

**PENN NATIONAL GAMING, INC.
BOARD OF DIRECTORS**

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Penn National Gaming, Inc. (the “Company”) is to carry out the responsibilities delegated by the Board relating to the Company's director nominations process and procedures, to develop and maintain the Company's corporate governance policies, and to perform any related matters required by applicable laws, rules and regulations.

Membership

The Committee shall consist of three “independent directors,” as such term is defined in the rules and regulations adopted by the Nasdaq Stock Market (“Nasdaq”) and the Securities and Exchange Commission (“SEC”).

Membership on the Committee shall be determined and approved annually by the Board. The Chairman of the Committee shall be appointed by the Board. Should any member of the Committee cease to be independent, such member shall immediately resign his or her membership on the Committee.

Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

1. Review and make recommendations on the eligibility criteria for individual Board and committee membership, including the range of skills and expertise, diversity, and independence, which should be represented on the Board and its committees, and which shall be in accordance with the rules and regulations of any governmental or regulatory body exercising authority over the Company, including, without limitation, the SEC and Nasdaq.
2. Review and recommend to the Board, on an ongoing basis, the appropriate structure, composition and size of the Board and its committees. The Committee, in addressing the overall composition of the Board, will consider director tenure, diversity and succession planning.
3. Identify and recommend, for the selection by a majority of the Board, potential candidates, including those candidates recommended by shareholders in accordance with the Company’s Bylaws, for election or re-election to the Board. As part of its review of a potential candidate’s qualifications, the Committee shall review the eligibility criteria and conduct a background check of all potential

- candidates to confirm the qualifications and character of the candidate, to evaluate the “suitability” (as such term is generally used in the gaming industry) of such candidate and to make such other determinations as the Committee may deem appropriate or necessary. The Committee’s oversight of director nominations shall not apply with respect to those directors, if any, entitled to be nominated for director by a third party pursuant to a binding obligation of the Company.
4. Consider the Board’s leadership structure, including the separation of the Chairman of the Board and Chief Executive Officer roles and/or appointment of a lead independent director of the Board, either permanently or for specific purposes, and make such recommendations to the Board with respect thereto as the Committee deems appropriate.
 5. Oversee the Company's corporate governance practices, including reviewing and recommending to the Board for approval any guidelines, documents or policies, or any changes thereto, that comprise the Company's corporate governance framework.
 6. Oversee an annual evaluation of the Board and its committees and make recommendations to the Board as may be appropriate following consideration of the results of such evaluation.
 7. Review and discuss with management the disclosure regarding the operations of the Committee and director independence in the Company's proxy statement or Annual Report on Form 10-K, as applicable.
 8. Review this Charter at least annually and recommend any proposed changes to the Board for approval.

Resources

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of inside and outside counsel and such other advisors, including search firms used to identify director candidates, as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation and such other terms, and oversee the work, of its outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its outside counsel and any other advisors.

Structure and Operations

The Committee shall meet as frequently as necessary (at least once each year). A majority of the members of the Committee shall constitute a quorum for the transaction of business. Minutes shall be recorded by the person appointed Secretary to the Committee for a particular meeting. Approval by a majority of the members present at a meeting at which a quorum is present shall constitute approval by the Committee. The

Committee may also act in any manner the Board is authorized to act, including by unanimous written consent without a meeting. The Committee may include any officer, executive, employee, outside counsel or other advisor at its meetings that the Chairman of the Committee believes is appropriate to the conduct of the Committee's business.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.