may revoke it at any time prior to its use by:

1. Delivering a written notice to the Secretary;
2. Executing a later-dated proxy; or
3. Attending the Annual Meeting and voting in person.

A written notice revoking the proxy should be sent to the Company's Secretary at the following address:

Edmund L. Quatmann, Jr.
Chief Legal Officer and Secretary
Isle of Capri Casinos, Inc.
600 Emerson Road
St. Louis, Missouri 63141

How will the votes be tabulated at the Annual Meeting?

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspectors appointed for the Annual Meeting, and such election inspectors also will determine whether or not a quorum is present.

Will the Company solicit proxies in connection with the Annual Meeting?

Yes, the Company will solicit proxies in connection with the Annual Meeting. We will bear all costs of soliciting proxies including charges made by brokers and other persons holding stock in their names or in the names of nominees for reasonable expenses incurred in sending proxy material to beneficial owners and obtaining their proxies. In addition to solicitation by mail, our directors, officers, and employees may solicit proxies personally and by telephone, facsimile and email, all without extra compensation. We may retain a proxy solicitation firm to assist in the solicitation of proxies. If we retain such a firm, the fee to be paid for such services will be borne by us and is not expected to exceed \$7,500 plus reasonable expenses.

ELECTION OF CLASS III DIRECTORS

General

Pursuant to our Certificate of Incorporation, the members of our Board of Directors are elected to serve staggered terms and are divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors constituting our entire Board of Directors, and with the term of office of one class of members of our Board of Directors expiring at each annual meeting of stockholders.

Additionally, pursuant to an agreement dated as of January 19, 2011 (the "Goldstein Governance Agreement"), among the Company, Robert S. Goldstein, our Chairman, Jeffrey D. Goldstein and Richard A. Goldstein, two of our directors, and GFIL Holdings, LLC, a Delaware limited liability company ("GFIL"), the Company agreed that until the Nomination Expiration Date (as defined below), it will take all action reasonably necessary for the Board of Directors to nominate and recommend for election by the Company's stockholders each of Jeffrey D. Goldstein, Robert S. Goldstein and Richard A. Goldstein (the "Goldstein Directors") (or, in the event that any of them dies or becomes legally incapacitated, another descendant of Bernard Goldstein (including a person legally adopted

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before the age of five) who is suitable to serve as our director pursuant to applicable Nasdaq requirements and other applicable law and designated by the remaining Goldstein Directors, who then are competent; provided, however, if our Board of Directors reasonably objects to such designee, another descendant reasonably acceptable to our Board of Directors may so be designated by the remaining qualified Goldstein Directors) at any annual meeting at which their respective directorship terms are scheduled to expire.

The "Nomination Expiration Date" means the earlier to occur of (1) the tenth anniversary of the date of the Goldstein Governance Agreement and (2) such time as the sum of (i) and (ii) below do not equal in the aggregate at least 22.5% of the then outstanding shares of the Company's common stock, not including any shares of Class B common stock or shares of common stock issued upon conversion of any preferred stock: (i) the total number of Physical Shares of the Company's common stock directly owned by members of the Goldstein family (the "Goldstein Group"), including the Goldstein Directors, GFIL, spouses, children and grandchildren of certain members of the Goldstein family and entities associated with certain members of the Goldstein family, (other than GFIL) in the aggregate; and (ii) the total number of Physical Shares of the Company's common stock owned by GFIL multiplied by a fraction, the numerator of which is equal to the total number of Physical Shares of the membership interests of GFIL directly owned by members of the Goldstein Group and the denominator of which is equal to the then total outstanding membership interests of GFIL. "Physical Shares" means shares, units or interests of a corporation or other entity (such as a limited liability company, limited partnership or trust) beneficially owned by any person as to which such person directly or indirectly has voting and investment power and which are held either of record by such person or through a broker, dealer, agent, custodian or other nominee who is the holder of record of such shares.

Recent Developments

Effective as of April 27, 2016, Virginia McDowell, a Class II Director, retired from her position as a member of our Board of Directors and her position as our President and Chief Executive Officer. The retirement of Ms. McDowell was not the result of any disagreement with us.

On July 28, 2016, our Board of Directors set the total number of directors constituting our entire Board of Directors at seven (7), reflecting its present intent not to fill the vacancy created by the departure of Ms. McDowell. Accordingly, the Board of Directors now consist of seven (7) members as follows: (3) Class I members with terms expiring in 2017, two (2) Class II directors with terms expiring in 2018 and two (2) Class III directors with terms expiring in 2016 and which are currently nominated for re-election.

