

**PULTEGROUP, INC.**  
**CORPORATE GOVERNANCE GUIDELINES**

The following Corporate Governance Guidelines have been adopted by the Board of Directors of PulteGroup, Inc. (“PulteGroup” or the “Company”) to assist the Board in the exercise of its responsibilities. These guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision-making at both the Board and management levels, with the objective of enhancing shareholder value over the long term. The Board intends that these guidelines serve as a flexible framework, not as a set of binding legal obligations, and should be interpreted in the context of all applicable laws and regulations, the Company’s charter documents and other governing documents.

**I. STRUCTURE OF THE BOARD**

**1.1 Responsibilities of Board Members.** The Board is elected by the shareholders to oversee the Company’s management and ensure that the long-term interests of the shareholders are served. The Board is the ultimate decision-making authority within the Company, except with respect to those matters, including the election of directors, that are reserved for the Company’s shareholders. Directors are expected to discharge their duties in good faith and in a manner the director reasonably believes are in the best interests of the Company.

**1.2 Selection of Board Members.** Each year at the Company’s annual meeting, the Board recommends a slate of Directors for election by shareholders. The Nominating and Governance Committee will select qualified candidates and review its recommendations with the Board, which will decide whether to invite the candidate to be a nominee for election to the Board. The Board’s decisions are based on recommendations of the Nominating and Governance Committee and its determinations as to the suitability of each individual, and the slate as a whole, to serve as Directors of the Company, taking into account the membership criteria discussed below.

Shareholders may recommend Director nominees for consideration by the Nominating and Governance Committee by writing to the Company’s Secretary specifying the nominee’s name and the qualifications for Board membership. Following verification of the shareholder status of the person submitting the recommendation, all properly submitted recommendations are brought to the attention of the Nominating and Governance Committee. Shareholders may also nominate Directors for election at the Company’s annual meeting of shareholders by following the provisions described in the Company’s Bylaws.

**1.3 Board Membership Criteria.** The Nominating and Governance Committee develops and recommends to the Board criteria for Board membership on an annual basis to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board

members, the Board takes into account many factors, including relevant judgment, experience, qualifications, independence, understanding of the Company's business, and any other factors deemed relevant. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a Director for re-election, the Nominating and Governance Committee also considers the Director's past attendance at meetings and participation in and contributions to the activities of the Board.

**1.4 Independence.** The Board believes that a substantial majority of our Directors should be "independent," not only as that term may be defined by the New York Stock Exchange, but also without the appearance of any conflict in serving as a Director. To be considered independent under these Guidelines, the Board must determine that a Director does not have any direct or indirect material relationship with the Company (other than in his or her capacity as a Director) and that the Director is otherwise independent under New York Stock Exchange listing requirements. We have established standards to assist in determining whether a Director has a direct or indirect material relationship, and the Board makes the determination on an annual basis. These independence standards are attached to these Guidelines.

**1.5 Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as a Director. The Board believes that Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies, and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

**1.6 Age Policy.** It is the policy of the Board that no Director shall stand for election after the age of 75. A Director elected to the Board at or before the age of 75 may continue to serve until the expiration of the term during which he or she turns 76. From time to time, the Board may make an exception to this policy if it believes that nomination is in the best interests of the Company's shareholders.

**1.7 Directors with Significant Job Changes or Changes in Personal Circumstances.** When a Director's principal occupation or business association changes substantially during his or her tenure as a Director, that Director should offer to tender his or her resignation for consideration by the Nominating and Governance Committee (and, if requested by the Nominating and Governance Committee, tender his or her resignation). In addition, in the event of any change or anticipated change in a Directors' affiliations, activities or professional or personal circumstances that (i) may create a conflict or potential conflict of interest, (ii) may trigger any Company reporting obligation, (iii) may result in the director engaging in significant political activity (such as participating in a visible leadership position in a political campaign, running for office or

accepting an elected or appointed political office), (iv) has the potential to cause embarrassment, negative publicity or reputational harm to the Company or the director, and/or (v) could result in a possible inconsistency with the Company's policies or values, that Director should offer to tender his or her resignation for consideration by the Nominating and Governance Committee (and, if requested by the Nominating and Governance Committee, tender his or her resignation). The Nominating and Governance Committee will recommend to the Board the action, if any, to be taken with respect to the offer or the resignation.

**1.8 Limitation on Other Board Service.** Directors are expected to advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee before accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such Director is a member. Directors may not serve on more than four boards of public companies, including the Company's Board.

