

PULTEGROUP INC/MI/  
Form PRE 14A  
March 11, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**PulteGroup, Inc.**

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(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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PRELIMINARY PROXY STATEMENT DATED MARCH 11, 2016  
SUBJECT TO COMPLETION

**PULTEGROUP, INC.**

**3350 Peachtree Road NE, Suite 150**

**Atlanta, Georgia 30326**

**NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS**

Dear Shareholder:

We will hold our annual meeting of shareholders at the Grand Hyatt Atlanta, 3300 Peachtree Road NE, Atlanta, Georgia, on May 4, 2016, at 4:00 p.m., Eastern Time. At this meeting, shareholders will vote on:

The election of the eleven nominees for director named in this Proxy Statement to serve a term of one year.

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

An advisory vote to approve executive compensation.

Approval of an amendment to extend the term of our amended and restated Section 382 rights agreement.

One shareholder proposal, if properly presented at the meeting.

Such other business as may properly come before the meeting.

You can vote if you were a shareholder of record at the close of business on March 10, 2016.

In accordance with rules and regulations adopted by the Securities and Exchange Commission, instead of mailing a printed copy of our proxy materials to each shareholder of record, we are furnishing proxy materials to our shareholders over the internet. We believe this e-proxy process expedites shareholders' receipt of proxy materials and reduces the costs and environmental impact of our annual meeting of shareholders. On March 23, 2016, we will begin mailing a Notice of Internet Availability of Proxy Materials and Notice of Annual Meeting ( Notice ) to our shareholders containing instructions on how to access this Proxy Statement and our 2015 Annual Report on Form 10-K and vote online, as well as instructions on how to receive paper copies of these documents for shareholders who so elect.

We encourage you to vote promptly, whether or not you plan to attend the meeting. You may instruct us as to how you would like your shares to be voted via the internet or telephone. If you received a paper copy of the proxy card by mail, you may sign and return the proxy card in the envelope provided. Instructions regarding these three methods of voting are contained on the Notice and proxy card.

By Order of the Board of Directors

STEVEN M. COOK

*Executive Vice President, Chief Legal Officer*

*and Corporate Secretary*

Atlanta, Georgia

March 23, 2016

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 4, 2016.**

The Company's Proxy Statement for the 2016 Annual Meeting of Shareholders and the Annual Report on Form 10-K to Shareholders for the fiscal year ended December 31, 2015 are available at: [www.proxyvote.com](http://www.proxyvote.com).

PRELIMINARY PROXY STATEMENT DATED MARCH 11, 2016

SUBJECT TO COMPLETION

### PROXY STATEMENT

The Board of Directors of PulteGroup, Inc. ( PulteGroup or the Company ) is soliciting proxies to be used at the annual meeting of shareholders to be held on May 4, 2016, at 4:00 p.m., Eastern Time, at the Grand Hyatt Atlanta, 3300 Peachtree Road NE, Atlanta, Georgia. In accordance with rules adopted by the Securities and Exchange Commission (the SEC ), the Company is making this Proxy Statement and the Company s Annual Report on Form 10-K ( Annual Report ) available to our shareholders electronically via the internet. In addition, the Company is using the SEC s Notice and Access Rules to provide shareholders with more options for receipt of these materials. Accordingly, on or about March 23, 2016, the Company will be mailing a Notice of Internet Availability of Proxy Materials and Notice of Annual Meeting (the Notice ) to our shareholders containing instructions on how to access this Proxy Statement and the Company s Annual Report on the internet, how to vote online or by telephone, and how to receive paper copies of the documents and a proxy card.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIAL AND THE ANNUAL MEETING:

#### *What am I voting on?*

You are voting on five proposals:

1. The election of the eleven nominees for director named in this Proxy Statement to serve a term of one year.
2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.
3. An advisory vote to approve executive compensation.
4. Approval of an amendment to extend the term of our amended and restated Section 382 rights agreement.
5. A shareholder proposal requesting the election of directors by a majority, rather than plurality, vote, if properly presented at the meeting.

#### *What are the voting recommendations of the Board?*

The Board of Directors recommends the following votes:

FOR the election of the eleven nominees for director named in this Proxy Statement.

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

FOR the proposal relating to the Company s executive compensation.

FOR the proposal approving an amendment to extend the term of our amended and restated Section 382 rights agreement.

AGAINST the shareholder proposal requesting the election of directors by a majority, rather than plurality, vote.

***Will any other matter be voted on?***

We are not aware of any other matters on which you will be asked to vote at the meeting. If you authorize a proxy to vote your shares and any other matter is properly brought before the meeting, Richard J. Dugas, Jr. and Steven M. Cook, acting as your proxies, will vote for you in their discretion.

***How do I vote my shares?***

If you are a shareholder of record as of the close of business on March 10, 2016 (the record date), you can give a proxy to be voted at the meeting either:

if you received your proxy materials by mail, by mailing in the enclosed proxy card;

by written ballot at the meeting;

over the telephone by calling a toll-free number; or

electronically, using the internet.

If you complete and mail in your proxy card, your shares will be voted as you indicate. If you do not indicate your voting preferences, Richard J. Dugas, Jr. and Steven M. Cook, acting as your proxies, will vote your shares FOR Items 1, 2, 3 and 4 and AGAINST Item 5.

The telephone and internet voting procedures have been set up for your convenience and have been designed to authenticate your identity, to allow you to give voting instructions and to confirm that those instructions have been recorded properly. If you are a shareholder of record and you would like to vote by telephone or by using the internet, please refer to the instructions on the Notice or proxy card.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker or nominee. Your broker or nominee has provided or will provide voting instructions for you to use in directing the broker or nominee on how to vote your shares.