Class III Director Nominees for Election for Terms Expiring at the 2019 Annual Meeting of Stockholders

At the Annual Meeting, stockholders will vote on the election of nominees listed below to serve as our Class III directors for three-year terms to expire at the annual meeting of stockholders in 2019 or until their respective successors, if any, have been elected and qualified. All nominees are currently serving on the Company's Board of Directors.

The Company does not know of any reason why any nominee would be unable or unwilling to serve as a director. If any nominee is unable or unwilling to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Company's Board may nominate.

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The Board of Directors recommends that you vote "**FOR**" each of the following nominees for three-year terms expiring in 2019:

Robert S. Goldstein, age 61, has been a director since February 1993 and was named non-executive Chairman of the Board of Directors in July 2014. Prior to that, Mr. Goldstein was named Vice Chairman beginning in May 2008 and Executive Vice Chairman from October 2005 to May 2008. Mr. Goldstein has held various leadership positions with Goldstein Group, Inc., a private family owned holding company, since 1977 and he currently serves as Chairman and Chief Executive Officer of that entity. Mr. Goldstein also currently serves as Chairman and Chief Executive Officer of Alter Trading Corporation and has been associated with that company since 1977. Mr. Goldstein is the brother of Jeffrey D. Goldstein and Richard A. Goldstein.

The Board of Directors supports and approves Mr. Goldstein's nomination because he has extensive experience as an entrepreneur and in management of operations, corporate governance and strategic planning and brings to the Board of Directors invaluable perspectives on all aspects of the Company's business. Moreover, as a member of the Goldstein family the largest beneficial owner of the Company's common stock Mr. Goldstein's interests are uniquely and significantly aligned with the Company's efforts to grow long-term stockholder value.

Gregory J. Kozicz, age 55, has been a director since January 2010. Mr. Kozicz is president and chief executive officer of Alberici Corporation, a St. Louis-based diversified construction, engineering and steel fabrication company, and Alberici Constructors Inc., a wholly-owned subsidiary of Alberici Corporation. He also serves on the Eighth District Real Estate Industry Council of the Federal Reserve Bank of St. Louis. He has served as president and chief executive officer of Alberici Corporation and Alberici Constructors since 2005 and June 2004, respectively. Prior to his current roles, Kozicz was president of Alberici Constructors Ltd. (Canada). Before joining Alberici in 2001, Kozicz served as a corporate officer and divisional president for Aecon, a publicly-traded construction, engineering and fabrication company.

The Board of Directors supports and approves Mr. Kozicz's nomination because he brings extensive experience in the areas of construction, corporate leadership and executive management. Mr. Kozicz has served in various leadership roles and brings important perspectives to the Board of Directors particularly in the area of both private and public companies.

Directors Whose Terms of Office Will Continue After this Annual Meeting

Class I Directors (Terms expire at the 2017 annual meeting of stockholders)

Richard A. Goldstein, age 55, has been a director since October 2009. Mr. Goldstein has held various leadership positions with Goldstein Group, Inc., a private family owned holding company, since 1981 and he currently serves as a director and Executive Vice President of Goldstein Group, Inc. Mr. Goldstein also currently serves as a board member and Executive Vice President of Alter Trading Corporation and Alter Company, subsidiaries of Goldstein Group, Inc. and companies engaged in the business of scrap metal recycling, and has been associated with these companies since 1981. Additionally, since April 2006, Mr. Goldstein has worked on new developments for Goldstein Group, Inc. Mr. Goldstein is the brother of Jeffrey D. Goldstein and Robert S. Goldstein.

The Board of Directors supported and approved Mr. Goldstein's nomination in 2014 because he has extensive experience as an entrepreneur and in management of operations, corporate governance and strategic planning and brings to the Board of Directors invaluable perspectives on all aspects of the Company's business. Moreover, as a member of the Goldstein family the largest beneficial owner of the Company's common stock Mr. Goldstein's interests are uniquely and significantly aligned with the Company's efforts to grow long-term stockholder value.

