












**Diversity Plan
For
Hollywood Casino at Penn National
Race Course
2015**

Updated December 2015

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INTRODUCTION

Hollywood Casino at Penn National Race Course (“Hollywood Casino”) is pleased to present our Diversity Plan for 2015 - 2016. Among the many reasons to develop a diversity strategy, we at HCPN feel that the most compelling reason is that it will enhance our overall business strategy. We market to a diverse community and our diversity and inclusiveness practices should help bolster those efforts.

Hollywood Casino, Central Pennsylvania’s only fully integrated racing and gaming facility, opened to rave reviews on February 12, 2008. Hollywood Casino is a five-story, 365,000 square-foot facility combining state-of-the-art technology with the mystique and nostalgia of Hollywood.

Amenities include:

- Over 2,400 state-of-the-art slot machines
- Table Games
- Live thoroughbred racing and full-card simulcasting year-round
- Live and electronic entertainment
- Meeting/conference rooms
- Retail
- Museum featuring movie and Hollywood memorabilia
- Five-story parking garage
- Valet parking
- Dining Venues

Hollywood Casino features a variety of live and video entertainment throughout the property designed to create an upbeat, fun atmosphere while our guests enjoy playing slot machines, wagering on racing, and unwinding in our lounges and restaurants.

With approximately 6,500 square feet of meeting and banquet space that is easily divided into smaller rooms, Hollywood Casino at Penn National can accommodate meetings and social functions for up to 400 guests.

From its inception, Hollywood Casino has embraced the integral role of diversity. The Plan has been developed to outline the key aspects of our commitment to this important subject. The goals underlying the Plan are to ensure equal opportunity and to promote diversity in a manner reflective of the local community.

While the Plan refers frequently to “MBE” and “WBE” companies, the inclusive diversity philosophy of Hollywood Casino is intended to be more far reaching than simply the inclusion of minorities and women. Our philosophy is to maximize the concept of inclusiveness in building our employment base and supplier network. This plan will refer to this broader concept of inclusion by the designation “other diverse groups”.

EXECUTIVE SUMMARY

Purpose:

This Plan describes Hollywood Casino's strong commitment to diversity relative to the construction and operation of the property. The Plan outlines specific procedures aimed at ensuring equal opportunity, as well as diversity in employment, contracting, operations and community relations. The Plan emphasizes our commitment to diversity as it relates to our employees, our vendors, our business partners and our community. In sum, we appreciate and respect diversity in all aspects of our business operations and we look forward to supporting and participating in the local community as we build a regional engine of economic growth.

Reporting Structure:

Hollywood Casino established its Diversity Committee in June 2007 to oversee all diversity initiatives for the company. The Committee is responsible for advancing the diversity and inclusion strategy by setting strategic direction and managing all aspects of the strategy. The General Manager chairs the Committee, which is comprised of members of senior management. The Director of Security and Public Safety has been designated Hollywood Casino's diversity officer.

Our Strategy for Success:

Our overall strategy will enable Hollywood Casino to develop and implement effective plan for management that will drive achievement of positive business results and meet our twin goals of ensuring equal opportunity and promoting diversity in a manner that reflects and includes the local community. The four focus areas of the Plan are:

➤ **Construction**

- ◇ Build and enhance relationships within the community to raise awareness and identify qualified contractors and suppliers.
- ◇ Include minority and women business enterprises, as well as other diverse groups, in planned new construction and expansion projects.

➤ **Procurement/Vendor Purchasing**

- ◇ Build and enhance relationships within the community to raise awareness and identify qualified vendors.
- ◇ Ensure that all qualified vendors are given equal access to bid on our business.

➤ **Employment**

- ◇ Build and enhance relationships within the community to raise awareness and identify potential candidates for employment.
- ◇ Foster an inclusive work environment that results in both personal and business success.

➤ **Community Involvement**

- ◇ Support our community and be a responsible corporate citizen.
- ◇ Encourage participation in community initiatives across the entire organization

DEFINITIONS

Diversity refers to the variety of backgrounds and characteristics found in society today; thus it embraces all aspects of human similarities and differences. While we support diversity as an inclusion concept, reality compels us to focus considerable attention on addressing issues related to those individuals and groups that have historically been adversely affected. For purposes of the Plan, diversity specifically focuses on differences among people with respect to age, sex, culture, race, ethnicity religion, color, disability, national origin, ancestry, sexual orientation and veteran status.

Definition of Minority:

For purposes of MBEs and WBEs, a minority is an individual who is a member of the following ethnic groups: African American, Asian American, Hispanic American, Native American and females regardless of race or ethnicity.

