

**D.R. HORTON, INC.**

**CORPORATE CODE OF BUSINESS  
CONDUCT AND ETHICS**

**Adopted January 28, 2004**

**Revised February 15, 2006**

**Revised October 1, 2014**

**THIS IS NOT AN EMPLOYMENT CONTRACT AND DOES NOT  
ALTER AN EMPLOYEE'S AT-WILL EMPLOYMENT STATUS.**

# D.R. Horton, Inc.

## Corporate Code of Business Conduct and Ethics

### *Policy Statement and Introduction*

To All D.R. Horton Employees and Directors:

I am continually impressed with the high standards and values of the employees of D.R. Horton. That honesty, integrity and commitment to open business dealings is reflected by the efforts we all make in meeting our basic company objectives of building value for our home buyers, our investors and our employees. In the daily conduct of our business affairs, we must be guided by the standards embodied in those objectives in seeking to always do what is right and avoiding what is wrong.

Because of the complexity of today's world, we need to know how to apply our objectives to situations we encounter in the workplace. That is why we have developed this Corporate Code of Business Conduct and Ethics (the Code) and designated Paula Hunter-Perkins, Vice President-Human Resources, as the Human Resources compliance manager (the HR Compliance Manager) to answer inquiries and questions. I strongly endorse the principles in this Code and encourage each of you to read and become familiar with the principles set forth therein and to continually measure all of your daily activities against the standards contained therein and in our core company objectives.

This Code applies to all employees of D.R. Horton, Inc. and its subsidiaries (collectively, D.R. Horton or the Company) and to all members of our Board of Directors. Of course, no written Code can possibly cover every situation that you may encounter in your daily activities. If you are ever unclear as to what constitutes the proper course of action, feel free to seek guidance from your supervisor or from other leaders within your business unit. If the response you receive from these sources is still unclear, you should contact the HR Compliance Manager directly at 1-800-846-7866, or call either of the applicable hotlines that are listed on the last page of this Code.

In addition to being available through the Corporate Human Resources Department, this Code may be found by visiting our Internet website at [www.drhorton.com](http://www.drhorton.com), then clicking on the Investor Relations and Corporate Governance links. In addition, this Code is available to all employees, directors and stockholders who request it and this request may be made to our Corporate Human Resources Department.

Our business is important business as well as a way of life. The D.R. Horton name and way of doing business have always been synonymous with a commitment to accountability, trustworthiness, integrity, and the treatment of every person with dignity and respect. We must continue to maintain these high standards.

Thank you for your commitment to these goals and to our company.

*Donald R. Horton*  
Chairman of the Board

## ***Part I: Introduction to the Compliance Program***

### **Standards and Values - External and Internal**

D.R. Horton, like all businesses, must follow the rules and regulations created by our government. We can think of these rules and regulations that have been imposed as “external standards.” That is, these are standards that have been created by authorities outside our organization, which apply to D.R. Horton and its directors and employees. D.R. Horton has an obligation to conduct its business consistent with these external standards.

D.R. Horton has also developed a set of values and principles based on our objectives, our history, our sense of ethics and our concept of what it means to do the right thing. These values and principles represent our “internal standards” for conduct. We have an obligation to conduct our business in compliance with these internal standards.

Our internal standards have at their core three critical business objectives:

- **To Build Value for Our Home Buyers**
- **To Build Value for Our Investors**
- **To Build Value for Our Employees**

Our internal standards may or may not be embodied in the external standards that apply to D.R. Horton. Generally, external standards are more narrowly focused than the values, principles and behavior that make up our internal standards. In any event, we are committed to abide by all applicable legal rules as well as our own set of internal standards.

The Code of Business Conduct and Ethics is intended to help D.R. Horton employees and directors understand their responsibilities in relation to both the external and internal standards as they carry out their responsibilities.

## Principles - The D.R. Horton Ethic

Our three business objectives express the goals that we strive to achieve. Each is supported by a set of principles that guide our conduct. To achieve our business objectives, we must base our actions and relationships on the principles outlined below. The following statements, as made by senior management, support and explain each of these important principles.

<p><b><i>Honesty:</i></b> “Truth cannot be compromised.”</p>	<p><b><i>Accountability:</i></b> “A company needs people who can think, make judgments and be accountable and responsible for their actions.”</p>
<p><b><i>Mutual Respect:</i></b> “We seek to recognize the dignity, worth and potential of each individual and believe that everyone from office assistants to our President has intrinsic worth and value.”</p>	<p><b><i>Quality:</i></b> “The purpose of our business is to satisfy the needs and wants of our customers. This can only be accomplished by delivering a superior quality home and customer service in our warranty program.”</p>
<p><b><i>Civility:</i></b> “We treat others with dignity and respect.”</p>	<p><b><i>Fairness:</i></b> “We deal fairly in all our relationships inside and outside the Company.”</p>
<p><b><i>Compliance:</i></b> “We obey all applicable laws and regulations.”</p>	<p><b><i>Opportunity:</i></b> “Our charge is to actively pursue practices that support and encourage a diverse workforce, and to guarantee that opportunity is based on competence and character and not on circumstances of birth.”</p>
<p><b><i>Integrity:</i></b> “We act ethically and seek to avoid even the appearance of improper behavior.”</p>	<p><b><i>Knowledge:</i></b> “Our employees take responsibility to know what is right and how to do the right thing. D.R. Horton provides support to our employees to meet this responsibility.”</p>
<p><b><i>Reliability:</i></b> “A company cannot function to its capacity unless its people can rely upon each other and the covenants and commitments they give to each other and to our customers, suppliers and investors.”</p>	

## The Corporate Compliance Program

The procedures, standards of conduct and ethics set forth in this Code make up our “corporate compliance program.” The corporate compliance program is intended to enable our directors and employees, at every level, to comply with the laws and regulations—“external standards”—and with our own “internal standards.”

The Board of Directors has approved this Code, which, among other things, provides that senior management will:

- Review and understand the laws and regulations applicable to D.R. Horton;
- Develop policies and procedures that meet or exceed the requirements of the laws and regulations;
- Communicate the policies and procedures to employees through training and internal communications;
- Develop controls to monitor compliance with critical policies and procedures;
- Provide support to ensure that employees’ questions and concerns are identified and addressed;
- Provide a review of the decision making process in response to significant compliance issues; and
- Develop procedures to prevent hiring of a person if there is reason to believe that the person has engaged in unethical or unlawful conduct.