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Alan J. Glazer, age 75, has been a director since November 1996 and in October 2009, was named Lead Director. He is currently a Senior Principal of Morris Anderson & Associates, Ltd., a national management consulting firm, where he has worked since 1984. Prior to joining Morris Andersen, Mr. Glazer was Senior Vice President and Chief Financial Officer for Consolidated Foods Corp., a large international manufacturer and distributor of branded consumer products. Before joining CFC, Mr. Glazer spent 13 years at Arthur Andersen & Co., the last five as a General Partner. Mr. Glazer also serves as a director of Goldstein Group, Inc. The Board of Directors has designated Mr. Glazer as an "audit committee financial expert" as that term is defined in the SEC's rules adopted pursuant to the Sarbanes-Oxley Act of 2002.

The Board of Directors supported and approved Mr. Glazer's nomination in 2014 because he has extensive experience in corporate reorganizations (including structuring mergers, acquisitions, divestitures and balance sheet recapitalizations), crisis management, development and implementation of strategic business plans, operations management, financial transactions and succession planning. Mr. Glazer brings to the Board of Directors a deep understanding of financial statements, which is necessary to serve as chairman of our Audit Committee, and an extensive knowledge of the financial and accounting issues facing public companies. Mr. Glazer has served as a member of the Board of Directors for more than 14 years and brings to the Board of Directors an in-depth understanding of the Company's business, history, culture and organization.

Lee S. Wielansky, 65, has been a director since February 2007. Since March 2003, Mr. Wielansky has served as Chairman and Chief Executive Officer of Midland Development Group, Inc., a commercial real estate development company located in St. Louis, Missouri, as well as Opportunistic Equities, LLC, which purchases, owns and leases private homes in the St. Louis, Missouri area. From November 2000 to March 2003, Mr. Wielansky served as President and Chief Executive Officer of JDN Development Company, Inc., a wholly owned subsidiary of JDN Corporation, a publicly-traded real estate investment trust engaged in the development of retail shopping centers. From 1998 to 2000, Mr. Wielansky was a Managing Director of Regency Real Estate Investment Trust. From 1983 until 1998 Mr. Wielansky was the Founding Partner and Chief Executive Officer of Midland Development Group, Inc. until its purchase by Regency Centers. Mr. Wielansky serves as member of the board of directors of Brookdale Senior Living and is the Lead Trustee of Acadia Realty Trust.

The Board of Directors supported and approved Mr. Wielansky's nomination in 2014 because of his extensive experience in management of operations, real estate investments and management, corporate governance, corporate finance and accounting. Mr. Wielansky brings to the Board of Directors important perspectives with respect to real estate and development.

Class II Directors (Terms expire at the 2018 annual meeting of stockholders)

Bonnie Biumi, age 54, has been a director since October 2012. Ms. Biumi was President and Chief Financial Officer from 2007 to 2012 of Kerzner International Resorts, a developer, owner and operator of destination resorts, casinos and hotels. Previously, she held senior level financial positions at NCL Corporation, Ltd., Royal Caribbean Cruises, Ltd., Neff Corporation, Peoples Telephone Company, Inc. and Price Waterhouse. Ms. Biumi was a member of the board of directors of Home Properties, Inc., a publicly-traded company, from October 2013 to October 2015 and she is currently a member of the board of directors of Retail Properties of America, Inc., a publicly-traded company, where she serves as a member of the audit and compensation committees. She is a Certified Public Accountant.

The Board of Directors supported and approved Ms. Biumi's nomination in 2015 because of her extensive experience in corporate finance and accounting, investor relations, capital and strategic planning, mergers and acquisitions, as well as her service on the boards of other public companies. Ms. Biumi brings to the Board of Directors important perspectives with respect to leadership, financial and risk management.

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Jeffrey D. Goldstein, age 63, has been a director since October 2001. Mr. Goldstein has held various leadership positions with Goldstein Group, Inc., a private family owned holding company, since 1975 and he currently serves as President and Vice Chairman of Goldstein Group, Inc. Since 1975 Mr. Goldstein has held various leadership positions with the barge and other transportation businesses owned by Goldstein Group, Inc. and he currently serves as Chairman and President of Alter Company and Chairman and Chief Executive Officer of Alter Logistics Company, subsidiaries of Goldstein Group, Inc. Mr. Goldstein is the brother of Robert S. Goldstein and Richard A. Goldstein.

The Board of Directors supported and approved Mr. Goldstein's nomination in 2015 because of his extensive experience leading one of the largest barge transportation companies in the nation. He has extensive experience as an entrepreneur and in management of operations, corporate governance and strategic planning and brings to the Board of Directors invaluable perspectives on all aspects of the Company's business. His experience with riverboats and river traffic provides the Board of Directors with a unique understanding of issues impacting the Company's riverboat operations. Moreover, as a member of the Goldstein family the largest beneficial owner of the Company's common stock Mr. Goldstein's interests are uniquely and significantly aligned with the Company's efforts to grow long-term stockholder value.

