

CODE OF BUSINESS CONDUCT PENN NATIONAL GAMING, INC.

(as amended March 27, 2015)

INTRODUCTION

The reputation and integrity of Penn National Gaming, Inc. and its subsidiaries (the “Company”) are valuable assets that are vital to the Company’s success. This Code of Business Conduct (“Code”) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but rather it sets out basic principles to guide all employees, officers and directors of the Company (collectively referred to as “employees”). All of our employees, officers and directors are responsible for conducting the Company’s business in a manner that demonstrates a commitment to the highest standards of integrity and, accordingly, we must all seek to avoid even the appearance of improper behavior.

No code of conduct can replace the thoughtful behavior of an ethical employee. The purpose of this Code is to

- focus employees on areas of ethical risk,
- provide guidance to help employees recognize and deal with ethics issues,
- provide mechanisms for employees to report unethical conduct,
- foster among employees a culture of honesty and accountability, and
- ensure protection against retaliation for employees who engage in conduct encouraged by this Code.

Dishonest or illegal conduct will constitute a violation of this Code, regardless of whether the conduct is specifically addressed in the Conduct section of the Code.

The Company’s Board of Directors (the “Board”) and the Company’s management has designated a Chief Compliance Officer (the “Chief Compliance Officer”) for the administration of the Code. The Chief Compliance Officer can be reached at 610-373-2400. In addition, each property has access to a local compliance officer (the “property compliance officer”) who will assist the Chief Compliance Officer with the administration of this Code.

Questions regarding the application or interpretation of the Code of Conduct are to be expected. Employees should feel free to direct questions to the Chief Compliance Officer or their property compliance officer. The Chief Compliance Officer is also responsible for conducting or directing the investigation of alleged Code violations under the oversight of the Audit Committee of the Board (the “Audit Committee”) or as directed by the Company’s Compliance Committee (the “Compliance Committee”). The Chief Compliance Officer will provide timely reports to the Audit Committee and the Compliance Committee of the Board as material events transpire on matters such as suspected violations of the Code, status of inquiries and investigations, requested waivers to the Code and enforcement of the Code.

REPORTING VIOLATIONS

A. Reporting Violations

The Company expects employees who observe, learn of, or, in good faith, suspect a violation of the Code, to immediately report the violation to the Chief Compliance Officer or the property compliance officer. **Employees may also report violations of the Code any time of the day by calling the Company's toll-free number (877-864-9164) or via the internet at www.reportlineweb.com/pennnational.** These calls and internet reports are handled by a third party provider and treated anonymously if requested. All managers and supervisors are required to enforce this Code and are not permitted to condone violations. Reported violations will be investigated and addressed promptly. The investigation will be handled discreetly and the information will be disclosed to others only on a need to know basis and as required by law. An employee who violates the Code may be subject to disciplinary action, up to and including separation of employment, depending on the severity of the violation. Except as described below, the investigation of an alleged Code violation shall be handled by the Chief Compliance Officer in conjunction with other Company personnel.

The Company recognizes the potentially serious impact of a false accusation. Employees are expected as part of the ethical standards required by this Code to act responsibly in reporting violations. Making a complaint without a good faith basis is itself a violation of the Code. Any employee who makes a complaint in bad faith will be subject to disciplinary action, up to and including separation of employment.

B. Special Procedures for Reporting/Investigating Complaints Regarding Accounting, Internal Accounting Controls and Auditing Matters

A special procedure exists for the good faith reporting of suspected violations of this Code arising out of questionable accounting, internal accounting controls or auditing matters. These topics include alleged violations concerning full and fair reporting of the Company's financial condition. **In these cases, an employee has the right to submit a complaint in a confidential, anonymous manner or with his or her name to the Company's Audit Committee by way of the toll free number (877-864-9164), via the internet at www.reportlineweb.com/pennnational or by contacting the Chief Compliance Officer (610-373-2400).** The complaint can also be made in written form and should provide sufficient information so that a reasonable investigation can be conducted. Written complaints should be addressed to the Chief Compliance Officer, Penn National Gaming, Inc., 825 Berkshire Boulevard Wyomissing, PA 19610. Investigations involving this specific subject matter shall be handled by the Chief Compliance Officer with oversight by the Audit Committee.

C. Prohibition on Retaliation

Employees, who report violations or suspected violations in good faith, as well as those who participate in investigations, will not be subject to retaliation of any kind.

Retaliation, which will be broadly construed, is generally defined as the use of authority or influence for the purpose of interfering with, or discouraging a report of, a violation of the Code or an investigation of an alleged Code violation.

