

TAYLOR MORRISON HOME CORPORATION
CORPORATE GOVERNANCE GUIDELINES

General Statement of Purpose: The Board of Directors (the “Board”) of Taylor Morrison Home Corporation (the “Company”), and its committees, will have supervisory authority over the Company.

I. Board Membership:

1. Size of Board. The Board’s optimum size is seven to fifteen members, but may be adjusted from time to time in accordance with the requirements of the Company’s governing documents.
2. Independent Directors. The Board will have at least a majority of directors who meet the criteria for independence required by the New York Stock Exchange (the “NYSE”) and who also meet the additional director independence standards attached as Exhibit A hereto. In addition to the foregoing, committee members shall also satisfy any additional independence criteria that may be required by applicable law, regulation or the NYSE. The Board must determine, based on all of the relevant facts and circumstances, whether each director satisfies these criteria for independence and will disclose each of these determinations.

Each independent director of the Board shall promptly notify the Chairperson of the Board (the “Chairperson”) of any developments that may impair such director’s independence or that could result in a conflict of interest. If a conflict exists with respect to a particular director and such conflict cannot be resolved or would impair his or her independence, such director should submit to the Board written notification of such conflict of interest and an offer of resignation from the Board and each of the committees on which such director serves. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual’s membership on the Board or any Board Committee.

3. Director Selection and Board Membership Criteria. The Nominating and Governance Committee, as one of its responsibilities, recommends director candidates to the full Board. Nominees for directorship will be identified by the Nominating and Governance Committee in accordance with the criteria set forth below and any other criteria that may be identified by the Board or a Board committee, if appropriate, and in accordance with the procedures set forth in the Nominating and Governance Committee’s charter.
 - (a) Background. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment will include an individual’s

independence, as well as consideration of age, skills and experience, and a policy of promoting diversity, in the context of the needs of the Company.

- (b) Simultaneous Service. No director should serve on more than four other public company boards. No member of the Audit Committee should serve on more than two other public company audit committees unless the Board determines that such simultaneous service does not impair the ability of such member to effectively serve on the Audit Committee. In addition, directors who also serve as executive officers or in equivalent positions generally should not serve on more than two public company boards in total, including the Company's Board and their employer's board. Directors should advise the Chairperson and the chairperson of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board or audit committee.
- (c) Financial Literacy. Directors should know how to read and understand fundamental financial statements and understand the use of financial ratios and information in evaluating the financial performance of the Company.
- (d) Character. Directors should be persons of good character and thus should, at a minimum, possess all of the following personal characteristics:
- *Integrity*: Directors should demonstrate high ethical standards and integrity in their personal and professional dealings;
 - *Accountability*: Directors should be accountable for their decisions as directors;
 - *Judgment*: Directors should possess the ability to provide wise and thoughtful counsel on a broad range of issues;
 - *Responsibility*: Directors should interact with each other in a manner which encourages responsible, open, challenging and inspired discussion;
 - *High Performance Standards*: Directors should have a history of achievements which reflects high standards for themselves and others;
 - *Commitment and Enthusiasm*: Directors should be committed to, and enthusiastic about, their performance for the Company as directors, both in absolute terms and relative to their peers; and
 - *Courage*: Directors should possess the courage to express views openly, even in the face of opposition.
- (e) Expectations. Each Director will be expected to:
- dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties;

- comply with the duties and responsibilities set forth herein and in the governing documents of the Company;
- comply with all duties of care, loyalty and confidentiality applicable to directors of publicly traded corporations organized in the Company's jurisdiction of incorporation; and
- adhere to the Company's Code of Conduct and Ethics, including, but not limited to, the policies on conflicts of interest referred to therein.

4. Retirement.

- (a) Term Limits. The Board does not favor term limits for directors, but believes that it is important to monitor overall Board performance. Therefore, the Nominating and Governance Committee shall review each director's continuation on the Board each time such director is nominated to continue to serve on the Board. This will also allow each director the opportunity to confirm his or her desire to continue as a member of the Board.
- (b) Retirement Age. No person shall be nominated by the Board to serve as a director after he or she has passed his or her 72nd birthday, unless the Nominating and Governance Committee has voted to waive the mandatory retirement age for such director at the time of such nomination.
- (c) Resignation Policy – Management Directors. Management directors shall offer to resign from the Board upon their resignation, removal or retirement as an employee of the Company.
- (d) Change in Job Responsibilities. The Board expects directors to notify the Board promptly and offer to resign from the Board upon a significant change in their business position including, without limitation, retirement from the position on which their original nomination was based. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating and Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