***What is the difference between a shareholder of record and a street name holder?***

If your shares are registered directly in your name with Computershare Trust Company, N.A. ( Computershare ), the Company's stock transfer agent, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of these shares, and your shares are held in street name.

***Can I change my vote?***

Yes. You can change your vote or revoke your proxy before the meeting in any of three ways:

by submitting another proxy by telephone, via the internet or by mail that is later dated and, if by mail, that is properly signed;

by submitting written notice to the Corporate Secretary of the Company, which notice must be received by the Company by 5:00 p.m., Eastern Time, on May 3, 2016; or

by voting in person at the meeting.



*What percentage of the vote is required for a proposal to be approved?*

The eleven director nominees receiving the greatest number of votes will be elected. The service of such directors will be subject to the Corporate Governance Guidelines of the Company. The ratification

of the appointment of Ernst & Young LLP as our independent registered public accounting firm, the advisory vote to approve executive compensation, the proposal to approve the amendment to extend the term of our amended and restated Section 382 rights agreement and the shareholder proposal each require the affirmative vote of a majority of the votes cast at the meeting. Although the advisory vote to approve executive compensation is non-binding, the Board of Directors will review the results of the vote and will take them into account in making a determination concerning executive compensation.

***Who will count the vote?***

Broadridge Financial Solutions, Inc. will act as the independent tabulator to receive and tabulate the proxies.

***What does it mean if I get more than one Notice or proxy card?***

It means your shares are held in more than one account. You should vote the shares on all of your proxy cards. To provide better shareholder service, we encourage you to have all your shares registered in the same name and address. To facilitate this preference, you should contact your bank, broker, or intermediary where you would like the shares to be consolidated. They can assist you in the process of consolidating your accounts.

***Why did I receive a one-page Notice in the mail regarding the internet availability of proxy materials instead of a full set of printed proxy materials?***

Pursuant to rules adopted by the SEC, the Company is required to provide access to its proxy materials via the internet and has elected to use the SEC's Notice and Access Rules for soliciting proxies. Accordingly, the Company is sending a Notice to all of its shareholders as of the record date. All shareholders may access the Company's proxy materials on the website referred to in the Notice. Shareholders may also request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials via the internet and how to request a printed copy can be found in the Notice. Additionally, by following the instructions in the Notice, shareholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. Choosing to receive your future proxy materials by e-mail will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Company's annual meetings on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

***Who can attend the annual meeting?***

All shareholders of record as of the close of business on March 10, 2016 can attend. Registration will begin at 3:30 p.m., Eastern Time. Institutional or entity shareholders are allowed to bring one representative. Attendance at the meeting will be on a first-come, first-served basis, upon arrival at the meeting.

***What do I need to do to attend the annual meeting?***

You should plan to arrive at the Grand Hyatt Atlanta, 3300 Peachtree Road NE, Atlanta, Georgia, on May 4, 2016 by 3:30 p.m., Eastern Time. Upon your arrival, please follow the signs to the registration desk where you will register for the meeting.

An admission ticket (or other proof of stock ownership) and a government-issued photo identification (such as a valid driver's license or passport) will be required for admission to the annual meeting.

Representatives of PulteGroup will be present at the registration desk to review and determine the validity of such documentation. **Only shareholders who own PulteGroup common shares as of the close of business on March 10, 2016 will be entitled to attend the meeting. An admission ticket or recent bank or brokerage statement will serve as verification of your ownership.**

If your PulteGroup shares are registered in your name and you receive your proxy materials by mail, an admission ticket will be attached to your proxy card.

If your PulteGroup shares are registered in your name and you vote your shares electronically over the internet, you may access and print an admission ticket after voting such shares.

If your PulteGroup shares are held in a bank or brokerage account, contact your bank or broker to obtain a written legal proxy in order to vote your shares at the meeting. If you do not obtain a legal proxy from your bank or broker, you will not be entitled to vote your shares, but you can still attend the annual meeting if you bring a recent bank or brokerage statement showing that you owned PulteGroup shares on March 10, 2016.

For your comfort and security, no cameras (including cell phones and tablet devices with built-in cameras), recording devices or other electronic devices, packages, signage or costumes will be permitted in the meeting room. We encourage you to leave any such items at home. We will not be responsible for any items checked at the door. Attendees (including their personal belongings) will be subject to security inspections.

***What is the quorum requirement of the annual meeting?***

On March 10, 2016, there were 346,383,194 shares issued and outstanding. A majority of the shares outstanding and entitled to vote at a meeting on March 10, 2016 constitutes a quorum for voting at the meeting. If your shares are present in person or by proxy, your shares will be part of the quorum. Each share you owned on the record date shall be entitled to one vote.

***How will abstentions be treated?***

Abstentions will be counted as shares present at the meeting for purposes of determining whether a quorum exists. You may not abstain with respect to the election of directors. With respect to the proposals to ratify the appointment of Ernst & Young LLP, the advisory vote to approve executive compensation, the proposal to approve the amendment to extend the term of our amended and restated Section 382 rights agreement and with respect to the shareholder proposal, an abstention will not be counted as a vote cast and therefore will have no effect on whether the proposal is approved.

***How will broker non-votes be treated?***

Broker non-votes will be treated in the same manner, and have the same effect, as abstentions. A broker non-vote occurs when a broker cannot vote on a matter because the broker has not received instructions from the beneficial owner and lacks discretionary voting authority with respect to that matter. Brokers will lack discretionary voting authority with respect to the election of directors, the advisory vote to approve executive compensation, the proposal to approve the amendment to extend the term of our amended and restated Section 382 rights agreement and with respect to the shareholder proposal. Brokers will not lack discretionary voting authority with respect to the proposal to ratify the appointment of Ernst & Young LLP.