CORPORATE GOVERNANCE

Corporate Governance Principles

The Board of Directors developed and adopted Corporate Governance Principles in January 2010 as a general guide to assist the Board in carrying out its responsibilities and to promote the effective functioning of the Board and its committees. The Corporate Governance Principles sets forth the following principles, among other things:

The role of the Board of Directors is to govern the affairs of the Company for the long-term benefit of the Company's stockholders. The Board also considers, when appropriate, the interests of other constituencies including the Company's employees, customers, suppliers and the communities in which it does business. The Board strives to promote the success of the Company's business through the election of qualified executive officers.

The Board does not maintain a policy with regard to a mandatory or target retirement age.

Directors are expected to attend all Board meetings and meetings of committees on which they serve and are strongly encouraged to attend the Company's annual meetings of stockholders.

To ensure free and open discussion and communication among the independent directors, executive sessions of independent directors shall generally be held at regular meetings of the Board or otherwise upon the request of the Lead Director, if one has been elected.

Each director is expected to inform the Chairman of the Board and the chairman of both the Nominating, Leadership Development and Corporate Governance Committee and the Audit Committee of any public company or large private company (other than civic or charitable boards) directorship that the director has been offered before accepting that directorship.

Each director shall at all times exhibit high standards of integrity and ethical behavior, and shall at all times comply with the rules and requirements of all regulatory and licensing authorities (including gaming authorities) having jurisdiction over the Company and its business. The Audit Committee reviews related party transactions and potential conflict of interest situations and directors are expected to carry out their fiduciary obligations to the Company. Each director must disclose to the rest of the members of the Board any potential conflict of interest the director may have with respect to a matter under discussion and, if appropriate, refrain from voting on a matter on which the director may have a conflict.

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The Board and each of its committees shall annually conduct a self-evaluation, which shall address the Board's (and each committee's) effectiveness in fulfilling its obligations.

Directors shall preserve the confidentiality of confidential material given or presented to the Board and of deliberations of the Board.

Absent unusual circumstances determined by the Board, the Company's management, as opposed to individual directors, provides the public voice of the Company.

Directors shall at all times maintain good standing with all regulatory agencies and shall comply with all requests on a timely and accurate basis.

The Company shall provide each director with complete access to the Company's management, subject where applicable to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations.

New directors shall receive an orientation to be conducted by the Company's management to assist them in assuming their roles as Board and, as applicable, committee members. The orientation shall include such matters as Board governance and operation, as well as the Company's history, strategic plans, business operations, financial position and legal and regulatory environment. In addition, the Company's management shall provide further information on an ongoing basis to assure that directors are aware of the business and other developments necessary to fulfill their role, and directors are encouraged, but not required, to periodically pursue or obtain appropriate programs, sessions or materials as to the gaming industry and the responsibilities of directors of publicly traded companies.

The Board shall from time to time consult with the Nominating, Leadership Development and Corporate Governance Committee, the Chief Executive Officer and others regarding management succession.

Board Leadership Structure

Mr. Robert Goldstein, our Chairman, leads the Board of Directors and provides independent oversight of senior management. In addition, the Chairman provides guidance to the Chief Executive Officer, sets the agenda of the Board of Directors in consultation with the Chief Executive Officer and presides over meetings of stockholders and the Board. Mr. Robert Goldstein is "independent" as defined in Nasdaq Rule 5605(a)(2). Mr. Hausler, our Chief Executive Officer and Mr. Block, our President and Chief Operating Officer have general charge and management of the affairs, property and business of the Company.

The Board of Directors elected Mr. Glazer as its Lead Director. He has, in addition to the powers and authorities of any member of the Board of Directors, the power and authority to chair executive sessions and to work closely with the Chairman in determining the appropriate schedule for the Board of Directors meetings and assessing the quality, quantity and timeliness of information provided from our management to the Board of Directors. The Lead Director position is at all times held by a director who is "independent" as defined in Nasdaq Rule 5605(a)(2).

The Board of Directors believes that the leadership structure is appropriate at this time based on the Board's understanding of corporate governance best practice. The Board of Directors does not have a policy specifying a particular leadership structure as it believes that it should have the flexibility to choose the appropriate structure as circumstances change. Our independent directors meet in regular executive sessions without management being present. Additionally, each of the Compensation Committee, Audit Committee and Nominating, Leadership Development and Corporate Governance Committee is composed entirely of independent directors.