Definition of Participation Plan:

An obligation imposed by a licensed entity or applicant as part of its contract with a contractor that requires the contractor to perform the contract through the utilization of minority or women owned business enterprises.

Definition of Minority Business Enterprise (“MBE”) and Woman Business Enterprise (“WBE”):

Minority and female business enterprises that meet the guidelines set by the Pennsylvania Department of General Services Bureau of Minority and Women Business Opportunity or other similar organization.

CONSTRUCTION

Construction Mission:

Inclusion of minority businesses and other diverse groups on major construction projects in central Pennsylvania is an important issue for the local minority community and for Hollywood Casino. We believe that the proactive approach used to address minority participation during the initial casino build out resulted in both successful inclusion of minority businesses and the successful completion of the project. We intend to continue that successful framework as we plan and execute future construction projects for Hollywood Casino.

Good Faith Plan for Minority Construction Participation:

Our basis for minority inclusion in future construction projects will be to utilize the successful techniques and practices employed during the initial casino build out and capitalize on the contractor, subcontractor and supplier relationships developed during this project.

There are a number of factors we feel were key to our success in including minority contractors and suppliers in the initial build out of the Hollywood Casino. We are proud of the results achieved for this project and strongly believe the following steps to be critical as we attempt to carry this success forward to post opening construction projects:

- Selection of third party and in house construction managers who share our commitment to minority participation
 - This will be determined through the construction manager interview process
- Utilization of diversity consultants with knowledge of the Central Pennsylvania construction market. For the initial construction project, such consulting resources included:
 - Young & Company
 - African American Chamber of Commerce for Central Pennsylvania
- Close and continuous coordination with property level and corporate purchasing departments as well as property Government Affairs department
 - Capitalize on their continuous search for qualified minority enterprises
- Use of State of Pennsylvania, PA Gaming Control Board and other resources and data bases to identify capable minority contractors and suppliers
- Continuation of specific procedures and processes that require construction managers to demonstrate efforts to identify minority contractors and suppliers before work is awarded
- Effective up front requirements on the part of construction managers to provide minority contractors and suppliers as well as reporting procedures to track commitments to, and dollars expended for, such minority contractors and suppliers

- Increased concentration and coordination with construction managers to identify 2nd and 3rd tier subcontractor and supplier opportunities
- Diligent tracking to ensure the fulfillment of minority contractor and supplier commitments made by construction managers and 1st tier subcontractors
- Close coordination with construction managers to improve the on site labor component of commitments made to minority contractors and suppliers
- Periodic reporting of our minority commitment and fulfillment results to the Hollywood Casino Diversity Committee, the PA Gaming Control Board and other involved parties

Construction Goal:

Absent a major expansion of the initial build facility, construction projects over the next few years will likely be smaller in scope and involve varied work plans. As a result, continued success for the inclusion of minority contractors and suppliers in construction projects will require use of the specific steps outlined above, continuation of relationships developed during the initial build out and constant cooperation with property and corporate purchasing departments to expand our network of minority contractors and suppliers.

Our goal is to maintain a comprehensive process that will continue and build upon our track record to include minority and women's business enterprises, as well as other diverse groups, in future construction projects for the Hollywood Casino.

Completed projects for 2010 included the addition of table games. Completed construction projects for 2011 included; improvements to the barns and backside areas of the racing facilities and new directional signage for public areas. Projects completed for 2012 included new electric service for the backside, Uninterrupted Power Supply (UPS) for the casino floor, installation of a fire suppression system for electrical rooms and converting the lighting in the parking garage to LED lighting.

Construction projects for 2014 included new grooms quarters on the backside of the property. Projects completed in 2015 included renovations for Hollywood on the Roof which has been renamed the "H Lounge". HCPN also remodeled Rodeo Drive Gift Shop and changed the name to "Hollywood and Grind". Both projects were completed during the fourth quarter of 2015 by Kinsey Construction as well as our in-house Facilities Department. Construction plans scheduled for 2016 could possibly include additional changes to Food and Beverage venues and installation of remote control cameras for Racing

PROCUREMENT/VENDOR PURCHASING

Purchasing Mission:

Hollywood Casino considers quality, service, dependability and price as the main components of any vendor relationship. Further, as a socially responsible organization, we pledge to partner wherever possible with minority and woman vendors, as well as other Diverse Groups, to create a mutually beneficial business climate. Our goal is to ensure that all qualified vendors are given equal opportunity to bid on products and services utilized at the Hollywood Casino at Penn National Race Course.