**BENEFICIAL SECURITY OWNERSHIP**

The table below shows the number of our common shares beneficially owned as of March 10, 2016 by each of our directors and each of our executive officers named in the Summary Compensation Table on page 47, as well as the number of shares beneficially owned by all of our directors and executive officers as a group. The table also includes information about stock options exercisable within 60 days after March 10, 2016, restricted shares and our common shares held in our 401(k) Plan.

		Exercisable	Percentage of
Directors and Named Executive Officers	Shares(1)	Stock Options(13)	Outstanding Shares
Brian P. Anderson	87,757(2)	28,000	*
Bryce Blair	95,482(3)	0	*
Richard W. Dreiling	21(4)	0	*
Richard J. Dugas, Jr.	1,171,889(5)	895,000	*
James R. Ellinghausen	371,354(6)	337,500	*
Thomas J. Folliard	53,804	0	*
Cheryl W. Grisé	74,857(7)	14,000	*
James Grosfeld	1,713,939(8)	0	*
André J. Hawaux	30,070	0	*
Debra J. Kelly-Ennis	93,212(9)	28,000	*
Ryan R. Marshall	66,039(10)	20,000	*
Patrick J. O'Leary	104,757(11)	28,000	*
Robert O. Shaughnessy	228,913	25,000	*
James J. Postl	113,136	0	*
Harmon D. Smith	241,207(12)	25,000	*
All Directors and Executive Officers as a group (17), including the above	4,675,223	1,678,625	1.83%

\* Less than 1%.

Notes:

- (1) All directors and executive officers listed in this table have sole voting and investment power over the shares they beneficially own, except as otherwise noted below.
- (2) Includes 3,000 shares that Mr. Anderson owns jointly with his wife.
- (3) These shares are owned in a trust of which Mr. Blair is the sole trustee and beneficiary.
- (4) These shares are owned in a trust of which Mr. Dreiling and his wife are both a trustee and beneficiary.
- (5) Includes (i) 69,800 shares that Mr. Dugas owns jointly with his wife; (ii) 1,042,857 shares owned in a trust of which Mr. Dugas is the trustee and beneficiary; (iii) 40,612 shares owned in a trust of which Mr. Dugas is a beneficiary; (iv) 18,414 shares held in our 401(k) Plan as of March 1, 2016; (v) 9 shares that are held in an Individual Retirement Account; and (vi) 206 shares held by his wife in an Individual Retirement Account.
- (6) Includes 371,354 shares owned in a trust of which Mr. Ellinghausen is the trustee and beneficiary.

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- (7) Includes 67,657 deferred share units which would be required by the Deferred Compensation Plan for Non-Employee Directors to be distributed within 60 days of Ms. Grisé's departure from the Board.

- (8) Includes shares held jointly, indirectly and/or in trust.
- (9) Includes (i) 92,012 shares that are owned in a trust of which Ms. Kelly-Ennis is a trustee and a beneficiary and (ii) 1,200 shares that are held in an Individual Retirement Account.
- (10) Includes (i) 63,661 shares owned in a trust of which Mr. Marshall is the trustee and beneficiary and (ii) 2,378 shares held in our 401(k) Plan as of March 1, 2016.
- (11) Includes 21,070 deferred share units which would be required by the Deferred Compensation Plan for Non-Employee Directors to be distributed within 60 days of Mr. O Leary's departure from the Board.
- (12) Includes 13,685 shares held in our 401(k) Plan as of March 1, 2016.
- (13) These are shares which the listed director or executive officer has the right to acquire within 60 days of March 10, 2016 pursuant to PulteGroup's stock option plans.

**Beneficial Ownership of Significant Shareholders**

The following table provides information regarding security holders that beneficially own more than 5% of all outstanding PulteGroup common shares:

Name and Address of Beneficial Owner	Beneficial Ownership of Common Shares	Percentage of Outstanding Common Shares on March 10, 2016
William J. Pulte 6515 Thomas Jefferson Court Naples, FL 34108	30,830,239(1)	8.90%
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	27,408,043(2)	7.91%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	26,126,493(3)	7.54%
Wellington Management Group LLP 280 Congress Street Boston, MA 02210	22,116,642(4)	6.39%
FMR LLC 245 Summer Street Boston, MA 02210	21,412,259(5)	6.18%

Notes:

- (1) This information is derived from a Schedule 13D/A filed by Mr. Pulte on September 24, 2014. According to the Schedule 13D/A, Mr. Pulte had sole power to vote or direct the vote of 30,830,239 shares, sole power to dispose of or direct the disposition of 12,850,639 shares, shared power to vote or direct the vote of no shares, and shared power to dispose of or direct the disposition of 17,979,600 shares.

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- (2) This information is derived from a Schedule 13G/A filed by BlackRock, Inc. on February 10, 2016. According to the Schedule 13G/A, BlackRock, Inc. had sole power to vote or direct the vote of 24,511,049, sole power to dispose of or direct the disposition of 27,408,043 shares, and shared power to vote or direct the vote of, and shared power to dispose of or direct the disposition of, no shares.
- (3) This information is derived from a Schedule 13G/A filed by The Vanguard Group on February 10, 2016. According to the Schedule 13G/A, The Vanguard Group had sole power to vote or direct the vote of 598,302 shares, sole power to dispose of or direct the disposition of 25,498,198 shares, shared power to vote or direct the vote of 30,900 shares and shared power to dispose of or direct the disposition of 628,295 shares.
- (4) This information is derived from a Schedule 13G/A filed by Wellington Management Group LLP on February 11, 2016. The reporting entities that are included in the Schedule 13G/A include Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Company LLP. According to the Schedule 13G/A, Wellington Management Group LLP had sole power to vote or direct the vote of, and sole power to dispose of or direct the disposition of, no shares, shared power to vote or direct the vote of 14,932,974 shares and shared power to dispose of or direct the disposition of 22,116,642 shares.