**1.9 Conflicts of Interest.** All Directors must comply with the applicable provisions of the Company's Code of Ethical Business Conduct. If a Director has a personal interest in any matter that is being considered by the Board for approval, that Director must disclose the interest to the Board, excuse himself or herself from participation in the discussion (as directed by the Board), and not vote on the matter. If a significant conflict of interest with respect to a Director cannot be resolved, that Director should offer to tender his or her resignation for consideration by the Nominating and Governance Committee (and, if requested by the Nominating and Governance Committee, tender his or her resignation). The Nominating and Governance Committee will recommend to the Board the action, if any, to be taken with respect to the offer or the resignation.

**1.10 Chairman of the Board.** The independent Directors shall annually designate a Chairman of the Board from among the independent Directors of the Board. Although designated annually, the Chairman of the Board is generally expected to serve for more than one year.

The Chairman of the Board's key role is to work with the Chief Executive Officer to ensure that the Board (i) discharges its responsibilities, (ii) has structures and procedures in place to enable it to function independently of management, and (iii) clearly understands the respective roles and responsibilities of the Board and Management. The Chairman of the Board will perform the following duties:

- Convene and chair all meetings of the shareholders and the Board of Directors.
- Convene and chair regular executive session meetings of the non-management Directors and, as appropriate, provide prompt feedback to the Chief Executive Officer.
- Coordinate and develop the agenda for executive sessions of the independent Directors.

- Convene meetings of the independent Directors if necessary.
- Coordinate feedback to the Chief Executive Officer on behalf of independent Directors regarding business issues and management.
- Coordinate appropriate charters, tasks and responsibilities of the Board's committees with the chairs of those committees, and ensure delegated committee functions are carried out and reported to the Board.
- Work with the Chairman of the Nominating and Governance Committee with respect to the recruitment, selection and orientation of new Board members, the evaluation of the Board and committee composition.
- Oversee the Compensation and Management Development Committee's development of appropriate performance and professional development objectives for the CEO, monitor and provide ongoing feedback to the CEO regarding performance against those objectives, coordinate and chair the annual Board performance review of the CEO and communicate results of that performance review to the CEO.
- Lead the Board's review of the succession plan for the CEO and other key senior executives.
- Perform such other duties as may be necessary for the Board to fulfill its responsibilities or as may be requested by the Board as a whole or by the non-management Directors.
- Be the designated spokesperson for the Board when it is appropriate for the Board to comment publicly on any matter.
- Be available for consultation and direct communication if requested by the Company's major shareholders.

The Board recognizes that no single leadership model is right for all companies at all times, and as appropriate, the Board will continue to review its leadership model to determine the correct leadership structure for the Company.

## **II. BOARD PROCEDURAL MATTERS**

**2.1 Board Meetings—Agenda.** The Chairman of the Board, after consultation with the Chief Executive Officer, will determine the agenda for each Board meeting. The Chairman of the Board and Chief Executive Officer will distribute this agenda in advance to each Director and will, as appropriate, solicit suggestions from other Directors as to agenda items and informational needs for Board meetings.

**2.2 Frequency of Meetings.** The Board will determine the number of regularly scheduled meetings it wishes to hold each year, but generally expects to hold approximately five meetings annually. In addition, special meetings may be called from time to time, as determined by the needs of the business.

**2.3 Attendance.** Directors are expected to attend Board meetings and meetings of the Committees on which they serve, to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Meetings should include presentations by management and, when appropriate, outside advisors or consultants, as well as sufficient time for full and open discussion. Directors are also encouraged to attend the Company's annual meeting of shareholders.

**2.4 Advance Distribution of Materials.** Written materials that are important to the Board's understanding of the agenda items to be discussed at a Board or Committee meeting should be distributed to the Directors sufficiently in advance of the meeting to allow the Directors the opportunity to adequately prepare for such meeting.

**2.5 Access to Management.** The Company will provide each Director with free and complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business, and operations. Management will be responsive to access requests and requests for information from Directors.

**2.6 Outside Advisors.** The Board and each Committee has the authority to engage independent legal, financial, or other advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. Management of the Company will cooperate with any such engagement and will ensure that the Company provides adequate funding for such advisors.

**2.7 Executive Sessions of Independent Directors.** Non-employee Directors will meet in executive session (with no executive Directors or management present) on a regular basis, as they deem necessary. At least one such meeting per year will be held by non-employee Directors who are also independent. The Chairman of the Board will preside at each executive session.

### **III. PERFORMANCE EVALUATION; SUCCESSION PLANNING; COMPENSATION**

**3.1 Management Evaluations and Succession.** The non-employee Directors of the Company will conduct an annual review of the Company and its executive management.