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Board of Directors' Role in Risk Oversight

The Board of Directors recognizes that, although risk management is primarily the responsibility of the Company's management team, the Board of Directors plays a critical role in the oversight of risk, including the identification and management of risk. The Board of Directors believes that an important part of its responsibilities is to assess the major risks we face and review our strategies for monitoring and controlling these risks. The Board of Directors' involvement in risk oversight involves the full Board of Directors, the Compensation Committee, the Audit Committee, the Nominating, Leadership Development and Corporate Governance Committee and the Compliance Committee. The Compensation Committee considers the level of risk implied by our compensation programs, including incentive compensation programs in which the Chief Executive Officer and other employees participate. The Audit Committee regularly considers major financial risk exposures and the steps taken to monitor and control such exposures, including our risk assessment and risk management policies. The Audit Committee also reviews risks associated with our financial accounting and reporting processes, litigation matters, and our compliance with legal and regulatory requirements. The Nominating, Leadership Development and Corporate Governance Committee monitors potential risks to the effectiveness of the Board of Directors, notably Director succession and Board of Directors composition. The Compliance Committee reviews potential regulatory compliance risks with various jurisdictions and evaluates the Company's risks with potential business transactions.

Independence

The Board of Directors has determined that all of the current and continuing directors and nominees are independent as defined in Nasdaq Rule 5605(a)(2).

Meetings

During the fiscal year ended April 24, 2016, which we refer to as "fiscal 2016," the Board of Directors met in person or telephonically six times. During fiscal 2016, each of our incumbent directors attended at least 75% of the aggregate of (i) the total number of meetings of the Board of Directors (held during the period for which such director served as a director) and (ii) the total number of meetings held by all committees of the Board of Directors during which period director served. Directors are expected to attend each Annual Meeting of Stockholders. Each member of the current Board of Directors attended last year's Annual Meeting of Stockholders.

Committees

The Board of Directors has three full-time standing committees: the Compensation Committee, the Audit Committee and the Nominating, Leadership Development and Corporate Governance Committee. Additionally, the Board of Directors has the authority to establish such other committees as it deems appropriate from time to time. The Board of Directors currently has a Strategic Committee that acts as an advisory committee to the full Board in carrying out the Board's oversight responsibilities relating to the Company's strategic plan as well as potential mergers, acquisitions, divestitures and other key strategic transactions outside the ordinary course of the Company's business.

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During fiscal 2016, the standing committees of the Board of Directors met formally as follows:

Committee	Number of Meetings in Fiscal 2016
Compensation Committee	9
Audit Committee	8
Nominating, Leadership Development and Corporate Governance Committee	2

Compensation Committee. Ms. Biumi and Messrs. Jeffrey D. Goldstein and Kozicz are members of the Compensation Committee. Mr. Kozicz is the Chairman of the Compensation Committee and Ms. Biumi is the Vice Chairman. Mr. Robert S. Goldstein served as a member of the Compensation Committee until June 11, 2015. The Compensation Committee acts as an advisory committee to the full Board with respect to compensation of our executive officers and other key employees, including administration of the long-term incentive plan, equity grants and bonuses. Additional information regarding the policies of the Committee is set forth in the "Compensation Committee Report on Executive Compensation" included in this proxy statement. In accordance with Nasdaq Rule 5605(d)(1)(B), each member of the Compensation Committee is "independent" as defined in Nasdaq Rule 5605(a)(2). The Compensation Committee Charter is posted on the Company's website at www.islecorp.com under Investor Relations Corporate Governance.

Audit Committee. Ms. Biumi and Messrs. Glazer, Richard A. Goldstein and Wielansky are members of the Audit Committee. Mr. Glazer is the Chairman of the Audit Committee and Ms. Biumi is the Vice Chairman. The Audit Committee's responsibilities include selecting our independent registered public accounting firm, reviewing the plan, scope and results of the independent audit, reviewing the fees for the audit services performed, reviewing and pre-approving the fees for the non-audit services to be performed and reviewing all financial statements. Information regarding the functions performed by the Audit Committee during the fiscal year is set forth in the "Audit Committee Report," included in this proxy statement. Each member of the Audit Committee is "independent" as defined in Nasdaq Rule 5605(a)(2). The Board of Directors has determined that each member of the Audit Committee is free from any relationship that would interfere with the exercise of independent judgment as a committee member. Mr. Glazer has been designated as our "audit committee financial expert" under the SEC Rules. The Audit Committee is governed by a written charter approved by the Board of Directors. The Audit Committee Charter is posted on the Company's website at www.islecorp.com under Investor Relations Corporate Governance.