- (5) This information is derived from a Schedule 13G filed by FMR LLC on February 12, 2016. According to the Schedule 13G, FMR LLC had sole power to vote or direct the vote of 107,616 shares, sole power to dispose of or direct the disposition of 21,412,259 shares, and shared power to vote or direct the vote of, and shared power to dispose of or direct the disposition of, no shares.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Our directors and executive officers file reports with the SEC indicating the number of our common shares that they beneficially owned when they became a director or executive officer and, after that, any changes in their beneficial ownership of our common shares. They must also provide us with copies of these reports. These reports are required by Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act ). We have reviewed the copies of these reports that we have received and have also received and reviewed written representations of the accuracy of these reports from these individuals. Persons who own more than 10% of our common shares must also file reports with the SEC.

Based on these reports and representations, PulteGroup believes that during 2015 our directors, executive officers and greater than 10% stockholders complied with all Section 16(a) reporting requirements, except that Blair Bryce, one of our directors, filed a late Form 4 due to an administrative error.



**PROPOSAL ONE****ELECTION OF DIRECTORS**

Our Restated Articles of Incorporation, as amended, require that we have at least three, but no more than 15, directors. The exact number of directors is set by the Board of Directors and is currently eleven. All directors will be elected on an annual basis for one-year terms. The eleven directors comprising the Board of Directors, all of whose terms are expiring at the 2016 annual meeting, are Brian P. Anderson, Bryce Blair, Richard W. Dreiling, Richard J. Dugas, Jr., Thomas J. Folliard, Cheryl W. Gris , James Grosfeld, Andr  J. Hawaux, Debra J. Kelly-Ennis, Patrick J. O'Leary and James J. Postl. These eleven directors are the nominees to serve a one-year term expiring at the 2017 annual meeting and each has agreed to serve the one-year term for which they have been nominated, if elected. Please see below for a description of the occupations and recent business experience of all director nominees. Mr. Dreiling was recommended to the Nominating and Governance Committee by a third-party search firm, and was appointed to the Board of Directors on December 2, 2015. Mr. Grosfeld was recommended to the Nominating and Governance Committee by a significant shareholder. The Nominating and Governance Committee assessed the qualifications of Mr. Grosfeld and determined to waive the Company's age policy for members of the Board of Directors for Mr. Grosfeld due to the significant experience Mr. Grosfeld has in the homebuilding industry, as well as his financial expertise and his distinguished record of service on company boards. Mr. Grosfeld was appointed to the Board of Directors on December 2, 2015. In addition, the specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to the conclusion that each of the director nominees should serve as a director of the Company are included in the descriptions below.

The Corporate Governance Guidelines of the Company provide that any nominee for director who, in an uncontested election, receives a greater number of votes withheld from his or her election than votes for his or her election at the annual meeting (Majority Withheld Vote) will promptly tender his or her resignation from the Board of Directors. The Nominating and Governance Committee, which is comprised exclusively of independent directors, will consider the resignation and recommend to the Board of Directors whether to accept the tendered resignation or reject it. The Board of Directors will act upon the Nominating and Governance Committee's recommendation no later than the first regularly scheduled meeting of the Board of Directors following certification of the Majority Withheld Vote. The action taken by the Board of Directors will be publicly disclosed in a report filed with the SEC and may include, without limitation, acceptance or rejection of the tendered resignation or adoption of measures designed to address the issues underlying the Majority Withheld Vote. The foregoing description is qualified in its entirety by reference to our Corporate Governance Guidelines, which are available for viewing on our website at [www.pultegroupinc.com](http://www.pultegroupinc.com).

***Nominees to Serve a One-Year Term Expiring at the 2017 Annual Meeting*****Brian P. Anderson**

*Age:* 65

*Director since:* 2005

*Principal Occupation:* Former Chief Financial Officer of OfficeMax Incorporated

*Recent Business Experience:* Mr. Anderson is the former Executive Vice President of Finance and Chief Financial Officer of OfficeMax Incorporated, a distributor of business-to-business and retail office products. Prior to assuming this position in 2004, Mr. Anderson was Senior Vice President and Chief Financial Officer of Baxter International Inc., a global diversified medical products and services company, a position he assumed in 1998.

*Outside Directorships (Last Five Years):* Mr. Anderson currently serves as a member of the board of directors of W.W. Grainger, Inc., A.M. Castle & Co. (Chairman) and James Hardie Industries.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Anderson should serve as a director in light of our business and structure include his significant experience as a chief financial officer of two large multinational companies and as a director of several large public companies. In addition, he has held finance positions including corporate controller and vice president of audit and was an audit partner at an international public accounting firm. Mr. Anderson has significant experience in the preparation and review of complex financial reporting statements as well as experience in risk management and risk assessment. Mr. Anderson also brings to the Board of Directors meaningful experience based on his service as the former Lead Director of W.W. Grainger, Inc. and Chairman of A.M. Castle & Co. Mr. Anderson is an audit committee financial expert for purposes of the SEC's rules.

**Bryce Blair**

*Age:* 57

*Director since:* 2011

*Principal Occupation:* Former Chairman of the Board and Former Chief Executive Officer, AvalonBay Communities, Inc.