To aid the Company in achieving these objectives, the Executive Committee of the Board of Directors has appointed Paula Hunter-Perkins, Vice President of Human Resources and her designee(s) to manage the compliance program. Management of the program involves these three elements:

- Compliance Reviews—conduct an ongoing review of operations throughout the D.R. Horton enterprise to ensure that the program is operating effectively.
- Education—develop ways to communicate the existence and application of the external and internal standards which D.R. Horton employees must observe.
- Ombudsman Support—There may be instances where an employee who has a compliance concern feels that the normal channels of support are not available or that an adequate response has not been obtained. Our corporate compliance program, through one of the hotlines set forth in both this Code and on the Company’s website, provides an alternative resource in such situations.

Through these means, it is our expectation that the corporate compliance program will ensure that our external and internal standards are effectively translated into our everyday business conduct. To the extent that the program is a success—and it will be successful only if everyone “is on the deal”—we will have achieved goals that should be important to every D.R. Horton employee:

- Achieving our three business objectives;
- Maintaining D.R. Horton’s reputation with its home buyers, suppliers and investors;
- Improving customer satisfaction with our homes; and
- Supporting and protecting our fellow employees.

This Code of Business Conduct and Ethics should help all of us achieve these goals. However, we recognize that it is not possible for this written Code or other guides to address every situation that may arise during the course of a career at D.R. Horton. Perhaps the following two questions best sum up what it means to “Do the Right Thing”:

- Is it legal?
- Is it consistent with the three business objectives?

Within the context of the second question, ask yourself:

- How would the action affect others? Would I hurt or damage another person?
- Would the action injure a business relationship if the customer, supplier or vendor knew about it?
- Would I make a different decision if my action or decision would be reported on the evening news?
- Would I be proud to discuss my actions with my manager? My family? My friends, neighbors or clergy?

Think before you act and make the compliance program a success.

**Violations of this Code** - The procedures and principals in this Code are serious business. Violations of any aspect of this Code shall be grounds for discipline, up to and including discharge. Other examples of possible discipline include, without limitation, warnings, reprimands, probation, demotion, reimbursement to the Company for its losses or damages and referral to law enforcement authorities. In instances in which the Board or the Company has reasonable grounds to believe an employee has violated the terms of this Code, the Board or the Company will investigate the alleged violation and may suspend the employee pending the result of such investigation. Further, in situations in which the Company identifies Code violations that constitute violations of applicable law, the Board or the Company may be required to report such violations to the appropriate authorities. In situations where it is not clear that a violation has occurred because of the immateriality of the act or event, then the Chairman or the Chief Executive Officer with respect to Board members and Senior Management, and the Chief Legal Counsel or HR Compliance Manager with respect to other employees shall review the act or event and make the determination of whether a violation has occurred.

**Waivers of this Code** - None of the principles of this Code may be waived, supplemented, modified or revised (each a waiver) except by the Chairman, Chief Executive Officer or other executive officer of the Company, as appropriate. However, any waiver of this Code for a director or an executive officer of the Company may only be made by the Board of Directors or by a committee of the Board of Directors, and the stockholders of the Company must be promptly notified (which may be done by filing a Current Report on Form 8-K and/or making a posting to the Company’s website) as required by the rules and listing standards of the New York Stock Exchange (the “NYSE Rules”).

Who is Responsible for Compliance?

**WE ALL ARE!**

## ***Part II: Corporate Compliance and the Environments in which D.R. Horton Carries Out its Mission***

### **Our Responsibilities - In the Workplace**

The workplace is where many employees spend a large part of their day. Federal and state laws establish a number of workplace-related rules. Beyond those rules is D.R. Horton's commitment to "Build Value for Our Employees." These external and internal standards help to guide the conduct of our employees in the workplace.

***At-Will Employment*** - The first order is to realize that nothing contained in this Code shall be construed as either an express or implied employment contract obligating the Company (expressly or implicitly) to employ any employee for a specified period of time. To the contrary, employment with the Company is at-will, such that any employee may elect to terminate his or her employment at any time, with or without cause, and the Company similarly may terminate any employee at any time, with or without cause. No action or inaction by the Company of any kind during one's employment shall in any way detract from or alter the right of either party to terminate the employment relationship with or without cause.

***Equal Employment Opportunities*** - We strive to treat all employees and job applicants fairly. We use an individual's qualifications, skills and achievements as the basis for employment decisions, such as hiring, promotions, transfers and compensation.

We provide equal employment opportunities regardless of sex, sexual orientation, gender identity, genetic information, race, color, age, veteran status, religious beliefs, marital status, citizenship status, national origin, physical/mental disabilities or any other classification protected by applicable law. We believe that diverse ideas, skills and experience complement each other and improve our ability to achieve our business objectives of building value for our home buyers and investors.

***Workplace and Sexual Harassment*** - We do not tolerate harassment of any kind in the workplace. This includes any verbal, non-verbal or physical conduct that may interfere with another employee's ability to effectively perform his or her duties or that creates an intimidating, offensive, abusive or hostile work environment. This type of conduct is contrary to D.R. Horton's policy and may also violate the law.

We have zero tolerance for sexual harassment by anyone. Unwelcome sexual advances, including requests for sexual favors by a supervisor, are absolutely prohibited and could result in immediate termination of employment but, at a minimum, will result in an internal investigation by the Company. We also do not tolerate actions or expressions which are sexually suggestive and which create a hostile work environment. Examples of these types of actions are lewd jokes or comments, inappropriate e-mails, remarks that are of a disparaging nature and unwelcome physical contact.

Employees who believe they have been subjected to unlawful harassment should immediately report the incident to their supervisor, another member of management, or a member of the Human Resources Department. We will investigate the matter promptly and confidentially, to the extent possible.

***Health and Safety*** - D.R. Horton is committed to providing safe and healthful working conditions for all directors, employees and subcontractors. It is an integral part of our management philosophy and corporate culture. To this end, D.R. Horton promotes an aggressive safety program that includes actions that will minimize or eliminate exposure to hazardous substances, processes and procedures.

