

D.R. HORTON, INC.
RELATED PARTY TRANSACTION POLICY

The Board of Directors of D.R. Horton, Inc. (the “*Company*”), acting upon the recommendation of its Nominating and Governance Committee (the “*Governance Committee*”), has adopted this Related Party Transaction Policy (“*Policy*”) with regard to “*Related Party Transactions*,” as defined below. Related Party Transactions, which are limited to those described in this Policy, shall be subject to review by the Governance Committee in accordance with this Policy. The Governance Committee shall be composed of directors that are independent from the Company consistent with the listing standards of the New York Stock Exchange (“*NYSE*”).

1. Policy. This Policy requires that proposed Related Party Transactions be (i) presented to the Company’s Corporate Compliance Officer, Corporate Counsel or Corporate Secretary (each a “*Compliance Person*” under this Policy), and (ii) reviewed by the Governance Committee for approval consideration, as further set forth in this Policy.

2. Rules, Regulations and Statutes under the SEC, NYSE and DCGL. Item 404 of Regulation S-K of the Securities and Exchange Commission (“*SEC*”) requires Related Party Transactions involving the Company and defined related persons be disclosed in certain public filings with the SEC. In addition, under Section 144 of the Delaware General Corporation Law (“*DGCL*”), certain transactions between the Company and any of our directors or executive officers may need to be approved or ratified by disinterested members of (i) our Board of Directors, (ii) an independent committee of the Board, or (iii) other duly authorized committee of the Board. NYSE listing standards require that an appropriate group, such as an independent committee of the Board, review and evaluate related party transactions. Finally, SEC rules and the NYSE listing standards require our Board or Governance Committee to assess whether relationships or transactions exist that could impair the independence of our independent directors. This Policy is intended to provide guidance and direction on Related Party Transactions.

3. Definition of Related Party Transaction. A “*Related Party Transaction*” is any transaction involving a Related Party that would need to be disclosed under Item 404(a) of Regulation S-K. Under Item 404(a), the Company is required to disclose any transaction occurring since the beginning of the Company’s last fiscal year, or any currently proposed transaction, involving the Company where the amount involved exceeds \$120,000, and in which *any Related Party had or will have a direct or indirect material interest*. Related Party Transactions also includes any material amendment or modification to an existing Related Party Transaction.

“*Related Party*” means any of the following:

- a director (which term when used herein includes any director nominee);
- an executive officer;

- a person known by the Company to be the beneficial owner of more than 5% of the Company’s common stock (a “5% stockholder”);
- a person known by the Company to be an “*immediate family member*” of any of the foregoing; and
- any entity controlled by such persons.

“*Immediate family member*” means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer, nominee for director or beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee for director or beneficial owner. A Related Party also includes anyone who was a director (or director nominee), executive officer, or immediate family member of the forging, at any time since the beginning of the Company’s last fiscal year.

4. Identification of Potential Related Party Transactions. Related Party Transactions may be brought to the attention of the Governance Committee or the Board in several ways. Each of our directors and executive officers is instructed and periodically reminded to inform a Compliance Person of any potential Related Party Transactions. In addition, each director and executive officer answers related party transaction questions quarterly and completes a questionnaire annually designed to elicit information about any potential Related Party Transactions.

Any potential Related Party Transactions that are brought to the attention of a Compliance Person are analyzed to determine whether the transaction or relationship does constitute a Related Party Transaction requiring compliance with the Policy.

5. Procedures for Review of Related Party Transactions. All Related Party Transactions subject to the Policy will be reviewed in accordance with the Policy to determine if approval or ratification is appropriate.