The Board will establish and review policies and procedures for the succession to the Chief Executive Officer and such other members of executive management, as the Board deems appropriate.

**3.2 Board Self-Evaluation.** The Board will annually review its own performance and determine what, if any, action could improve the performance and effectiveness of the Board and its Committees.

**3.3 Director Compensation.** The Nominating and Governance Committee will determine the form and amount of Director compensation in accordance with the principles and policies contained in its charter, or other related Company policies. In making its determination, the Nominating and Governance Committee should take into consideration the following factors, among others: compensation should fairly pay Directors for the responsibilities and duties undertaken in serving as a director of a Company of the size and complexity of the Company and compensation should align the Directors' interests with the long-term interests of shareholders. Non-employee Directors shall not receive any compensation from the Company other than his or her compensation as a Director. Directors who are also employees of the Company should receive no additional compensation for their services as Directors.

**3.4 Company Share Ownership Guidelines.** Each member of the Board of Directors is expected to maintain an equity investment in the Company equal to at least five times the annual cash retainer, which must be achieved within five years of the Director's initial election to the Board. The holdings that may be counted toward achieving the equity investment guidelines include outstanding share awards or units, shares obtained through stock option exercises, shares owned jointly with or separately by the director's spouse and shares purchased on the open market. Outstanding stock options do not count toward achieving the equity investment guidelines. As of the record date, all continuing members of the Board of Directors have met or, within the applicable period, are expected to meet, these share ownership guidelines.

#### **IV. COMMITTEE MATTERS**

**4.1 Number and Type of Committees.** The Board will at all times maintain an Audit Committee, a Nominating and Governance Committee, and a Compensation and Management Development Committee each of which will be comprised of independent Directors and will operate in accordance with their respective charters, any applicable law, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. The Board may also establish such other committees as it deems appropriate and delegate to such committees any authority the Board deems appropriate, subject to the limitations of any applicable law or the Company's Bylaws. Committee duties for the Board's existing committees are briefly described as follow:

- *Audit Committee:* The Audit Committee represents and assists the Board with the oversight of the integrity of the Company's financial statements and financial reporting process, the Company's system of internal accounting and financial controls, the performance of the Company's internal audit function, the annual independent audit of the Company's financial statements, the engagement of the independent auditors, the evaluation of the independent auditor's qualifications,

- independence and performance, the Company's compliance with legal and regulatory requirements, and the Company's management of significant financial and technological risks. The Audit Committee is also responsible for preparing the report of the Audit Committee required to be included in the Company's annual proxy statement and for selecting (subject to ratification by our shareholders) the independent auditor as well as setting the compensation for and overseeing the work of the independent auditor and approving audit services to be provided by the independent auditor.
- *Compensation and Management Development Committee:* The Compensation and Management Development Committee is responsible for the review, approval and administration of the compensation and benefit programs for the Chief Executive Officer and the other named executive officers. It also reviews and makes recommendations regarding the Company's general compensation philosophy and incentive plans and certain other compensation plans; reviews the Company's leadership development programs and initiatives; and discusses performance, leadership development and succession planning for key officers with the Chief Executive Officer, as appropriate. The Compensation and Management Development Committee is also responsible for overseeing the development of the Company's succession plan for the President and Chief Executive Officer and other key members of senior management, as well as the Company's leadership development programs.
  - *Nominating and Governance Committee:* The Nominating and Governance Committee establishes criteria for the selection of new members of the board of directors and makes recommendations to the Board based on qualified identified individuals, including any qualified candidates nominated by shareholders. The Nominating and Governance Committee is also responsible for matters related to the governance of the Company and for developing and recommending to the Board the criteria for Board membership, the selection of new Board members and the assignment of directors to the committees of the Board. The Nominating and Governance Committee also reviews and makes recommendations with respect to the compensation of members of the Board. The Nominating and Governance Committee is also responsible for reviewing the Company's Environmental, Social and Governance Policies and assessing and monitoring the Company's enterprise risk management initiatives.
  - *Finance and Investment Committee:* The Finance and Investment Committee reviews all aspects of the Company's policies that relate to the management of the Company's financial affairs. The Finance and Investment Committee also reviews the Company's long-term strategic plans and annual budgets, capital commitments budget, certain land acquisition and sale transactions, and the Company's cash needs and funding plans. The Finance and Investment Committee may include non-independent members of the Board.
  - *Executive Committee:* The Executive Committee shall consist of the Chairman of

the Board, the Lead Director, the Chairman of each standing Committee and the Chief Executive Officer. The Executive Committee shall be chaired by the Chairman of the Board and may meet on an ad hoc basis with the primary responsibility of addressing matters that are not exclusively within the purview of the one of the Board's standing Committees and which may arise between regularly scheduled meetings of the Board.