II. **Board Leadership:**

1. Chairperson of the Board. The Chairperson shall be elected by the Board. The Board believes that the Company and its stockholders are best served by maintaining flexibility to have any director serve as Chairperson, including the Chief Executive Officer (the "CEO"), and therefore believes that a permanent policy on whether the Chairperson and CEO positions should be separated or combined is not appropriate.
2. Lead Independent Director. In order to maintain the independent integrity of the Board, if the Chairperson is also the CEO, the independent directors will elect from among

themselves a Lead Independent Director, who is expected to serve in such capacity for at least one year. The Lead Independent Director's primary responsibilities shall include:

- (a) presiding at all meetings of the Board at which the CEO and Chairperson is not present, including executive sessions of the independent directors, and providing any input to the CEO and Chairperson resulting from those sessions;
- (b) serving as liaison between the CEO and Chairperson and the independent directors, including communicating regularly with the CEO and Chairperson regarding any developments or events that may warrant further Board discussion or calling a special meeting of the Board;
- (c) reviewing and approving any information or materials to be sent to the Board;
- (d) consulting with the CEO and Chairperson regarding the meeting agendas for the Board and approving such meeting agendas;
- (e) approving meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- (f) calling meetings of the independent directors;
- (g) if requested by major stockholders, ensuring that he or she is available for consultation and direct communication;
- (h) depending on the facts and circumstances, assuming a leadership role in times of crisis;
- (i) communicating to the CEO and Chairperson the results of the Board's evaluation of the CEO's performance; and
- (j) discussing with the Company's Chief Legal Officer and with the Nominating and Governance Committee governance matters affecting the Company and recommendations to address the same.

If the Chairperson is an independent director, then the foregoing responsibilities will be handled by the Chairperson.

III. **Board Procedures and Practices:**

1. Directors' Duties. The Board is elected by stockholders to provide oversight and strategic guidance to senior management. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the advice and information provided by the Company's officers, employees, outside advisors and independent auditors. The Board selects and oversees the members of senior management, to whom

the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the business.

Directors are expected to attend the annual meeting of stockholders, Board meetings and meetings of committees on which they serve, and to spend the time needed, and meet as frequently as necessary, to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board and committee meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each director's attendance at, and preparation for, Board meetings and meetings of committees on which they serve shall be considered by the Nominating and Governance Committee when recommending director nominees.

2. Board Meetings.

(a) Selection of Agenda Items and Executive Sessions. The CEO and Chairperson will establish the agenda for Board meetings in consultation with, and with the approval of, the Lead Independent Director, although each Board member is free to suggest the inclusion of items on the agenda. The Board will meet at least quarterly, but ideally as part of every regularly scheduled Board meeting, in executive session without management directors and any other members of the Company's management present. In addition, at least annually, all independent directors shall meet in executive session.

(b) Distribution of Materials. When possible, the Company shall distribute written materials sufficiently in advance of meetings to permit a meaningful review by the directors.

(c) Number of Meetings. The Board shall hold a minimum of four meetings per year.

3. Director Compensation. The form and amount of non-management director compensation will be determined by the Board upon the recommendation of the Compensation Committee. The Board is aware that questions as to directors' independence may be raised when directors' fees and emoluments exceed what is customary. Similar concerns may be raised when the Company makes substantial charitable contributions to organizations in which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director. The Board will critically evaluate each of these matters when determining the form and amount of director compensation and will ensure that such payments do not violate the applicable independence requirements of the NYSE.

4. Director Orientation and Continuing Education. The Nominating and Governance Committee develops and maintains the Company's orientation programs for new directors and continuing education programs for continuing directors.

Each new director, upon joining the Board, is provided with an orientation session regarding the Board and the Company's operations. As part of this orientation, each new

director shall have an opportunity to meet with members of senior management of the Company.

Directors are also provided with continuing education on various subjects that will assist them in discharging their duties, which may include presentations by Company management or the Board's advisors on the Company's business, compliance efforts, applicable legal, regulatory or other developments or other matters as the Board, or the Nominating and Governance Committee in its oversight of the Board's continuing education program, may deem appropriate. The Company will also provide the directors with access to outside education programs pertaining to the directors' responsibilities, as appropriate.