Good Faith Plan for Minority Vendor Participation:

In support of our diverse vendor purchasing mission, here are our initiatives:

- Utilize the Pennsylvania Department of General Services Bureau of Minority and Women Business Opportunity business directory and database to locate minority and diverse vendors that offer relevant products and services.
- Created a “How to Do Business with Hollywood Casino at Penn National Race Course,” point of sale brochure to summarize our diverse vendor purchasing program, available upon request.
- Participate in Pennsylvania Department of General Services Bureau of Minority and Women Business Opportunity development events such as seminars, trade shows and training sessions and reverse trade shows to expand awareness of our minority vendor purchasing program.
- Attend and support Pennsylvania regional minority business fairs organized by the Minority Supplier Diversity Council of Pennsylvania, New Jersey and Delaware, The African-American Chamber of Commerce and the Harrisburg Regional Chamber of Commerce
- Periodically review the Pennsylvania Department of General Services Bureau of Minority and Women Business Opportunity list of approved vendors for any changes.
- Provide access to the applications and contact information of the Pennsylvania Department of General Services Bureau of Minority and Women Business. This provides opportunity to uncertified potential vendors interested in becoming a certified supplier.
- Create a mentoring environment that will help new vendors understand the daily workings of the property’s operations.

- Request user departments to review their annual budgets for purchasing opportunities, working with the minority database and reaching out to those minority suppliers provided by the purchasing staff.
- Establish a reasonable payment plan, agreed upon by both the vendor and the Purchasing Supervisor after review of the financial status of diverse vendors.
- Consider minority and women-owned business enterprises when reviewing Capital Expenditure projects.
- Direct diverse vendors to register online at www.pngamingvendors.com to become visible to both Penn National Gaming corporate procurement and other PNG properties.

Vendor Requirements:

Vendors wishing to do business with Hollywood Casino will be required to complete a vendor registration packet before any contract or purchase orders will be issued. No business will be conducted or counted towards our purchasing procurement dollars unless the vendor packet is on file and complete.

Consistent with our compliance program, upon reaching \$100,000 in purchases, the vendor will be required to complete a due diligence report to facilitate a background investigation. Irrespective of the amount of business a vendor does with us, all our vendors must be “suitable” as defined by applicable gaming law.

Purchasing Objective:

These extensive efforts to identify, train and assist MBE/WBE, as well as other diverse groups of potential vendors should result in a roster of vendors that maximizes diversity and is reasonably reflective of and inclusive of the local community.

Marketing, Promotions, and Entertainment:

The marketing team at Hollywood Casino at Penn National Race Course endeavors to incorporate diversity in all aspects of its operations including working with minority vendors, supporting the property's community outreach efforts, and incorporating diversity in its communications materials and on-property entertainment. Our advertising messages, collateral, on-property signage, direct mail, web site, and featured video and live entertainment strive to project a message that all are welcome at Hollywood Casino.

EMPLOYMENT

WORKFORCE DIVERSITY

Employment Mission:

HCPN is committed to recruiting, developing and retaining the best talent regardless of race, color, religion, sex, age, disability or national origin. Moreover, we strive to create a diverse work environment that fully capitalizes on the abilities, skills and potential of our team members. Our goal is to foster a cooperative work environment in which all team members are treated with respect and dignity and are encouraged to reach their full potential.

In the community, we focus our recruiting efforts to include job fairs, various community partnerships, including higher education, chambers of commerce, government agencies and targeted recruiting of minorities and other diverse groups.

The following are the events that have proven to be resourceful in our recruiting efforts this year:

- Lebanon Career County Technology Center Security Toured on property March 30
- McCann School of Business Job Fair – January 13
- Access and Opportunity Career Fair - January 19
- Central Pennsylvania Employment Consortium’s Job Fair – February 17
- 2015 Young Women’s Futures Symposium – March 3
- Cumulus Media Lancaster – March 3
- Cumulus Media Harrisburg – March 10
- Lancaster Career Link – March 11
- HACC Lancaster Career Fair – March 19
- Harrisburg Job Fair – March 23
- HACC Harrisburg Job Fair – March 25
- Pottsville Career Link – March 25
- Millersville Job/Intern Fair – March 26
- IUP Hospitality Students with Marketing – April 26
- Kutztown University Internship and Job Fair April 1
- YTI York Career Fair
- Career Link Harrisburg April 8
- Kaplan Career Institute Career Fair April 9
- All Part time/Internship Fair April 23
- Buffet Breakfast and Town Meeting Central Penn April 29
- Yorktown Business Institute April 30
- Harrisburg Job Fair – June 9
- Cumulus Job Fair York – June 10
- Cumulus Job Fair Harrisburg – June 17
- HACC Visit September 25. 14 students in majors of Hospitality, Culinary, Business Management, Criminal Justice and Photography attended Hollywood Casino to learn about career opportunities