*Recent Business Experience:* Mr. Blair has served as executive chairman of the board of directors of Invitation Homes, a company offering rental homes nationwide, since November 3, 2014. Mr. Blair served as Chairman of the board of directors of AvalonBay Communities, Inc., a publicly-traded multifamily real estate investment trust, from January 2002 through May 2013. In addition, Mr. Blair served in a number of senior leadership positions with AvalonBay Communities, Inc., including Chief Executive Officer from February 2001 through December 2011, President from September 2000 through February 2005 and Chief Operating Officer from February 1999 to February 2001. Mr. Blair is also a past member of the National Association of Real Estate Investment Trusts, where he served as Chairman and was on the Executive Committee and the Board of Governors, and the Urban Land Institute, where he is past Chairman of the Multifamily Council and is a past Trustee.

*Outside Directorships (Last Five Years):* Mr. Blair currently serves as executive chairman of the board of directors of Invitation Homes, serves on the board of directors of Regency Centers Corporation and previously served as the chairman of the board of directors of AvalonBay Communities, Inc.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Blair should serve as a director in light of our business and structure include his substantial experience in real estate development and investment, including having spent over ten years as chairman and chief executive officer of a public real estate investment trust. In addition, in his former role as chief executive officer of AvalonBay Communities, Inc., Mr. Blair was responsible for day to day operations and he was regularly involved in the preparation and review of complex financial reporting statements. Mr. Blair also brings to the Board of Directors meaningful experience based on his service on the board of directors of AvalonBay Communities, Inc., Invitation Homes and Regency Centers Corporation.

**Richard W. Dreiling**

*Age:* 62

*Director since:* 2015

*Principal Occupation:* Former Chairman of the Board and Chief Executive Officer of Dollar General Corporation

*Recent Business Experience:* Mr. Dreiling served as Chief Executive Officer of Dollar General Corporation, the nation's largest small-box discount retailer, from January 2008 through June 2015, and served as its chairman of the board of directors through January 2016. Prior to 2008, Mr. Dreiling served as Chief Executive Officer, President and a director of Duane Reade Holdings, Inc. and Duane Reade Inc., the largest drugstore chain in New York City, from November 2005 until January 2008, and as chairman of the board of Duane Reade from March 2007 until January 2008. Earlier in his career, Mr. Dreiling held executive positions with Longs Drug Stores Corporation and Safeway, Inc.

*Outside Directorships (Last Five Years):* Mr. Dreiling currently serves as a director of Lowe's Companies, Inc. and Aramark Corporation, and as chairman of the Retail Industry Leaders Association (RILA). Mr. Dreiling previously served as chairman of the board of directors of Dollar General Corporation.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Dreiling should serve as a director in light of our business and structure include his service as a director of other large, consumer-focused companies. In addition, in his former roles as chief executive officer, Mr. Dreiling was responsible for day to day operations and was regularly involved in the preparation and review of complex financial reporting statements. Mr. Dreiling's experience of overseeing the marketing and distribution functions of retail companies provides an in-depth understanding of PulteGroup's customers' needs and adds a valuable perspective for Board decision making. Mr. Dreiling also brings to the Board of Directors meaningful experience based on his service on the board of directors of Dollar General Corporation, Lowe's Companies, Inc. and Aramark Corporation.

**Richard J. Dugas, Jr.**

*Age:* 50

*Director since:* 2003

*Principal Occupation:* Chairman and Chief Executive Officer, PulteGroup, Inc.

*Recent Business Experience:* Mr. Dugas has served as Chairman of the Board of Directors of PulteGroup, Inc. since August 18, 2009 and as Chief Executive Officer since July 1, 2003. He also served as President from July 2003 to February 2016. Prior to that, he served as Chief Operating Officer of PulteGroup from May 2002 through June 2003. Mr. Dugas previously served in various management positions with PulteGroup since 1994, including, most recently, Coastal Region President with responsibility for the Georgia, North Carolina, South Carolina and Tennessee operations.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Dugas should serve as a director in light of our business and structure include the insight he brings to the Board of Directors from his 21-year tenure at PulteGroup, including more than twelve years as President and Chief Executive Officer. Mr. Dugas' many years of experience as the Chief Executive Officer of the Company provides an in-depth understanding of PulteGroup's history and complexity and adds a valuable perspective for Board decision making.

**Thomas J. Folliard**

*Age:* 51

*Director since:* 2012

*Principal Occupation:* President and Chief Executive Officer of CarMax, Inc.

*Recent Business Experience:* Mr. Folliard has served as President and Chief Executive Officer of CarMax since 2006. He joined CarMax in 1993 as the senior buyer and became the director of purchasing in 1994. Mr. Folliard was promoted to vice president of merchandising in 1996, senior vice president of store operations in 2000 and executive vice president of store operations in 2001. In February 2016 CarMax, Inc. announced that Mr. Folliard would retire as Chief Executive Officer prior to the end of 2016.

*Outside Directorships (Last Five Years):* Mr. Folliard currently serves as a member of the board of directors of CarMax, Inc. and DAVIDsTEA Inc.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Folliard should serve as a director in light of our business and structure include his experience as Chief Executive Officer of a large, consumer-focused public company. In connection with that role, Mr. Folliard has extensive experience in operational matters and business strategy, which adds a valuable perspective for the Board's decision making. Mr. Folliard also brings to the Board of Directors meaningful experience based on his service on the board of directors of CarMax, Inc. and DAVIDsTEA Inc. Mr. Folliard is an audit committee financial expert for purposes of the SEC's rules.