Without question, safety is everyone's responsibility in all operations and at all levels. Anyone who observes a condition that may be considered unsafe or not in compliance with any safety rule or regulation should report the condition immediately to his or her supervisor or other appropriate D.R. Horton employee.

It is inevitable that on-the-job accidents will occur. Any work-related injury to any director, employee or subcontractor must be reported immediately to one's supervisor or other appropriate person. In turn, the supervisor must follow D.R. Horton's defined claim procedures to determine whether the accident must be reported to the Corporate Risk Management Department.



**Substance Abuse** - D.R. Horton is committed to a drug-free and alcohol-free workplace. Drugs and alcohol impair our ability to safely and effectively build value for our home buyers and investors and to interrelate with others in the workplace. To achieve a drug-free and alcohol-free workplace:

- We do not use, sell, purchase, dispense or possess illegal drugs, whether on or off D.R. Horton, customer or supplier premises;
- We do not consume alcoholic beverages while on D.R. Horton, customer or supplier premises; and
- We do not report for work in a condition that suggests the influence of illegal drugs or alcohol, or would otherwise impair our ability to carry out our responsibilities in the workplace.

While the Company recognizes that consumption of extremely modest amounts of alcoholic beverages may be occasionally appropriate at an off-site business lunch, golf or ranch event, the Company strongly recommends against any consumption of alcoholic beverages during business hours. It is also a violation of this Code for any employee to have consumed alcohol in a quantity such that the employee's blood alcohol level exceeds that applicable state's legal driving limit during work time. Further, it is the Company's policy to reimburse the reasonable transportation expenses of an employee or employee's guest who, in the course of attending a Company-sponsored event becomes unable to safely operate his or her motor vehicle as the result of consuming alcohol. The Company also strongly urges any employee who observes that another employee (or guest) appears to be unsafe to drive to prevent such employee (or guest) from driving and to either drive such employee (or guest) home or arrange for other transportation to be reimbursed by the Company. It is the Company's policy that "friends don't let friends drive drunk."

Employees acknowledge that, to the extent permitted by law, the Company has the right but not the obligation to test employees for drugs or alcohol in their blood stream when it has a reasonable belief that such employee is in violation of or has violated any of the terms of this section of this Code and/or to test any employee who has been involved in a work-related accident or injury, including vehicular accidents.

There may be occasions where an employee is directed by a physician to take a prescription drug that could adversely affect or impair performance on the job. In these circumstances, the employee must report the circumstances of the situation to his or her supervisor, including submission of acceptable medical documentation, if requested.

**Balancing Work and Family Life** - We recognize the need to balance work and family life. Achieving this balance is sometimes difficult. Some jobs by nature are more demanding, as are some family situations. Cyclical duties, temporary issues or crises can also temporarily upset the balance in our lives. D.R. Horton recognizes the need to maintain this balance over time. As individuals, employees need to realistically determine what commitments are necessary to be successful in both their jobs and their family lives.

**D.R. Horton Human Resources Policies** - Applicable sections of the Corporate Manual contain detailed discussions of each of the workplace issues discussed in general terms in this "Our Responsibilities - In the Workplace" section. The discussion above supplements - not supplants - the detailed guidance contained in the Corporate Manual.

## **Our Responsibilities - In Customer Relationships**

Our home buyers purchase our homes because of the quality and value that we deliver. The needs and desires of our customers are our number one priority. Every employee must constantly strive to deal with our home buyers fairly and strive to exceed our home buyers' expectations. We continually look for ways to improve quality, to build greater value for our home buyers and to promptly and courteously meet our home buyers' expectations regarding warranty services for delivered homes. The majority of our home buyers have made the largest single purchase of their lives and expect and deserve value and service second to none. To the extent that we successfully provide it, we have achieved our first business objective - "Build Value for Our Home Buyers."

**Quality** - We will not take any action to achieve short-term profitability (or other) goals that undermines or risks the quality of our homes, the quality of our post-closing warranty service or the reputation of the Company.

***Sales Practices*** - Our sales practices are founded on the principles of integrity and honesty. Statements made in the course of selling our homes or financial services must be truthful and accurate. They must focus on the strengths of D.R. Horton, the quality and value of our homes and the quality and price-competitiveness of our financial services. We do not slander our competitors, their homes or services by making false and misleading statements.

We will use the utmost integrity and professionalism in our sales and marketing practices. To the extent we provide sales incentives for using our own mortgage origination company and/or title companies, all such incentives shall comply fully with the provisions of the Real Estate Settlement Procedures Act (RESPA). Detailed guidance relating to such provisions is included in our Financial Services Policy Manual, a copy of which can be obtained by contacting the D.R. Horton Mortgage and Title division at (512) 502-0545, or if you have additional questions regarding RESPA procedures or compliance, you should contact the corporate or region legal counsel as appropriate. We will not provide any form of bribe, or improper payment or improper incentive to a prospective customer to induce a purchase. This prohibition does not apply to occasional discounts, free upgrades and the like specifically approved by the division president (or his or her designee) necessary to remain competitive in local markets. The prohibition does apply to kickbacks, offers to split or share commissions or other forms of compensation.

***Advertising*** - Advertising must meet the same standards of integrity and honesty that guide our other sales efforts. The form, content and nature of advertising are the responsibility of the local division president or his or her designee. However, all advertising must comply with the following standards:

- The advertising must be truthful and not misleading.
- Claims about the quality of our homes or financial and warranty services can be supported.
- Price references accurately reflect the true cost of the homes for sale or services being provided.
- The advertising must not slander or disparage the homes or services of our competitors.

***Warranty Services*** - We must respond promptly and effectively to all customers' claims for warranty services. If the subcontractors who performed the work subject to the warranty claim cannot or will not promptly and properly resolve the warranty claim, we must obtain an alternate subcontractor who will, even if we must incur the cost of the warranty repairs ourselves. As a last resort, in cases where warranty repairs cannot be effected in a reasonable time or at a reasonable cost, we should be prepared to buy the home back from the home buyer at the same price we sold it to him/her and offer to build and deliver to the home buyer a new, similar home for the same price. Failure to respond promptly and graciously to all home buyers' warranty claims makes us vulnerable to costly product defect litigation, in some cases from a class of home buyers similarly situated. More importantly, it compromises the achievement of our primary business objective, "To Build Value for Our Home Buyers." Unresolved warranty claims can also severely damage our business reputation and undermine future sales efforts, which could also severely impair our ability to achieve our second Business Objective, "To Build Value for Our Investors."

## **Our Responsibilities - In Supplier and Vendor Relationships**

All of our business decisions are made with the best interests of the Company in mind. This commitment helps to support our second Business Objective, "To Build Value for Our Investors." To achieve this objective, we must make all business decisions based on sound business judgment rather than personal gain. We avoid any situation that may appear to obligate a director or employee to make a decision that may not be in the best interests of D.R. Horton.

***Investments in Suppliers or Vendors*** - Purchase decisions must be based on the option that provides the greatest economic benefit to D.R. Horton while meeting our high standards for quality, consistency and reliability. We should not make a personal investment in a company where we have the ability to influence the decision by D.R. Horton to enter into a transaction with the company.

***Family Members*** - Decisions can also be influenced or appear to be influenced where family members either own outright or have investments in a supplier or vendor. Every effort must be taken to avoid these situations. For these purposes, "family members" include spouses, children (natural and adopted), parents, siblings, aunts, uncles, fathers and mothers-in-law, brothers and sisters-in-law, and any person sharing the director's or employee's home.

***New Suppliers or Vendors*** - All new significant suppliers or vendors of goods or services must be approved by the region purchasing department(s) and if such new supplier or vendor could be deemed to be significant to the Company, then also by the corporate purchasing department. New vendor setup documentation, including any required insurance forms, must be completed and submitted to the accounts payable department responsible for the division proposing to obtain goods or services from the supplier.

***Gifts or Discounts*** - Giving or receiving occasional gifts or discounts of nominal value is a common practice in building and maintaining business relationships. Except where prohibited by law, employees may give or accept such nominal gifts where the purpose is to appropriately promote the interests of D.R. Horton. However, lavish gifts or discounts can too easily create a sense of obligation in the recipient. If any gift or discount of more than a nominal amount from a current or prospective supplier or vendor is offered, the gift or discount should be declined. Undue pressure by a supplier or vendor to accept inappropriate gifts should be referred to Corporate Legal Counsel at (817) 390-8200.

*Special rules apply to gifts involving government officials. Such gifts can create significant legal problems for the official, D.R. Horton and the D.R. Horton employee who offer/grant it. See the "Our Responsibilities - Dealing with Governmental Units" section of this Code.*

***Entertainment*** - Accepting and extending invitations to sporting, social or business events is permissible. You should recognize, however, the potential conflict of interest that can come out of these invitations. Knowing where to draw the line when giving and receiving entertainment requires common sense and good judgment. Avoid situations that may give rise to questions later or create the appearance of a conflict of interest.

It is also important to understand the difference between a gift and entertainment. To be considered entertainment, both of the individuals offering and accepting the invitation to an event must attend. The idea is that a business discussion or enhancement of a business relationship will be involved. Simply receiving a set of tickets to an event from a supplier or vendor would be a gift, not entertainment, and would have to be addressed as such.

***Seminars and Meetings*** - You may attend supplier or vendor sponsored meetings or seminars if there is an underlying business reason to attend and you have received prior approval from your manager.

***Outside Employment*** - No full-time employee of D.R. Horton may maintain outside employment unless it is specifically approved by your supervisor AND approved by the HR Compliance Manager, and it does not interfere with the employee's responsibilities to D.R. Horton, its home buyers or its investors. To avoid conflicts of interest, a second job may not be with either a competitor or a company that does business with D.R. Horton.

## **Our Responsibilities - To Avoid Conflicts of Interest and From Taking Corporate Opportunities**

***Conflicts of Interest*** - Generally, it is expected that all directors and employees of the Company should endeavor to avoid situations that present a potential or actual conflict between his or her personal interest and the interest of the Company. A "conflict of interest" exists whenever an individual's personal or private interests interfere or conflict in any way with the interests of the Company. A conflict situation can arise when a director or employee takes action or has personal interests that may make it difficult to perform Company work or make Company decisions objectively or effectively. Conflicts of interest may also arise when a director or employee, or member of his or her immediate family, receives improper personal benefits as a result of his or her position with the Company, whether received from the Company or a third party.

In order to avoid conflicts of interest, each director or employee must disclose to the Company's Chief Legal Officer any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest. In some instances outlined in this Code and the Company's Corporate Manual, more specific instructions are outlined for particular types of conflicts.

Full time employees may not carry on any significant part-time business, consulting arrangements or otherwise engage in significant activities outside of their work for the Company without first obtaining the express written permission of both the employee's Division President and the Corporate Chief Legal Officer. Factors to be considered in determining whether permission should be granted to an otherwise restricted outside activity include: the employee's commitment (in terms of time and income) related to the outside activity; whether such outside activity raises a conflict of interest with the

Company; and whether such outside activity shall in any way be related to or conflict with the Company's businesses of home construction, home selling, mortgage financing and real estate buying, selling and development.

**Corporate Opportunities** - Employees, officers and directors are prohibited from taking for themselves business opportunities that arise through the use of D.R Horton's assets or information. No employee, officer or director may compete with the Company during his or her employment or directorial tenure with the Company. Competing with the Company may involve engaging in the same line of business as any of the Company's businesses, or any situation where an employee, officer or director takes away from the Company opportunities for sales or purchases of products, services or interests. An exception to this rule may be where a director is nominated to the board because of his or her knowledge or experience in the homebuilding or real-estate industry, and where the director has fully disclosed any such past or current relationship to the board.

**Investments in Suppliers or Vendors** - Avoiding conflicts of interest in purchasing activities is very important. See the section entitled "Our Responsibilities in Supplier and Vendor Relationships," beginning on page 10.

**Investments in Competitors** - A significant ownership interest in a competitor is not consistent with our third business objective, "To Build Value for Our Investors." In general, such investments should be avoided entirely. This rule may be relaxed to the extent that an employee may own shares of a competitor that is listed on a national securities exchange or traded in the over-the-counter market so long as the investment does not exceed 5% of the employee's net worth.