If you believe a Company employee has retaliated against you because of your report, you should immediately report your concern. A complaint of retaliation can be filed under the existing Company complaint resolution procedures or grievance procedures with a copy sent to the Chief Compliance Officer and the Company's Senior Vice President of Human Resources or by calling either of the phone numbers listed previously. If the complainant is an applicant for employment or any employee who does not have a complaint resolution procedure available for

some other reason, the complainant may file the complaint with the Senior Vice President of Human Resources.

D. Waivers of the Code

It is the expectation of the Company that waivers of the Code will rarely be requested or granted. In the event an individual wishes to request a waiver of a provision of the Code, this must be submitted in writing to the Chief Compliance Officer. The Chief Compliance Officer will review the request and consult with the Company's General Counsel. The determination will be reported to the Board or Audit/Compliance Committee.

As outlined above, approved waivers of the Code can only be granted by the Chief Compliance Officer. Approved waivers for members of the Board and named executive officers can only be granted by the Board or Audit Committee, and must be promptly disclosed by the Company upon approval as required by law or regulation. No waiver will be given if such a waiver would violate applicable laws or stock exchange regulations.

E. Other Company Policies

This Code should be read in conjunction with the Company's other policy statements addressing dishonest, illegal or unethical conduct, such as the timekeeping, insider trading, harassment, and drug and alcohol policies. All employees will receive a copy of the Code. The Conduct section of the Code (below) describes certain improper conduct specifically prohibited by the Code. However, each employee must bear in mind that the conduct listed below is not intended to be a comprehensive list of improper conduct.

CONDUCT

A. Violations of Law

A variety of government laws, rules and regulations apply to the Company and its operations, and some carry criminal penalties. These laws include, without limitation, gaming and pari-mutuel regulations, anti-trust laws, securities laws, the U.S. Foreign Corrupt Practices Act, workplace discrimination laws, workplace safety laws, drug laws and privacy laws. Examples of criminal violations of the law include: stealing, violence in the workplace, illegal trading of Company stock, bribes and kickbacks, embezzling, misapplying corporate or guest funds, using threats, physical force or other unauthorized means to collect money; making a payment for an expressed purpose on the Company's behalf to an individual who intends to use it for a different purpose; or making payments, whether corporate or personal, that are intended to improperly influence the judgment or actions of political candidates or government officials in connection with any of the Company's activities. In sum, employees must obey all applicable laws. The Company has express authority to report suspected criminal violations to the appropriate authorities for possible prosecution, and will investigate and address as appropriate, non-criminal violations.

B. Conflicts of Interest

Generally, a conflict of interest occurs when an employee's (or his/her relative's) personal business interest interferes with, has the potential to interfere with, or appears to interfere with the interests or business of the Company. A conflict of interest can occur or appear to occur in a wide variety of situations including those described below. Any conflict or potential conflict must be disclosed to the Company as early as possible in advance of the transaction or situation involving the conflict.

1. Personal Interest in a Transaction

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Company wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Chief Compliance Officer for more information or questions about conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative of such employee as a result of the Company's business dealings or in a situation making it difficult for the employee to perform their duties. For the purposes of the Code, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any real or apparent influence on transactions such as purchases, contracts, or leases, it is imperative that the employee discloses such actual or potential conflicts to the Chief Compliance Officer or the property compliance officer as soon as possible so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which the Company does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the Company. The receipt of a gift in excess of \$300 in value, or multiple gifts from the same party that exceed an aggregate value of \$500 per calendar year, must be reported to the Chief Compliance Officer or a property compliance officer.

2. Outside Activities/Employment

An employee may hold a job with another company as long as he or she notifies the Company and satisfactorily performs his or her job responsibilities with the Company. All employees will be judged by the same performance standards and will be subject to the Company's scheduling demands, regardless of any existing outside work requirements.

If the Company determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Company as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with the Company.

Any outside activity, including employment, should not reduce the time and attention employees devote to their corporate duties, should not adversely affect the quality or quantity of their work, and should not make use of Company equipment, facilities, or supplies, or imply (without the Company's approval) the Company's sponsorship or support. In addition, under no circumstances are employees permitted to compete with the Company or take for themselves or their family members' business opportunities that belong to the Company that are discovered or made available by virtue of their positions at the Company. Outside employment will present a conflict of interest if it has any adverse impact on the Company.

3. Civic/Political Activities

Employees are encouraged to participate in civic, charitable or political activities so long as such participation does not reduce the time and attention they are expected to devote to their company-related duties or cast the Company in a negative light. Such activities are to be conducted in a manner that does not involve the Company or its assets or facilities, and does not create an appearance of Company involvement or endorsement (except with written approval of the Company). Finally, given the highly regulated nature of the Company, these activities must be done in a manner consistent with applicable law.