**Cheryl W. Grisé**

*Age:* 63

*Director since:* 2008

*Principal Occupation:* Former Executive Vice President of Northeast Utilities (now Eversource Energy)

*Recent Business Experience:* Ms. Grisé was Executive Vice President of Northeast Utilities, a public utility holding company, from December 2005 until her retirement effective July 2007; Chief Executive Officer of its principal operating subsidiaries from September 2002 to January 2007; President of the Utility Group of Northeast Utilities Service Company from May 2001 to January 2007; and Senior Vice President, Secretary and General Counsel of Northeast Utilities from 1998 to 2001. Ms. Grisé is a Senior Fellow of the American Leadership Forum.

*Outside Directorships (Last Five Years):* Ms. Grisé currently serves as a member of the board of directors of MetLife, Inc. (Lead Director) and ICF International, and previously served as a member of the board of directors of Dana Corporation and Pall Corporation.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Ms. Grisé should serve as a director in light of our business and structure include her significant experience based on her service as a director of several large public corporations and as a former executive officer of a public utility holding company. Ms. Grisé's substantial experience, including earlier experience as general counsel and secretary, provide her with a unique perspective on the complex legal, compensation, and other issues that affect companies in regulated industries and the Board's roles and responsibilities with respect to the effective functioning of the Company's corporate governance structures. Ms. Grisé also brings to the Board of Directors meaningful experience based on her service as Lead Director of MetLife, Inc. and her service on the board of directors of several other public companies.

**James Grosfeld**

*Age:* 78

*Director since:* 2015

*Principal Occupation:* Member of the Board of Directors of BlackRock, Inc.

*Recent Business Experience:* Mr. Grosfeld has served as a member of the board of directors of BlackRock, Inc. a global leader in investment management, since 1999, and served as a trustee of Lexington Realty Trust, a real estate investment trust focused on single-tenant real estate investments, from 2003 to 2015. He was Chairman and Chief Executive Officer of Pulte Homes, Inc. from 1974 to 1990.

*Outside Directorships (Last Five Years):* Mr. Grosfeld currently serves as a member of the board of directors of BlackRock, Inc., and previously served as a trustee of Lexington Realty Trust.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Grosfeld should serve as a director in light of our business and structure include his significant experience in the homebuilding industry, including his tenure as Pulte Homes, Inc.'s chairman and chief executive officer. In addition, his substantial financial expertise and distinguished record of service on company boards adds a valuable perspective for the Board's decision making.

**André J. Hawaux**

*Age:* 55

*Director since:* 2013

*Principal Occupation:* Executive Vice President and Chief Operating Officer, Dick's Sporting Goods, Inc.

*Recent Business Experience:* Mr. Hawaux joined Dick's Sporting Goods in June 2013 as Executive Vice President, Finance Administration and Chief Financial Officer and currently serves as its Executive Vice President and Chief Operating Officer. Mr. Hawaux served as president of the Consumer Foods business of ConAgra Foods, Inc. from 2009 until May 2013. He joined ConAgra Foods as executive vice president and chief financial officer in 2006, and prior to ConAgra Foods, he served as general manager of a large U.S. division of PepsiAmericas. Mr. Hawaux also previously served as chief financial officer for Pepsi-Cola North America and Pepsi International's China business unit.

<i>Outside Directorships (Last Five Years):</i>	Mr. Hawaux previously served as a member of the board of directors of The Timberland Company.
<i>Qualifications:</i>	The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Hawaux should serve as a director in light of our business and structure include his significant experience serving as a senior officer of several corporations, including as executive vice president and chief financial officer of a large, consumer-focused public company. In connection with that role, Mr. Hawaux has extensive experience in operational matters and business strategy, which adds a valuable perspective for the Board's decision making. In addition, Mr. Hawaux has significant experience in the preparation and review of complex financial reporting statements as well as experience in risk management and risk assessment, and is an audit committee financial expert for purposes of the SEC's rules. Mr. Hawaux also brings to the Board of Directors meaningful experience based on his service on the board of directors of The Timberland Company.
<b>Debra J. Kelly-Ennis</b>	
<i>Age:</i>	59
<i>Director since:</i>	1997
<i>Principal Occupation:</i>	Former President and CEO, Diageo Canada, Inc.
<i>Recent Business Experience:</i>	Ms. Kelly-Ennis served as President and Chief Executive Officer of Diageo Canada, Inc., a subsidiary of Diageo plc, a global spirits, wine and beer company, from September 2008 until June 2012. She served as Chief Marketing Officer of Diageo North America, Inc., another subsidiary of Diageo plc., from April 2005 to September 2008. Ms. Kelly-Ennis also held marketing, sales and general management positions with RJR/Nabisco, Inc., The Coca-Cola Company, General Motors Corporation and Grand Metropolitan PLC.
<i>Outside Directorships (Last Five Years):</i>	Ms. Kelly-Ennis currently serves as a member of the board of directors of Altria Group, Inc., Carnival Corporation & plc and Dress for Success Worldwide (emeritus), and previously was a member of the board of directors of Hertz Global Holdings, Inc.
<i>Qualifications:</i>	The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Ms. Kelly-Ennis should serve as a director in light of our business and structure include her significant experience as an executive with several large, consumer-focused companies in multiple industries. In addition, Ms. Kelly-Ennis's significant amount of marketing and distribution experience provides an in-depth understanding of PulteGroup's customers' needs and adds a valuable perspective for Board decision making. Ms. Kelly-Ennis also brings to the Board of Directors meaningful experience based on her service on the boards of directors of Altria Group, Inc., Hertz Global Holdings, Inc. and Carnival Corporation & plc.