**Other Association with Competitors or Suppliers** - As discussed under "Our Responsibilities in Supplier and Vendor Relationships", employees may not maintain a second job with either a competitor or a company that does business with D.R. Horton. Other prohibited relationships include agreements for the employee to provide services to or serve as a director or officer of a competitor, supplier or vendor unless specifically approved by the Executive Committee of the D.R. Horton Board of Directors.

**Loans** - To avoid a conflict of interest, employees may not enter into any personal loans with a company which does business with or competes with D.R. Horton. This does not apply to loans from a bank or other financial institution in accordance with normal business practices. Any questions regarding loans should be directed to the Corporate Chief Legal Counsel. Similarly, employees may not provide loans to customers, competitors, suppliers or their employees.

**Family Members** - As discussed under "Our Responsibilities in Supplier and Vendor Relationship," the responsibilities noted above also apply to the interests and associations of the family members of an employee who has the ability to influence the D.R. Horton relationship with such a supplier.

## **Our Responsibilities - To Protect Our Shareholders' Investment**

**Proprietary Information and Assets** - D.R. Horton has a wide variety of assets, including D.R. Horton proprietary information as well as physical assets. These assets contribute to our ability to compete and succeed. Proprietary information includes financial, business, marketing, purchasing, house plans and other product information. It also includes personnel information, medical records, salary data and D.R. Horton practices and procedures, including those documented in the D.R. Horton Corporate Manual. Negotiated contracts with suppliers and vendors, including price lists and volume discounts and rebates, are especially sensitive, as is information pertaining to potential acquisition candidates. Business plans, house plans and copyrighted materials (such as software and other intellectual property) are other examples of proprietary information. If our competitors obtained this information they could unfairly benefit from our hard work, expense and innovative thought and could jeopardize our most important business relationships.

Every employee has an obligation to help protect the Company's assets. We comply with the security procedures designed to protect assets and information, and we remain alert to circumstances that could lead to the loss, misuse or theft of Company property. These commitments continue even after employment ends.

Protection of confidential information applies to internal communications. Disclosure of confidential information relating to salary or staffing requirements may have a negative impact on morale and result in propagation of rumors, unnecessary stress and excessive employee turnover. Unauthorized disclosure to third parties of confidential information relating to possible business acquisitions and/or decisions to enter or leave various markets could be very damaging, to the point of making such acquisitions or moves economically unviable. Therefore, inappropriate disclosure of confidential information, either internally or externally, must be strictly avoided.

The Company's most significant physical assets include land, land improvements and homes in various stages of completion. Although the primary responsibility for protecting those assets from loss rests with the construction management and staff of the Company's operating divisions, all employees share responsibility for being alert to situations that could increase the risk of such losses. For example, the Company's Risk Management Office is responsible for seeing that appropriate levels of Builders' Risk insurance are carried to protect our homes under construction from losses due to fire, flood, earthquake or other natural disasters. Also, each division's sales personnel have responsibilities for safeguarding the division's model office complexes from losses.

***Accuracy of Business Records*** - All of the properly authorized economic commitments and transactions we engage in with our suppliers, vendors, customers and employees must be promptly and accurately reflected in our business records. They must correctly reflect the facts related to each such commitment/transaction, in accordance with the procedures detailed in the D.R. Horton Corporate Manual. This applies to commitments to purchase land, acquisitions of goods and services from suppliers or vendors, commitments to hire and compensate employees, reporting of time worked, the incurrence of business expenses and any other economic commitments to or transactions with third parties. It is every employee's responsibility to ensure that our business records are accurate, complete and up-to-date at all times. Intentionally failing to record, or recording improperly, any economic commitment/transaction, or directing others to do so, is a violation of Company policy which could subject the violator to disciplinary action, up to and including termination of employment and/or legal prosecution. Any employee who is aware of any situations of failure to record (or improper recording) of such commitments/transactions should promptly report the same to their supervisor, the Internal Auditor or call the Company's Accounting, Auditing and Finance "Hot Line" at **1-866-263-8563**.

Our financial records, a major sub-set of all our business records, must not only accurately and promptly reflect the facts associated with our economic commitments and transactions referred to above, they must also be maintained in a manner that facilitates the prompt preparation of our summarized, consolidated internal and external financial reporting in accordance with generally accepted accounting principles for businesses operating in the U.S.A., applied consistently.

***Completeness of Business Records*** - In addition to financial transactions required to be recorded in the Company's books and records in the preceding paragraph, under the Securities Exchange Act of 1934, we are obligated to report to the Securities and Exchange Commission ("SEC") various other non-financial events that affect our business. Such events might include:

- significant changes in our business (*e.g.*, any decision to enter business segments other than homebuilding and financial services, to enter new markets, or to enter or leave current markets);
- negotiation and closing of any major new credit facility to finance our existing operations;
- significant new contractual commitments (*e.g.*, leases) or contingent liabilities (*e.g.*, major lawsuits filed naming us as a defendant), or material changes in those currently existing;
- proposed acquisitions; and
- major changes in the risk and uncertainty conditions we face in the homebuilding industry.

**As part of the Company's formal disclosure control procedures, it is every employee's responsibility to promptly inform the Company's Vice President - Communications or the Company's Chief Financial Officer of any of the above situations of which they become aware--keeping in mind until these items are publicly disclosed, such information is insider information and must remain confidential.**

***Commitment Authority Policy*** - The Company's Commitment Authority Policy exists in various forms at all levels of the Company. All employees need to be aware of the limitations on their authority to commit the Company to a transaction. This policy covers land purchase/development contracts, contracts with vendors/suppliers, expenditures, hiring and termination of employees, obligating the Company for debt or as a guarantor for the debt of others, and other commitments. Anyone who is uncertain as to how the Commitment Authority Policy applies to his or her participation in a proposed transaction should ask his or her Division President, Region President or the Corporate Legal Department.



## **Our Responsibilities - Relative to Our Competitors**

Our Second Objective - “To Build Value for Our Investors” - implies growth in markets where competition flourishes in an open and legal manner. Of particular importance is compliance with the antitrust laws. These laws are aimed at actions that tend to decrease competition, create unjustified discriminations in pricing, or create other artificial effects in the market.

**Antitrust: Relationships with Competitors** - D.R. Horton employees and agents may not enter into any formal or informal agreements (or even discuss such agreements informally) with competitors which fix prices or allocate production, sales territories, products, customers or suppliers. Except to the extent that such information is available on D.R. Horton’s and competitors’ Internet web sites, D.R. Horton employees and agents may not exchange information with competitors regarding pricing, costs, markets, production or customers.

**Trade Associations** - D.R. Horton, its subsidiaries and employees may properly belong to trade or professional associations that include companies that compete with D.R. Horton, so long as the associations function under rules that are consistent with the antitrust laws. Also, each D.R. Horton employee should participate in meetings, conferences, surveys and similar activities of such associations while remembering the maxim: “Listen (and learn) a lot - volunteer little.”

**RESPA: Relationships with Customers** - Generally, D.R. Horton employees and agents may not enter into any formal or informal agreements with customers that condition the sale of a particular item (or service) on an agreement to purchase another item (or service). Any arrangements to grant customers discounts (or other sales incentives) conditioned upon such customers’ agreement to purchase mortgage origination or title insurance/closing services from D.R. Horton affiliates must comply with the Real Estate Settlement Procedures Act (RESPA) and must be approved in advance with the Chief Financial Officer (Mark Winter) of the Company’s mortgage subsidiaries.

**Obtaining Competitive Information** - We obtain information about our competitors in an open and above-board manner. Theft of proprietary information and inducing past or present employees of a competitor to divulge confidential information is prohibited.

## **Our Responsibilities to Protect the Environment**

D.R. Horton is strongly committed to protecting the environment in every community in which the Company constructs and sells homes. Our operating divisions have personnel who have been designated to coordinate and manage environmental affairs, including monitoring the performance of subcontractors and filing required self-inspection reports with the EPA. However, each employee has an obligation to act, and to see that our subcontractors act, in an environmentally responsible manner.

**Federal and State Environmental Laws** - Both federal and state laws are designed to protect the environment. In general, homebuilding activity raises environmental concerns and triggers environmental compliance. Therefore, we must comply with all rules the government has promulgated to effect the environmental protection laws. Each operating division has personnel who are familiar with these rules and are primarily responsible for ensuring compliance with them and filing all required self-inspection and other reports with the EPA. All personnel who encounter job situations that may violate the environmental protection rules and regulations should consult the experts in his or her division (or region) for guidance, and if in doubt, contact Ted Harbour in the Corporate Legal Department at (817) 390-8200.

**Environmental Audits** - An objective of D.R. Horton’s Internal Audit Department will be to periodically monitor the Company’s degree of compliance with the environmental protection laws to which we are subject. However, the primary responsibility for compliance with such laws rests with the region and division personnel to which it is assigned.

## **Our Responsibilities When Dealing with Governmental Units**

D.R. Horton employees need to be sensitive to the special rules that usually apply to interactions and transactions with governmental bodies. Remember that the business relationships and the decisions related thereto that are made by public officials are based on a public trust and can involve taxpayers’ money. Virtually all governmental units have strict rules in place that prohibit officials from making decisions based on anything other than merit, quality of service and competitive features of the services or products under consideration. D.R. Horton is committed to adhering to these rules in the Company’s relationships with each governmental unit with which it does business.

***Bribes and Kickbacks*** - We must never offer money or anything of value that constitutes, or could even appear to constitute, a personal payment to a government official for a decision by that official or his or her agency. Commitments to pay for improvements to the governmental unit's facilities/infrastructure that are clearly for the sole benefit of its taxpayers, whether made to directly or indirectly influence the governmental unit's decisions relative to zoning or other home construction entitlement activities, are not considered bribes or kickbacks and are, therefore, permissible. However, before such commitments or payments are made, approval from the region or division president should be obtained.

***Gifts*** - Even if the transfer of something of value to a government official is intended to be a pure gift, it is likely to violate a law. Most federal, state and local statutes and regulations prohibit the offering by the Company, or the acceptance by a public official, of anything of value, even where the value is nominal. **There is only one safe course of action: Do not provide gifts to any government representative or employee.**

***Political Contributions*** - Political contributions made by companies are very strictly regulated. Corporations such as D.R. Horton may not make political contributions to candidates for federal elections. The laws of each state vary for corporate contributions to candidates in state elections. All proposed political contributions to candidates for local elections must be pre-approved by the region president of the region in which the division proposing to make the contribution is located. Such pre-approval should involve the corporate or region legal counsel as appropriate to ensure that the proposed contribution does not violate any applicable laws. See the section in this booklet entitled "Our Responsibilities in the Political Arena" page 16 for further discussion.

***Entertainment*** - A working dinner, a visit to the theater or a sporting event, or even a game of golf may be appropriate in a private industry context. However, when a public official is being entertained, the matter is much more complex. The entertainment may fall into the category of "Gifts" as discussed above. As noted above, the safest course of action is to not do it.

***Expense Reimbursement*** - Reimbursement of expenses incurred by a public official at any level can easily create the appearance of impropriety even though reimbursement may be permitted under the rules of the governmental entity involved. Therefore, before providing payment for, or reimbursement of, any expense incurred by a public official, the payment should be cleared with D.R. Horton's corporate or region legal counsel, as appropriate (or with the legal department of the governmental unit involved).

***Hiring of Governmental Employees*** - If we have established good working relationships with any governmental entity, including regular receipt of favorable zoning or other entitlement decisions, great care must be taken in hiring any of that entity's employees who were instrumental in such decisions. In this situation, it could appear that the decisions favorable to D.R. Horton were in part conditioned on the offer of employment. In these circumstances, the prior approval of the corporate legal counsel must be obtained before extending an offer of employment. In addition, the hiring of any person who previously worked for any of the Company's auditor's must be approved by the Company's Chief Financial Officer in accordance with its policy related to hiring former auditors.

***Responding to Governmental Requests*** - It is our policy to cooperate with all reasonable requests for information made by governmental units. However, in the event of a governmental investigation, D.R. Horton and its employees are entitled to the protection that is provided under the law. Therefore, you must immediately notify the corporate legal department or region counsel of any request for information made by a governmental unit, whether written or oral, other than those requests that are made in the normal course of business. The guidance of the corporate legal department or region counsel must be obtained before responding to any such request. The information provided in response to a governmental request must be factually correct and must not be misleading. Documentation related to an actual, pending or threatened investigation, whether or not specifically requested by the government, must not be altered or destroyed.