**4.2 Committee Meetings and Agenda.** The chairman of each Committee is responsible for developing, together with relevant senior management, the Committee's agendas and objectives and for setting the specific agenda for Committee meetings. The chairmen and Committee members will determine the frequency and length of Committee meetings consistent with each Committee's charter.

## V. MISCELLANEOUS

**5.1 Director Orientation and Continuing Education.** The Board or the Nominating and Governance Committee will establish and maintain appropriate orientation programs for newly elected Directors of the Company. The Board will participate in Director education programs as frequently as it deems appropriate. These programs will be administered by the Nominating and Governance Committee.

**5.2 Review of Governance Guidelines.** These Guidelines will be reviewed annually by the Nominating and Governance Committee and may be amended by the Board from time to time.

**5.3 Communications with Financial Analysts, Shareholders, and the Media.** Management is responsible for establishing effective communications with all interested parties, including financial analysts, the media and shareholders of the Company. It is the policy of the Company that management speaks for the Company and that Directors restrict any proactive or reactive communications with these constituents as provided in the Company's Code of Ethical Business Conduct, Insider Trading and Confidentiality Policy, and Disclosure Policy. This policy does not preclude outside directors from meeting with shareholders with respect to the Company, but any such meetings should be coordinated in advance with management and the Chairman of the Board and/or Lead Director.



## **PULTEGROUP, INC.**

### **STANDARDS OF INDEPENDENCE FOR THE BOARD OF DIRECTORS**

The Board shall consist of a substantial majority of independent Directors. The Company has established Director qualification standards to assist the Nominating and Governance Committee in determining Director independence, which either meet or exceed the independence requirements of the New York Stock Exchange (“NYSE”) corporate governance listing standards. The Board will consider all relevant facts and circumstances in making an independence determination.

To be considered “independent”, the Board must affirmatively determine that the Director has no material relationship with the Company, directly or as an officer, shareholder or partner of an organization that has a relationship with the Company and that the Director is otherwise independent under NYSE listing standards. In each case, the Board shall broadly consider all relevant facts and circumstances and shall apply the standards set forth below.

A Director will be determined to be independent if (in addition to having no material relationship with the Company, directly or as an officer, shareholder or partner of an organization that has a relationship with the Company, and satisfying the independence requirements under the NYSE listing standards) the Director:

- Has not been an employee of the Company for at least three years;
- Has not, during the last three years, been employed as an executive officer by a company for which an executive officer of the Company concurrently served as a member of such company’s compensation committee;
- Has no immediate family members (i.e., spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than employees) who shares the Director’s home) who did not satisfy the foregoing criteria during the last three years; provided, however, that such Director’s immediate family member may have served as an employee but not as an executive officer of the Company during such three-year period so long as such immediate family member shall not have received, during any twelve-month period within such three-year period, more than \$120,000 in direct compensation from the Company for such employment.
- Is not a current partner or employee of the Company’s internal or external audit firm, and the Director was not within the past three years a partner or employee of such a firm who personally worked on the Company’s internal or external audit within that time.
- Has no immediate family member who (i) is a current partner of a firm that is the

- Company's internal or external auditor, (ii) is a current employee of such a firm and personally works on the Company's internal or external audit or (iii) was within the past three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
- Has not received, and has no immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company other than (i) Director and Committee fees, and (ii) pensions and other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
  - Is not a current employee, and has no immediate family member who is a current executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;
  - Does not serve, and has no immediate family member who has served, during the last three years as an executive officer or general partner of an entity that has received an investment from the Company or any of its subsidiaries, unless such investment is less than the greater of \$1 million or 2% of such entity's total invested capital, whichever is greater, in any of the last three years; and
  - Has not been, and has no immediate family member who has been, an executive officer of a charitable or educational organization foundation for which the Company contributed more than the greater of \$1 million or 2% of such charitable organizations' consolidated gross revenues, in any of the last three years.

Audit Committee members may not have any direct or indirect financial relationship whatsoever with the Company other than as Directors.

Annually, the Nominating and Governance Committee, consistent with the Board's Related Party Transaction Policies and Procedures, will review all commercial and charitable relationships of Directors to determine whether Directors meet the categorical standards described above, and report its findings to the Board. The Board may determine that a director who has a relationship that exceeds the limits described in the categories (to the extent that any such relationship would not constitute a bar to independence under the NYSE listing standards) is nonetheless independent. The Company would explain in the next proxy statement the basis for any Board determination that a relationship is immaterial despite the fact that it does not meet the categorical standards set forth above.