**Patrick J. O Leary**

*Age:* 58

*Director since:* 2005

*Principal Occupation:* Former Executive Vice President and Chief Financial Officer of SPX Corporation

*Recent Business Experience:* Mr. O Leary served as Executive Vice President and Chief Financial Officer of SPX Corporation, a global industrial and technological services and products company, from December 2004 until August 2012, when he retired. Prior to that time, he served as Chief Financial Officer and Treasurer of SPX Corporation from October 1996 to December 2004.

*Outside Directorships (Last Five Years):* Mr. O Leary currently serves as a member of the board of directors of Halyard Health, Inc. and is chairman of the board of directors of SPX Corporation.

*Qualifications:* The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. O Leary should serve as a director in light of our business and structure include his significant experience as a chief financial officer of a large multinational corporation. In addition, Mr. O Leary has significant experience in the preparation and review of complex financial reporting statements and is an audit committee financial expert for purposes of the SEC's rules. Mr. O Leary also brings to the Board of Directors meaningful experience based on his service on the board of directors of Halyard Health, Inc. and as chairman of the board of directors of SPX Corporation.

**James J. Postl**

*Age:* 70

*Director since:* 2009

*Principal Occupation:* Former President and Chief Executive Officer of Pennzoil-Quaker State Company

*Recent Business Experience:* Mr. Postl retired as president and chief executive officer of Pennzoil-Quaker State Company following its acquisition by Shell Products U.S. in October 2002. He joined Pennzoil in October 1998, prior to the formation of Pennzoil-Quaker State Company in December 1998, when he was named president and chief operating officer and was elected to the board of directors of the new company. In May 2000, he was named president and chief executive officer. Prior to joining Pennzoil-Quaker State, he served as president of Nabisco Biscuit Company from 1996 and was president and chief executive officer of Nabisco International from 1994 to 1996. Prior to joining Nabisco, he held a variety of management positions with PepsiCo, Inc. over a 19-year period.

*Outside Directorships (Last Five Years):* Mr. Postl currently serves as a member of the board of directors of American Funds, and previously served as a member of the board of directors of Cooper Industries, Ltd.

*Qualifications:*

The specific experience, qualifications, attributes or skills that led the Nominating and Governance Committee to conclude that Mr. Postl should serve as a director in light of our business and structure include his significant experience serving as an executive officer of several corporations and as a director of several public corporations. Mr. Postl has substantial experience in operational matters, having served as president and chief executive officer of several corporations and large business divisions. Mr. Postl also brings to the Board of Directors significant public company management experience, having served as president and chief executive officer of Pennzoil-Quaker State Company, a large public company. Mr. Postl also brings to the Board of Directors meaningful experience based on his service on the board of directors of American Funds and Cooper Industries, Ltd.

***The Board of Directors recommends that shareholders vote FOR the election of these eleven nominees.***

If a nominee is unable to stand for election, the Board of Directors may reduce the number of directors or choose a substitute. If the Board of Directors chooses a substitute, shares represented by proxies will be voted for the substitute. If a director retires, resigns, dies or is unable to serve for any reason, the Board of Directors may reduce the number of directors or appoint a new director to fill the vacancy. The new director would serve until the next annual meeting.

**Independence**

Under the Company's Corporate Governance Guidelines, a substantial majority of the members of our Board of Directors must be independent. The Board of Directors has adopted categorical independence standards to assist the Nominating and Governance Committee in determining director independence, which standards either meet or exceed the independence requirements of the New York Stock Exchange's ( NYSE ) corporate governance standards. Under these standards, no director can qualify as independent unless (i) the Board of Directors affirmatively determines that the director has no material relationship with the Company directly or as an officer, shareholder or partner of an organization that has a relationship with the Company, and (ii) the director meets the following categorical standards:

has not been an employee of the Company for at least three years;

has not, during the last three years, been employed as an executive officer by a company for which an executive officer of the Company concurrently served as a member of such company's compensation committee;

has no immediate family members (i.e., spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than employees) who shares the director's home) who did not satisfy the foregoing criteria during the last three years; provided, however, that such director's immediate family member may have served as an employee but not as an executive officer of the Company during such three-year period so long as such immediate family member shall not have received, during any twelve-month period within such three-year period, more than \$120,000 in direct compensation from the Company for such employment;

is not a current partner or employee of the Company's internal or external audit firm, and the director was not within the past three years a partner or employee of such a firm who personally worked on the Company's internal or external audit within that time;

has no immediate family member who (i) is a current partner of a firm that is the Company's internal or external auditor, (ii) is a current employee of such a firm and personally works on the Company's internal or external audit or (iii) was within the past three years a partner or employee of such a firm and personally worked on the Company's audit within that time;



has not received, and has no immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company (other than in his or her capacity as a member of the Board of Directors);

is not a current employee, and has no immediate family member who is a current executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;

does not serve, and has no immediate family member who has served, during the last three years as an executive officer or general partner of an entity that has received an investment from the Company or any of its subsidiaries, unless such investment is less than the greater of \$1 million or 2% of such entity's total invested capital, whichever is greater, in any of the last three years; and

has not been, and has no immediate family member who has been, an executive officer of a charitable or educational organization for which the Company contributed more than the greater of \$1 million or 2% of such charitable organizations' consolidated gross revenues, in any of the last three years.

The Board of Directors considered all relevant facts and circumstances in assessing director independence and affirmatively determined that Brian P. Anderson, Bryce Blair, Richard W. Dreiling, Thomas J. Folliard, Cheryl W. Grisé, James Grosfeld, André J. Hawaux, Debra J. Kelly-Ennis, Patrick J. O'Leary and James J. Postl are independent within the meaning of the Company's categorical standards and the NYSE listing standards. The Board of Directors further determined that Richard J. Dugas, Jr., who is a current PulteGroup employee, is not independent within the meaning of the Company's categorical standards and the NYSE listing standards.