**When dealing with governmental officials, you should always ask yourself the following two questions: "How would a skeptic view this situation?" and "Could I be perceived as attempting to gain favor with or intentionally misleading the public official through some improper means?" If you have any question or uncertainty about the propriety of a proposed action, obtain the prior approval of the corporate legal department or region counsel.**

## Our Responsibilities to the Investment Community

As employees of a publicly traded company, D.R. Horton employees have a special responsibility to avoid improper use of confidential information. Such information must not be used in a manner that could adversely effect the Company in the investment community or provide an unfair advantage relative to other persons who have invested (or are considering investing) in D.R. Horton securities. We must always remember that the market price of D.R. Horton securities is based on what the public knows about the Company. To take advantage of information not known to the public is not only unfair but is prohibited by law.

**Requests for Information** - Outside parties such as stockholders, bondholders, analysts or media representatives may request information about D.R. Horton. It is important for the Company to accurately respond to appropriate requests for information. Selective disclosure of material, non-public information about the Company is specifically prohibited by Regulation FD. If any such information is intentionally disclosed on a selective basis (*i.e.*, to a single investor, analyst or a limited group of such investors or analysts), it must be immediately disclosed to the general public by press release or on Form 8-K filed with the SEC. If such selective disclosures are unintentional, the information disclosed must be made public within 24 hours of its unintentional disclosure. Real-time recollection of public versus non-public information, as well as continuous evaluation of the material versus non-material nature of the information requested is very difficult. Therefore, the authority to speak for the Company in response to outside requests for information is limited to the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer and/or any Senior Executive or Executive Vice President or, any of their authorized designees. Anyone who has not been authorized to speak for the Company in response to outside requests for information should decline to respond and, instead, refer the requesting person to the Investor Relations Department.

**Insider Information and Inside Trading** - Buying or selling stocks, bonds, or options on stocks or bonds of D.R. Horton, or any other company, based upon material, non-public information relating to D.R. Horton (or the applicable company) is prohibited. Violations of this rule can expose both the individual and the Company to civil and criminal penalties.

“Tipping” material, non-public information to other persons is also prohibited. If other persons trade in D.R. Horton securities on the basis of such information, both the person giving the information and the person receiving and using it are exposed to penalties.

The term “material information” includes news about acquisitions, new business relationships, financial results, important management changes, proposed changes in independent auditors and anything else that could potentially affect the price of any of the Company’s publicly-traded securities.

These principles also apply to confidential information obtained about other companies. For example, if you learn that D.R. Horton is planning to acquire company X, you may not trade in company X’s stock nor pass on the information about the company X transaction to other persons.

Please refer to the Company’s rules governing “Securities Trades by Company Personnel” in the Corporate Manual for a more detailed discussion regarding insider information and insider trading policies.

**Reporting Transactions in D.R. Horton Shares on SEC Forms** - All directors and executive officers of D.R. Horton are required to file a report with the SEC within two business days after completing a transaction involving D.R. Horton common stock or options to purchase, exercise or sell same. The D.R. Horton Corporate Legal Department will complete and file the appropriate forms, but the officers’ or directors’ should notify in advance, or promptly thereafter, the Corporate Legal Department when such transaction is expected to occur or has occurred.



## **Our Responsibilities to Support Our Communities**

D.R. Horton supports our communities by sponsoring and contributing to various charitable organizations and events. Such contributions are made to numerous charities and socially responsible organizations. The Company portions of the local contributions are at the discretion of the local division presidents and may be supplemented by voluntary contributions of D.R. Horton employees.

***Requests for Voluntary Support*** - D.R. Horton encourages employees to be active in their communities and may offer employees the opportunity to help sponsor charitable programs that the Company supports. Any resulting donations or other support must be strictly voluntary. No one will place undue influence on our employees or our suppliers to contribute to charitable organizations. Furthermore, no employee or supplier shall be subject to any criticism or discipline for preferring not to support a Company-sponsored program.

## **Our Responsibilities in the Political Arena**

D.R. Horton respects the rights of its employees to participate in the political process and to engage in political activities of their choosing. Because the decisions of legislators and governmental agency administrators can affect the Company, D.R. Horton itself may participate in the political process, as well. However, this participation, if any, must always be within the context of the rules that govern elections and the legislative process.

***Individual Political Activities*** - Individual political activities must not in any manner compromise any employee's ability to perform his or her assigned duties. When involved in personal civil and political affairs, D.R. Horton employees must at all times make it clear that their views and actions are their own and not those of D.R. Horton.

***Political Contributions by D.R. Horton*** - As a corporation, D.R. Horton is prohibited from making contributions to candidates in federal elections. This same rule may or may not be applicable for candidates in state or local elections. Therefore, when it is advisable to contribute to a local candidate's election, pre-approval of the proposed contribution must be obtained from the region president in whose region the division requesting the contribution resides. Such pre-approval should involve the corporate or region legal counsel to ensure that no state or local election laws are violated. D.R. Horton does not maintain a corporate political action committee (PAC).

Unless specifically approved as outlined in the preceding paragraph, employees must not make political contributions in the name of D.R. Horton or in such a way that implies that D.R. Horton is the contributor.

***Lobbying Activities*** - Representatives of D.R. Horton may wish to contact federal or state legislators or administrators from time to time to note matters of interest or concern to the Company. Such contacts are permissible, but lobbying activities are highly regulated by law and persons who are asked to engage in them should do so only with the approval of the Corporate Legal Department.

It is never permissible to suggest or imply that a political contribution made in the past or to be made in the future provides a reason for action by the legislator or administrator.

Contacts between municipal governments and D.R. Horton operating divisions' personnel occur in the ordinary course of business as land parcels are zoned, parcel plats are approved and recorded, and development/building permits are requested, paid for and issued. Clearly it is in D.R. Horton's best interests for these "entitlement" processes to proceed as quickly and economically as possible. However, except for the judicious use of donated goods and services that solely benefit all taxpayers of the applicable municipal jurisdiction (see "Our Responsibilities When Dealing with Governmental Units" beginning at page 13), we must take care to ensure that inappropriate incentives are not used to facilitate the entitlement processes.