- Keystone Technical Institute – Mini-Job Fair for Students – July 15
- Central Penn Part-Time Job/Community Service Fair – July 23
- Veteran’s Expo and Job Fair – August 20
- Harrisburg Career Fair – September 8
- Pottsville Careerlink Job Fair – September 16
- HACC Lancaster – September 17
- Cumulus Media Job Fair Harrisburg – September 22
- Penn State Harrisburg Internship and Co-op Fair – October 1
- Harrisburg Careerlink – October 7
- CareerLink Reading – October 28
- Central Penn College Job Fair – October 29
- Millersville University Fall Job and Internship Fair – November 5
- Kaplan University Career Fair and Luncheon – November 5
- HACC Table – November 9
- Harrisburg Career Fair – December 8
- Mock Interviews at PathStone Corporation – December 17

Our advertising for open positions will include a broad range of diverse media sources that may include but not limited to:

- Newsprint
 - The Merchandiser
 - Republican Herald
 - The Patriot-News
 - Lebanon Daily
 - York Daily
 - Lancaster News
- Radio
 - Schuylkill radio T-104
 - Cumulus Media I-105, Sports Radio 98.5FM/1240AM, WNNK 104, WQXA 105.7, Sports Radio 96.5, and WZCY NASH 106.7 radio stations
- Internet
 - Lebanon Valley College
 - HACC
 - Career Builder
 - Monster
 - Penn live sponsored Patriot News
 - Diversityfirstjobs.com
 - Central Penn College
 - Linked In
 - Face book
 - Indeed
 - Craigslist
 - Career Links (York, Lancaster Schuylkill, Lebanon and Harrisburg)
 - IHire Careers (IHire Hospitality and IHire Chefs)
 - Casino Dealer School – Bucks County School of Bartending
 - Anne Arundel Community College
 - Albright College

- Elizabethtown College
- The Life You Want in PA
- Weekly messaging to our Community Leaders of updated open positions

Employment Goals:

Hollywood Casino will continue to strive to maintain a workforce that reasonably reflects the diverse elements of our community and surrounding areas. We intend to continue to seek the best possible diversity within our management ranks as well.

Training, Development & Retention Efforts:

Our education and training efforts focus on developing a high-functioning, service-oriented diverse workforce. Hollywood Casino provides hiring best practice training to ensure consistency with our EEO recruiting & hiring practices. We conduct diversity training designed to foster a welcoming environment for all and reinforce respect in the workplace. We also provide development to our management team with an emphasis on managing a diverse workforce by reinforcing consistency and fairness in the workplace, generational diversity, cultural diversity, and how to manage effective teams in a service environment. We have integrated diversity and respect into our mandatory orientation program. We provide team members with departmental training that allows them to successfully integrate into their new departments.

Team members want to stay with companies that provide development and mobility options. They are loyal to organizations that invest in their careers. We are committed to being that kind of company. We are committed to “promotion from within” to create upward mobility. Management leadership training is available for our supervisors and managers who aspire to advance. Hollywood Casino is committed to the development of all team members. We have developed programs and utilize succession planning to ensure that our management teams are focused on development at all levels of the organization.

Workplace Inclusion:

Fostering an inclusive environment is the responsibility of all leadership. As leaders we need to continue to beware of these changes and to create a welcoming environment where all team members feel valued and respected.

Our diversity plan is designed to be all inclusive. We are focused on, ensuring that our leadership considers diverse perspectives in decisions that affect our team members. Seeking input from everyone and remembering that creativity is driven by a diversity of experiences will assist in moving towards the best overall decisions. As leadership, we want to provide an environment that inspires and engages team members to reach their full career potential.

We challenge our managers to truly get to know and learn about their team members. Discovering unique skills and talents will assist with developing creative solutions, and build loyalty between managers and their team members. Managers share their own personal skills and talents in hope of creating a two way dialogue throughout the organization. We conduct individual needs assessment to address growth opportunities including soft skills like becoming a better communicator and how to manage conflict in the workplace. Development plans will be generated from these need assessments using the PENN Leadership competencies.

We engage team members in diversity efforts in numerous ways. The Team member Engagement Survey is conducted once a year to gain input from all team members. The feedback from the Engagement Survey allows us to better understand the point of view and needs of our diverse work force and then take action on the feedback. Each department is required to create action plans for improvement and engages their team members to contribute to suggestions. Action plans are posted to allow team members to periodically check on progress. Once action plans are completed the department managers work with their team members to create celebrations and chart progress.

Our focus on team member flexibility with work schedules relies on our Paid Time-Off (PTO) benefit. PTO focuses on allowing team members additional flexibility to determine, based on their personal needs and the business needs, which days off they would like to take throughout the year.

We continue to be sensitive to some diverse groups by translating some materials into Spanish and working with the hearing impaired to determine where we could offer support and/or employment within Hollywood Casino.

We have created the awareness that diversity is not just another initiative. It is a way of doing business and is integrated into our culture. We believe taking this stance has helped us become the employer of choice while enhancing our guest service. We also believe embracing diversity helps us develop a team that better understands our diverse customer base and their needs.

Community Affairs/Charitable Contributions

Community Involvement and Building Trust:

We at Hollywood Casino can take great pride in the strides our organization is making in becoming a community-minded civic leader in Central Pennsylvania. Our commitment to community service is evident in Harrisburg, Lebanon, Lancaster, Cumberland, York, and surrounding communities. We have succeeded in impacting key community service and minority support organizations, not only with financial support but also through the donation of time and hands-on efforts of our team members.

We awarded \$144,000 to four charities from our 2008 “Test Night” proceeds that benefited our neighbors. The organizations receiving benefits included Jump Street, Grantville Fire Company, Grantville Food Pantry and Harrisburg University. We consider these four organizations to be true partners with a long-term relationship to further promote our commitment to support local charities and foundations. We believe that these organizations have a proven track record of success. We awarded \$15,000 from our 2010 “Table Games Test Night” proceeds to the Grantville Fire Company.

We plan to continue our well received support for local organizations for planned holiday food and toy drives such as the African American Chamber of Commerce of Central Pennsylvania. We also plan to continue our support for the Minority Supplier Diversity Council and the Harrisburg Chapter of the NAACP.

Our senior management team serves the community by providing leadership through participation on the boards of local civic organizations such as the Hershey/ Harrisburg Regional Visitors Bureau, Harrisburg Chamber of Commerce, the Hershey Partnership, Robert M. Jackson Veteran’s Center, Keystone Human Services and The Greater Harrisburg Area NAACP. Hollywood Casino is also an active member of the Harrisburg, Lebanon Valley, Reading, West Shore, York and Lancaster Chambers of Commerce and the PA Dutch Visitors Bureau.

Our overall strategy is to raise our profile as a valuable member of the community. Our Charitable Contribution efforts will be guided by the Charitable Contribution Committee. We plan to achieve visibility and impact through well conceived initiatives. We also will promote employee volunteer participation through out the year. This will support professional development within our management team.

35+ Years of History in Supporting the Community:

HCPN is fortunate to have its corporate office so near to our location. We plan to leverage our corporate level involvement in high profile initiatives. Penn National Gaming, Inc. has a long standing tradition of supporting Central Pennsylvania community initiatives. Hollywood Casino organizes, hosts, and fully runs the Penn National Charity Golf Classic, with all proceeds going to support IBD Research at the Penn State Milton S. Hershey Medical Center. The event is completely staffed through volunteer efforts of members of the staff at HCPNRC. The one-day event raises over \$400,000.00 each year.

For 2015 - 2016 PNG is working with the following organizations:

Harrisburg Regional Chamber and CREDC
Governor's Cup Golf Tournament
Hospice of Central Pennsylvania
Dauphin County Library System
Grantville Area Food Pantry
Grantville Volunteer Fire Company
Ono Fire Company
Animal Rescue
Central Pennsylvania Food Bank
Robert M. Jackson Veteran's Center
IBD Research at the Penn State Milton S. Hershey Medical Center

Close

HCPN is a team committed to developing a high performance, inclusive work environment that reflects the diversity of our community. We strive to create a company culture where all ideas and all contributions are valued no matter how or from whom they may originate. This working culture includes not only our valued workforce, but also offers opportunities for broad participation to diverse groups in the procurement of goods and services.

Our commitment to making inclusiveness the foundation for our culture is driven not only from our desire to enhance our community and as such commitment also supports a sound business strategy.

Appendix A

Equal Employment Opportunity

Equal Employment Opportunity

To give equal employment and advancement opportunities to all employees and applicants, the Company makes employment decisions based on each person's performance, qualifications, and abilities. We do not discriminate in employment opportunities or practices on the basis of race, color, religion, gender, national origin, age, disability, or any other characteristic protected by law.

The Company will make reasonable accommodations for qualified individuals with known disabilities unless making the reasonable accommodation would result in an undue hardship to the property.