- a. **Notification to the Company.** A Related Party shall inform a Compliance Person of any potential Related Party Transaction.
- b. **Information Regarding the Related Party Transaction.** A Compliance Person shall be provided the following information:
 - (i) The Related Party’s relationship to the Company and such person’s interest in the Related Party Transaction.
 - (ii) The approximate dollar value of the Related Party Transaction.
 - (iii) The material terms of the Related Party Transaction.
 - (iv) The benefits to the Company of the Related Party Transaction.
- c. **Determination of Related Party Transaction and Submission to Governance Committee.** A Compliance Person shall determine if the proposed transaction is a Related Party Transaction under this Policy. If it is, the Related Party Transaction shall be submitted to the Governance Committee for review and consideration of approval or ratification as set forth in Section 5(d) below.

- d. ***Governance Committee Review.*** The Governance Committee shall consider and review the Related Party Transaction in accordance with this Policy. Any member of the Governance Committee who has an interest in the Related Party Transaction shall abstain from voting on such Related Party Transaction. A Related Party Transaction requires an affirmative approval by a majority vote of disinterested members of the Governance Committee (or Board if applicable) meeting where a quorum is present or unanimous written consent, as applicable. The Governance Committee's review shall take into consideration, to the extent applicable, the following:
- (i) Whether the Company and Governance Committee reasonably believe the Related Party Transaction is in the best interest of the Company and its stockholders at the time of review taking into consideration the facts and circumstances of the Related Party Transaction.
 - (ii) Whether the Company has business reasons to enter into the Related Party Transaction.
 - (iii) Applicable requirements under the rules, regulations, listing standards or statutes of the SEC, NYSE and DGCL Section 144.
- e. ***Approval or Disapproval of Related Party Transactions.*** A Related Party Transaction requires approval or ratification by a majority vote of disinterested members of the Governance Committee (or Board, if applicable) where a quorum is present or by unanimous written consent of the Governance Committee, if applicable. If the Related Party Transaction is approved or ratified by the Governance Committee, the Company may proceed with the Related Party Transaction in accordance with the Related Party Transaction's terms, conditions, schedule and practices. If the approved or ratified Related Party Transaction involves one or more phases or installments, a series of transactional steps or if it is of an ongoing nature, no further approval is required for each subsequent phase or installment, series of transactional steps or ongoing dealings provided that the terms or conditions impacting the subsequent phase or installment, series of transactional steps or ongoing dealings have not materially changed from the terms and conditions previously approved by the Governance Committee. If the terms or conditions impacting a subsequent phase or installment, series of transactional steps or ongoing dealings have materially changed, the Governance Committee shall review the new material changes to the terms or conditions for approval or ratification.
- f. ***Authority to Ratify.*** Under exceptional circumstances, if a Related Party Transaction is entered into by the Company without any prior review or approval required by this Policy, the Related Party Transaction shall not be deemed to violate this Policy or be deemed to be void, invalid or unenforceable provided that such Related Party Transaction is submitted to the

- g. Governance Committee for review as promptly as reasonably practicable after it is entered into or after it becomes reasonably apparent that such transaction is covered by this Policy. The Governance Committee may consider all of its options including approving, ratifying, terminating or amending such Related Party Transaction. The Compliance Person shall review the internal procedures that led to such Related Party Transaction not being submitted to the Governance Committee and recommend necessary changes to the internal procedures.

6. ***Other Related Party Transactions - Delegation to Executive Officers.*** Authority to approve or ratify the following transactions has been delegated to any Executive Officer of the Company who is disinterested in the transaction. If any of the following transactions approved or ratified by an Executive Officer exceeds \$120,000 and involves a Related Party, the Company will comply with Item 404 of Regulation S-K and disclose such transaction in the Company's proxy statement.

- (i) ***Home Purchase.*** Home construction services or home purchase agreement with the Company under the Company's home purchase program which is available to all employees of the Company. Actual pricing is determined in each local market where the home is located and is determined based on the market conditions and other facts and circumstances related to the transaction by the Company's manager overseeing the project.
- (ii) ***Employment.*** Employment by the Company of an Executive Officer or any defined "*immediate family member*" that is a Related Party.
- (iii) ***Other Transactions.*** Transactions or services involving the Company and a Related Party that are valued at \$120,000 or less provided that if the Related Party is an independent director such transaction or services would not impair independence of the director.