4. Loans to Employees

The Company will not make loans or extend credit to or for the personal benefit of officers or directors, except as permitted by law. Loans or guarantees may be extended to other employees only with Board approval. Employees may not extend or accept a personal loan to or from a customer or vendor of the Company. For clarity, the advancement of funds for approved Company business, such as travel advances, is permitted.

C. Proper Use of Company Assets

Employees have a duty to protect Company assets and promote their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Employees should take measures to prevent damage to and theft or misuse of Company property. When you leave the Company, all Company property must be returned to the Company. Except as specifically authorized, Company assets, including equipment, materials, resources and proprietary information, must be used for business purposes only. Notwithstanding, an employee who has been granted access to use the Company's email system may use it for personal reasons during non-working time, provided that the use does not violate other Company policies or result in overload of the system due to excessive use. Moreover, incidental personal use of equipment such as computers, telephones, mobile devices, and office supplies is permitted provided that the use does not violate other Company policies or negatively affect Company operations due to excessive use. Employees should not consider the use of Company assets to be subject to personal privacy. The Company reserves the right to monitor employee usage for legitimate business purposes.

D. Delegation of Authority

Each employee, and particularly each of the Company's officers, must exercise due care to ensure that any delegation of authority is reasonable and appropriate in scope, and includes appropriate and continuous monitoring.

E. Handling Confidential Information and Public Communication

Employees should observe the confidentiality of information that they acquire by virtue of their positions at the Company, including information concerning development plans, merger and acquisition opportunities, guests, marketing strategy, technical information, suppliers, pricing information, employees' social security numbers, employees' bank account information, employees' medical information, and other confidential information that provides a competitive advantage to the Company, except where the Company expressly approves in writing disclosure or the disclosure is otherwise legally mandated. Special sensitivity is accorded to financial information, which should be considered confidential except where the Company approves disclosure, or the disclosure is otherwise legally mandated. Some employees may be required to sign a non-disclosure agreement. Only designated employees may speak to third parties, such as investors, analysts or the media, on behalf of the Company. The obligation to preserve the confidentiality of Company information continues indefinitely even after employment or affiliation with the Company ends.

F. Employees Who Handle or Have Access to Financial Information

In addition to any other applicable laws dealing with financial information, financial reporting, internal accounting controls, auditing matters or public disclosure, the Company requires that any employees involved in financial reporting, internal accounting controls, auditing or public disclosure or with access to such information follow the highest ethical standards, including the following guidelines:

- Act with honesty and integrity and avoid violations of the Code, including actual or apparent conflicts of interest with the Company in personal and professional relationships.
- Disclose to the Chief Compliance Officer any material transaction or relationship that reasonably could be expected to give rise to any violations of the Code, including actual or apparent conflicts of interest with the Company.
- Provide the Company's other employees, consultants, and advisors with information that is accurate, complete, objective, relevant, timely, and understandable.
- Endeavor to ensure full, fair, timely, accurate, and understandable disclosure in the Company's periodic reports and in other public communications.
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts.
- Respect the confidentiality of information acquired in the course of Company work. Confidential information acquired in the course of Company work must not be used for personal advantage.
- Proactively promote ethical behavior among peers in your work environment.
- Exercise responsible use of and control over all assets and resources employed or entrusted to you.
- Record or participate in the recording of entries (such as expenses, billing information, and hours worked) in the Company's books and records information that is accurate to the best of your knowledge.
- Not fraudulently induce, coerce, manipulate, or mislead any internal or external auditor or accountant.
- Report to the Chief Compliance Officer any dishonest, unethical, or misleading conduct that could impact the accuracy of the Company's financial reporting.

G. Insider Trading

The stock of our Company is publicly traded. As a result, a number of laws regulate the purchase and sale of Company stock by employees, officers and directors. Employees who have access to confidential Company information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business and in strict conformance with all applicable laws and SEC regulations. All non-public information about the Company should be considered confidential information (especially financial projections and results, merger and acquisition discussions, marketing strategies, and legislative strategies). To use non-public information for your own personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also a violation of civil and criminal law (which may include fines and imprisonment). If you have any questions concerning the purchase or sale of Company stock, please consult the General Counsel at (610) 373-2400.

H. Anti-Corruption Compliance Policy

In addition to the above requirements, the Company also requires that all employees comply with the Company's "Anti-Corruption Compliance Policy". This policy addresses the U.S. Foreign Corrupt Practices Act, which prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign or Tribal governments, may have similar rules. The Chief Compliance Officer or General Counsel can provide guidance to you in this area.