Nominating, Leadership Development and Corporate Governance Committee. Messrs. Richard A. Goldstein, Robert S. Goldstein, Kozicz and Wielansky are members of the Nominating, Leadership Development and Corporate Governance Committee (the "Nominating Committee"). Mr. Wielansky is the Chairman of the Nominating Committee. As set forth in the Corporate Governance Principles, the Nominating Committee considers and makes recommendations concerning the size and composition of the Board of Directors, the number of non-executive members of the Board of Directors, and membership of committees of the Board of Directors. As a policy, the Nominating Committee generally does not consider nominees recommended by the Company's stockholders. The Nominating Committee is responsible for developing and periodically reviewing Board of Directors membership criteria. As set forth in the Corporate Governance Principles, the Nominating Committee believes that each director must:

have strength of character, high professional and personal ethics and values consistent with the longstanding values of the Company;

have the capacity to respectfully challenge one another's beliefs and assumptions with respect to Company decisions;

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have business or other experience that will increase the overall effectiveness of the Board of Directors and allow insight based on experience;

be committed to enhancing total stockholder value; and

have sufficient time to carry out the director's duties.

The Nominating Committee also believes that diverse and inclusive leadership is essential to capitalizing on the growing talent pool and propelling the Company to success. Accordingly, the Nominating Committee believes that it is important to incorporate diversity of experience, skills, cultures and education on the Board of Directors. In addition, the Nominating Committee takes into account issues of judgment, independence, potential conflicts of interest, financial literacy, succession planning, related industry experience and the extent to which a particular candidate would fill a present need on the Board of Directors. The Nominating Committee shall establish and adhere to its charter in performing its duties. In accordance with Nasdaq Rule 5605(e)(1)(B), each member of the Nominating Committee is "independent" as defined in Nasdaq Rule 5605(a)(2). The Nominating Committee Charter is posted on the Company's website at www.islecorp.com under Investor Relations Corporate Governance.

In addition to the foregoing committees of the Board of Directors, the Company also maintains a Compliance Committee that is comprised of directors, executive officers and independent third parties. Messrs. Richard A. Goldstein and Wielansky serve on the Compliance Committee, along with Steve DuCharme, an independent third party, and Arnold Block, our President and Chief Operating Officer, and Ms. Elizabeth Tranchina, our Vice President of Legal Affairs. Mr. Goldstein is the Chairman, Ms. Tranchina is our Compliance Officer. The Compliance Committee's responsibilities include maintaining compliance with the regulatory requirements imposed upon the Company by the jurisdictions in which it operates and evaluating relationships between the Company and persons and entities with whom the Company proposes to do business.

Compensation of Directors

Below is a table setting forth the annual compensation for our non-employee directors, including additional compensation for committee chairmen and vice chairmen, for the twelve-months ended October 2016:

Position Held	Cash Retainer	Equity Award
At-Large Directors	\$ 75,000	\$ 150,000
Chairman of the Board of Directors	\$ 125,000	\$ 275,000
Audit Committee Chairman	\$ 22,500	\$ 12,500
Audit Committee Vice Chairman	\$ 3,750	None
Compensation Committee Chairman	\$ 10,000	\$ 10,000
Compensation Committee Vice Chairman	\$ 3,750	None
Compliance Committee Chairman	\$ 7,500	None
Nominating, Leadership Development & Corp. Governance Committee Chairman	\$ 7,500	None
Strategic Committee Chairman	\$ 7,500	None

The annual cash retainers were paid in full in October 2015. The equity awards were awarded in shares of restricted stock and vest 50% on day of grant and 50% on the one-year anniversary of the grant date. The number of shares is determined by reference to the prior 20-day stock price and each board member was entitled to elect to receive up to 40% of his aggregate equity award in cash. Directors who are our employees receive no additional compensation for serving as directors. All

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directors are reimbursed for travel and other expenses incurred in connection with attending board meetings and meetings with management that they may be required to attend.

Director compensation for the twelve-months commencing in October 2016 has not yet been set.

Fiscal 2016 Director Compensation

The following table sets forth information with respect to all compensation awarded the Company's directors during fiscal 2016: