

Code of Ethics and Business Conduct for Prairie Meadows Racetrack and Casino (the “Company”)

Adopted by the Board of Directors May 25, 2016

Purpose of the Code.

The purpose of this Code of Ethics and Business Conduct (the “Code”) is to provide guidelines for conducting the business of the Company and to promote honest and ethical conduct and compliance with applicable rules and regulations. On an annual basis, certifications of compliance with this Code will be required from members of the Company’s Board of Directors (the “Board”), the Company’s Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, Internal Auditor, as well as all department directors and their assistants, and the members of its Charitable Grants Committee (the foregoing persons being hereinafter collectively referred to as the “Designated Persons”).

Adherence to High Ethical Standards.

While the duties of the Designated Persons may differ based on their affiliation with the Company, as a general rule, each Designated Person has the following duties:

- **DUTY OF CARE**, which means a duty to act as a reasonably prudent person would act under like circumstances and, in doing so, act on a fully informed basis;
- **DUTY OF LOYALTY**, which means a duty to act without personal self-interest in a matter pertaining to the Company and, if necessary, abstain from voting on the matter; and
- **DUTY OF GOOD FAITH**, which means a duty to act with honest intent in putting the best interests of the Company first in the Designated Person’s decision-making.

The Company requires the Designated Persons to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Such persons are required to endeavor to deal fairly, honestly, and with integrity with the Company’s customers, employees, suppliers, grant applicants, the Iowa Racing and Gaming Commission and other governmental agencies. The purpose of this Code is to strengthen the Company’s ethical climate and to provide basic guidelines for situations in which ethical issues may arise. No Designated Person should be misguided by any sense of loyalty to the Company or a desire for profitability that might cause him or her to violate these standards. The Company does not condone any act that violates the laws, rules and regulations pertaining to the Company and no Designated Person has authority to violate any law, rule or regulation or to direct another person to violate any law, rule or regulation on Company’s behalf. Any Designated Person who violates the Code will be acting outside the scope of his or her duties as a Board Member or his/her employment and will be subject to disciplinary action.

Key Policies of the Code.

Conflicts of Interest. To assure that the Company is managed in an honest and ethical manner, free from the temptations for personal gain which conflicting desire may cause, Designated Persons must fully disclose to the Company's Chairman of the Board, or to any member of the Board's Executive Committee or to the Company's Chief Executive Officer (each a "Disclosure Officer"), or to the Internal Auditor each of whom shall report all information to the Executive Committee, any situations, including situations involving immediate family members, that reasonably could be expected to give rise to a conflict of interest. A conflict of interest exists when a Designated Person's private interest, or the private interest of a family member of a Designated Person, conflicts, or appears to conflict, in any way with the interests of the Company. For purposes of this Code, a "family member" constitutes a parent, sibling, spouse, child or grandchild of the Designated Person, and any spouse of the foregoing relatives. Upon receipt of such information, the Executive Committee shall report such information to the Board at the next regularly scheduled Board meeting, or, if deemed urgent, at a Board meeting called specifically for such purpose. To implement this principal and to establish clear guidelines, the following policy has been adopted:

WITHOUT PRIOR WRITTEN APPROVAL OF THE BOARD:

- No Designated Person or any family member, shall have a direct or indirect financial interest in, or receive any compensation, gifts, discounts or other benefits of more than nominal value, as a result of transactions between any individual or company:
 - (a) Which is a competitor of the Company;
 - (b) Which purchases or sells (or intends to purchase or sell) supplies, materials, services or properties from or to the Company;
 - (c) Which enters into leases or other contracts with the Company;
 - (d) Which applies for a grant or gift of any kind from the Company;
 - (e) Which has any other relations or business dealings with the Company of any kind, on any matter.
- No Designated Person shall, for personal or any family member's gain, deprive or undermine the Company of any opportunity for benefit which could be construed as related to any existing or reasonably anticipated future activity of the Company.
- No Designated Person shall for personal or any family member's gain or, as applicable to a Board member, the gain of the entity which appointed him or her to the Board, make use of or disclose to another party the Company's confidential information (as solely determined by the Board) learned as a result of being a Board member or employee of the Company.
- No Designated Person shall work simultaneously, either as an employee, independent contractor or agent, or serve as a consultant or member of a competitor, vendor, supplier, grant applicant, or business enterprise which has current or prospective dealings with the Company, except that Designated Persons are not prohibited from working for any entity that appoints members to the Board.

- No Designated Person who is an employee shall have any outside interest which materially interferes with the time or attention the employee should devote to the Company.

The financial interests mentioned above do not include interest in corporations listed on a national stock exchange or traded over the counter.

Competition and Fair Dealings. Designated Persons shall endeavor to deal fairly, honestly and with integrity with the Company's employees, customers, suppliers, grant applicants, the Iowa Racing and Gaming Commission and other governmental agencies. Designated Persons should not take unfair advantage of any person or entity through manipulation, concealment, misrepresentation of material facts or any other unfair dealing or practice.

Confidential Company Records. It is the intent of this Code that the Company have in place policies that will ensure that all of the Company's records are complete, accurate and reliable in all material respects, and are properly retained, stored and kept confidential to the extent allowed by law. Company records include but are not limited to: bookkeeping information, payroll, compensation of employees, e-mails, accounting and financial data, budgets, measurement and performance records, marketing concepts, strategies and plans, trade secrets, contracts, computer programs, electronic data files and all other records maintained in the ordinary course of the Company's business. Designated Persons shall not disclose any of the Company's non-public information or records (e.g. information or records discussed in the Board's closed sessions) without the prior approval of the Executive Committee.

Accuracy of Financial Reports and other Public Communications. The Company's policy is to promptly disclose information that is accurate, transparent and complete in all material respects regarding its business, financial condition and results of operation, subject, however, to protection of proprietary information and other information which is deemed confidential, as solely determined by the Board. It is important that all communications with the public or the media concerning the Company be made only through the Chairman of the Board (or another Board member or person designated by the Chairman), or the Chief Executive Officer (or another officer or person designated by the Chief Executive Officer). Designated Persons should be on guard for, and promptly report, evidence of inaccurate, incomplete or improper information disclosure.

Compliance with Laws and Regulations. Each Designated Person has an obligation to comply with the laws of the city, county and state in which the Company operates. The Company will not tolerate any activity that violates any laws, rules or regulations applicable to the Company. This includes, without limitation, laws covering the gaming industry, the pari-mutuel industry, bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, illegal political contributions, antitrust prohibitions, offering or receiving gratuities or more than nominal value, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets.

Confidential Information About Past and Present Employees. The policy of the Company is to safeguard the confidential aspects of its relationship with its employees, to satisfy all requirements of applicable labor laws, and to maintain uniformity in replies to inquiries concerning past and present employees. In order to assure that this policy is consistently maintained, any inquiries relating to employees, employment, salary verification and performance evaluation regarding past or present employees must be referred to the Director of Human Resources. Also, it is a material

violation of this policy to discuss individual compensation, performance review scores, or financial status with coworkers other than for the purpose of collective bargaining protected by the National Labor Relations Act.

Reporting Violations of the Code.

Designated Persons have a duty to report to a Disclosure Officer any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies applicable to the Company. If the Designated Person does not feel comfortable reporting the conduct to a Disclosure Officer, or does not get a satisfactory response, he or she may contact any member of the Board.

Any Designated Person who violates this Code, or who fails to report a known or suspected violation of this Code, will be subject to appropriate discipline, including, as applicable to any employee, potential termination of employment, or, as applicable to a Board member, potential removal from the Board, all as determined by no less than eight (8) voting members of the Board, based upon the facts and circumstances of each particular situation, and after a closed session wherein the alleged violator has been given an opportunity to hear and rebut the allegations.

All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Company has an Open Door policy and will protect each Designated Person's confidentiality to the extent possible consistent with the law. The Company strictly prohibits retaliation against any person who, in good faith, seeks help or reports known or suspected violations.

Waivers of the Code.

Waivers of this Code may be granted on a case-by-case basis and only in extraordinary circumstances. Waivers may be obtained only from the Board.

Compliance Policy.

This Code is not intended to amend or replace any other rules of conduct including the Iowa Code, the Iowa Racing and Gaming Commission rules intended to uphold the integrity of gaming and pari-mutuel wagering, or the Internal Revenue Code and accompanying regulations. Designated Persons will be required to comply with the terms of this Code, and any other Company or regulatory rules of conduct.

Questions.

If you have any questions concerning this Code, please contact the Chairman of the Board or the Chief Executive Officer.

THIS CODE IS NOT A CONTRACT OF EMPLOYMENT OR A GUARANTEE OF CONTINUING COMPANY POLICY. PRAIRIE MEADOWS RESERVES THE RIGHT TO AMEND THIS CODE WITHOUT PRIOR NOTICE, AT ANY TIME.