5. Assessing Board Performance. The Board, acting through the Nominating and Governance Committee, will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee may receive comments from all directors as to the Board's performance and will report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board.
6. Access to Officers, Employees and Advisors. Board members have complete and open access to the Company's senior management, any other employees and any Company advisors. Board members who wish to have access to such persons may coordinate such access through the Chairperson, Lead Independent Director, if any, or the Corporate Secretary or may contact such persons directly.
7. Board Communication Policy. The Board believes that management should speak for the Company and that the Chairperson should speak for the Board. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company, its stockholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Chairperson or the Board.

Notwithstanding the foregoing, the Audit Committee and the independent directors have established procedures to enable anyone who has a concern about the Company's conduct or about the Company's accounting, internal accounting controls or auditing matters to communicate those concerns directly to the Audit Committee, the Lead Independent Director, if any, or the independent directors as a group. Such communications may be confidential or anonymous and may be submitted electronically, by phone or in writing to the addresses, phone number or website on the Company's website.

8. Board Authority. The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. The costs of these advisors will be paid for by the Company.

9. Confidentiality. The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidentially and used solely in furtherance of the Company's business.
10. Code of Conduct and Ethics. The Company has adopted a Code of Conduct and Ethics and other internal policies and guidelines designed to support these guidelines and to comply with applicable law. The directors are expected to comply fully with the Code of Conduct and Ethics and any other applicable policies and guidelines.

IV. **Board Committees:**

1. Board Committees. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Each of these Committees shall consist solely of independent directors. Committee members will be appointed by the Board upon the recommendation of the Nominating and Governance Committee with consideration of the desires of individual directors. Each Committee shall have its own charter, which will set forth the purposes, goals and responsibilities of the Committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each Committee will annually evaluate its own performance, and such Committee charters will be posted on the Company's website.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be based on the director's knowledge, interests and areas of expertise as well as the needs of the Company and the Board. The Board generally does not favor mandatory rotation of committee assignments or chairs because of its belief that experience and continuity are more important than rotation. Committee members and chairs may, however, be rotated in response to changes in membership of the Board but only if rotation is likely to increase committee performance.

V. **Executive Officer Evaluation, Compensation and Management Succession:**

1. Executive Officer Evaluation and Compensation. The Compensation Committee reviews and approves the Company's compensation policies and programs so as to support the Company's overall business strategy, including recruitment of executive talent. Further, on an annual basis, the Compensation Committee will review and approve corporate goals and objectives relevant to the compensation of the Company's CEO, evaluate CEO performance in light of those goals and objectives and determine and approve CEO compensation levels based on this evaluation. The Compensation Committee shall also oversee the compensation of other executive officers.
2. Succession. The Nominating and Governance Committee oversees the Company's management succession planning. The Nominating and Governance Committee will

develop and recommend to the Board for approval a CEO and executive officer succession plan as well as an interim CEO succession plan in the event of an unexpected occurrence, and will also review such plan from time to time as appropriate.

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Director Independence Standards

The following commercial or charitable relationships will not be considered material relationships that would impair a director's independence:

- a director or an immediate family member* is an executive officer of another company that does business with the Company and such company's annual sales to, or purchases from, the Company are less than 1% of the annual revenues of such company.
- a director or an immediate family member is an executive officer of another company that is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other is less than 1% of the total consolidated assets of the company where such director serves as an executive officer and such indebtedness is not past due.
- a director or an immediate family member serves as an officer, director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization are less than 1% of that organization's total annual charitable receipts (the Company's automatic matching of employee charitable contributions will not be included in the amount of the Company's contributions for this purpose).

The following relationships will be considered material relationships that would impair a director's independence, absent a determination by the Board to the contrary:

- a director or an immediate family member is a partner of or of counsel to a law firm that performs substantial legal services to the Company on a regular basis; and
- a director or an immediate family member is a partner, officer or employee of an investment bank or consulting firm that performs substantial services to the Company on a regular basis.

Business relationships, other than those enumerated above, between the Company and an entity for which the director or an immediate family member serves as an officer or general partner or of which the director or an immediate family member is the owner of more than 5% of the outstanding equity interests will be evaluated by reference to the following criteria:

- Is the business arrangement usually and customarily offered to customers or suppliers by the Company?
- Is the arrangement offered on substantially similar terms as those prevailing at the time for comparable transactions with other customers or suppliers under similar circumstances?

- In the event that (i) a proposed arrangement were not made or (ii) an existing arrangement were terminated in the normal course of business, would that action reasonably be expected to have a material and adverse effect on the financial condition, results of operations, or business of the recipient?

For relationships not covered by the guidelines above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the Board.

* For the purposes of these Director Independence Standards, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home.