## ***Part III: The Responsibility of the Individual***

### **How Can I Help to Support Our Compliance Efforts?**

Remember - the ultimate responsibility for compliance lies in the action of each individual employee. Each and every D.R. Horton employee and representative must do their part to uphold our collective commitment toward accomplishing our business objectives by complying in all respects with the spirit—not just the letter—of the Company’s internal and external standards. This obligation not only applies to the direct actions of our employees and other representatives, but also to their responsibility to report instances of potential compliance concerns to management.

***Obligations to Report Non-Compliance*** - If you have reason to believe that someone has violated the guidelines set forth in this Code of Business Conduct and Ethics, or has otherwise acted unethically or unlawfully, you must report such concerns to management. Mistakes are inevitable. Our goal is to correct them and to learn from them.

***Using the Organizational Support Structure or Employee Hotline*** - You should use the existing organizational support structure to report potential compliance concerns whenever possible. The first place to start is with your supervisor or manager. If it would be inappropriate to discuss the issue with your supervisor or manager, or if you in good faith believe that the response you received from them is inadequate, you should follow up with other support structures, such as the Corporate Legal Department, Human Resources Department or Internal Audit Department. As an alternative, the Corporate Employee “Hot Line” 1-(866) 209-8389 or (817) 390-1164 may be used to report instances of potential compliance concerns. Other available resources are listed below and in Part IV of this Code.

***Reporting any Accounting, Auditing or Finance Concern or Complaint*** - In response to enactment of new rules and regulations by the NYSE and SEC, the Audit Committee of the Board of Directors of the Company has established procedures to receive, retain and treat complaints regarding accounting, auditing and finance matters. In order to facilitate the reporting of complaints by employees and others, D.R. Horton’s Audit Committee has established the following procedures for (1) the receipt, retention and treatment of complaints regarding accounting, auditing or finances matters and, (2) the confidential, anonymous submission by employees of concerns regarding questionable accounting, auditing or finance matters.

Employees, on a confidential or anonymous basis, and other persons may report complaints regarding accounting, auditing or finance matters using one of the following methods:

- **D.R Horton Hotline for Accounting, Auditing or Finance Matters: 1-866-263-8563**
- **Mail: D.R. Horton, Inc.  
301 Commerce Street, Suite 500  
Fort Worth, Texas 76102  
Attn: Corporate Compliance Officer**

***Retaliation Prohibited*** - You will not be disciplined or otherwise treated adversely for raising compliance concerns, questions or suggestions in good faith. Anyone who retaliates against an employee who has raised such concerns in good faith will be subject to disciplinary action.

***False Reporting Prohibited*** - Similarly, any employee who intentionally makes false or misleading allegations may be subject to disciplinary action.

***Confidentiality*** - The confidentiality of reports of compliance concerns is important and will be maintained to the extent possible. However, limited disclosure may be required in order to investigate and adequately respond to the concern. Anonymous reports, either in writing or submitted over the Employee “Hot Line” are acceptable.

## ***Part IV: Resources Available to Employees***

### **Where Can I Go for Guidance?**

D.R. Horton provides a number of resources to provide guidance to employees regarding compliance questions or concerns. The resources below are provided to help you meet your commitment to comply with this Code of Business Conduct and Ethics. The following pages provide the telephone numbers for many of the available corporate support departments.

***Your Manager*** - Your first source for guidance regarding compliance issues should be your manager or supervisor. If this would not be appropriate under the circumstances, you should follow up with that individual's immediate supervisor or use one of the applicable hotline telephone numbers listed in this Code.

***Written Policies*** - Many issues that may need to be addressed are covered in the collection of written policies and guidelines that are available to employees. While these may vary between business segments, the following are examples of such written resources:

D.R. Horton, Inc. - Corporate Code of Business Conduct and Ethics

D.R. Horton, Inc. - Corporate Manual

D.R. Horton, Inc. - Financial Services Policy & Procedures Manual

***Corporate Support Departments*** - There may be instances where an employee feels that a concern has not been adequately addressed by the resources listed above. For example, some issues may be too specific or complex to be resolved without specialized expertise. The resources listed on the following pages are available to provide the necessary expertise to address particularly complex or sensitive issues.

***Corporate Hotline Regarding Employee Matters*** - There may be instances where an employee has raised a compliance concern in good faith and feels that the normal channels of support are not available or that an adequate response has not been obtained. If you are uncomfortable using the internal resources available to handle your concerns or complaints regarding employee matters, you may use any of the following methods to report your complaints:

- **Corporate Hotline regarding Employee Matters:**  
**1-866-209-8389 or 817-390-1164**
  
- **Mail: D.R. Horton, Inc.**  
**301 Commerce Street, Suite 500**  
**Fort Worth, Texas 76102**  
**Attn: Human Resources Dept.**  
**Human Resources Compliance Manager**

All concerns, questions and complaints will be taken seriously and handled promptly, confidentially and professionally. D.R. Horton will not tolerate retaliation against any employee for raising any concern, question or complaint made in good faith.

D.R. Horton provides a number of resources to provide guidance to employees regarding compliance questions or concerns. They are listed below:

***The Legal Department***

Chief Legal Counsel; Land/Contracts

Ted Harbour  
(817) 390-8200, ext. 8156

Corporate, Securities and SEC Compliance

Thomas Montano  
(817) 390-8200, ext. 8131

Litigation Counsel

David Morice  
(817) 390-8200, ext. 8137

East Region

Ken Bagwell  
(770) 730-7900

Florida Region

Charbel Barakat  
(407) 850-5200

North Region

James Peebles  
(817) 390-8200, ext. 8220

South Region

Les Brannon  
(214) 607-4244

West Region

Bill Mayer  
(619) 849-4900

For all other regions,  
call Corporate Human Resources

***Human Resources Department***

HR Compliance Department

HR Compliance Manager  
(817) 390-8200

Hot Line: Employee Matters

1-(866) 209-8389  
(817) 390-1164

Hotline: Accounting, Auditing and Finance Matters:

1-(866) 263-8563

***Internal Audit Department***

Clarke Hercules  
(817) 390-8200, ext. 4070

***CH or D.R. Horton Mortgage Department***

Mark Winter  
(512) 502-0545