#### **Board Qualifications**

In addition to the individual attributes of each of the directors described above, PulteGroup highly values the collective experience and qualifications of the directors. PulteGroup believes that the collective experiences, viewpoints and perspectives of its directors results in a Board with the commitment and energy to advance the interests of PulteGroup's shareholders.

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**COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors has four standing committees to facilitate and assist the Board of Directors in the execution of its responsibilities. The committees are currently the Audit Committee, Compensation and Management Development Committee, Nominating and Governance Committee and Finance and Investment Committee. Charters for all of these committees are available on the Company's website at [www.pultegroupinc.com](http://www.pultegroupinc.com). The table below shows current membership for each of the standing Board committees.

Director Name	Audit Committee	Compensation and	Nominating and	Finance
		Management		and
		Development	Governance	Investment
		Committee	Committee	Committee
Brian P. Anderson	X*		X	
Bryce Blair		X		X*
Richard W. Dreiling		X	X	
Richard J. Dugas, Jr.				X
Thomas J. Folliard	X			X
Cheryl W. Gris�		X	X*	
James Grosfeld				X
Andr� J. Hawaux	X			X
Debra J. Kelly-Ennis	X		X	
Patrick J. O'Leary		X*		X
James J. Postl**		X	X	

\* Chair

\*\* Lead Director

**Audit Committee**

The Audit Committee met eight (8) times in 2015. The Audit Committee represents and assists the Board of Directors with the oversight of the integrity of the Company's financial statements and internal controls, the performance of the Company's internal audit function, the annual independent audit of the Company's financial statements and the independent auditor's engagement, qualifications and independence, the Company's compliance with legal and regulatory requirements, and the evaluation of certain enterprise risk issues.

The Audit Committee is also responsible for selecting (subject to ratification by our shareholders) the independent auditor as well as setting the compensation for and overseeing the work of the independent auditor and approving audit services to be provided by the independent auditor. Brian P. Anderson currently serves on the audit committee of more than three public companies. The Board of Directors has determined that Mr. Anderson's simultaneous service on the audit committees of more than three public companies will not impair his ability to serve effectively on the Company's audit committee. The Board of Directors has determined that each of the members of the Audit Committee is independent within the meaning of the Company's categorical standards and the applicable NYSE and SEC rules and financially literate as defined by the NYSE rules, and that Brian P. Anderson, Thomas J. Folliard and Andr  J. Hawaux are audit committee financial experts for purposes of the SEC's rules. Currently, none of the Audit Committee members serves on more than three audit committees (including the Company's Audit Committee).

### **Compensation and Management Development Committee**

The Compensation and Management Development Committee met five (5) times in 2015. The Compensation and Management Development Committee is responsible for the review, approval, and administration of the compensation and benefit programs for the Chief Executive Officer and the other named executive officers. It also reviews and makes recommendations regarding the Company's incentive plans and certain other compensation plans, reviews the Company's leadership development programs and initiatives, and discusses performance, leadership development and succession planning for key officers with the Chairman of the Board, President and Chief Executive Officer, as appropriate. The Board of Directors has determined that each of the members of the Compensation and Management Development Committee is independent within the meaning of the Company's categorical standards and the NYSE rules.

Mr. Patrick J. O'Leary is the Chair of the Compensation and Management Development Committee. Mr. O'Leary works with Mr. James R. Ellinghausen, the Company's Executive Vice President, Human Resources, to establish meeting agendas and determine whether any members of PulteGroup's management or outside advisors should attend meetings. The Compensation and Management Development Committee also meets regularly in executive session. At various times during the year at the request of the Compensation and Management Development Committee, Mr. Robert T. O'Shaughnessy, our Executive Vice President and Chief Financial Officer, may attend Compensation and Management Development Committee meetings, or portions of Compensation and Management Development Committee meetings, to provide the Compensation and Management Development Committee with information regarding the Company's operational performance, financial performance, or other topics requested by the Compensation and Management Development Committee to assist it in making its compensation decisions.

The Chairman of the Board, President and Chief Executive Officer, Mr. Richard J. Dugas, Jr., annually reviews the performance of each member of senior management (other than Mr. Dugas, whose performance is reviewed by the Compensation and Management Development Committee). Recommendations based on these reviews, including salary adjustments, annual bonuses, long-term incentives and equity grants, are presented to the Compensation and Management Development Committee. Decisions regarding salary adjustments, annual bonuses, long-term incentives and equity grants for Mr. Dugas are made by the Compensation and Management Development Committee. All decisions for 2015 made with respect to the executives listed in the Summary Compensation Table were made after deliberation with Mr. Dugas.

The Compensation and Management Development Committee is also responsible for overseeing the development of the Company's succession plan for the Chairman of the Board, President and Chief Executive Officer and other key members of senior management, as well as the Company's leadership development programs.

The Compensation and Management Development Committee receives and reviews materials provided by the Compensation and Management Development Committee's consultant and management. These materials include information that the consultant and management believes will be helpful to the Compensation and Management Development Committee, as well as materials the Compensation and Management Development Committee specifically requests.

The Compensation and Management Development Committee has the authority to engage its own outside compensation consultant and any other advisors it deems necessary. Since 2003, the Compensation and Management Development Committee has engaged Pearl Meyer & Partners to act as its independent consultant. The consultant regularly provides the Compensation and Management Development Committee with information regarding market compensation levels, general compensation trends and best practices. The Compensation and Management Development

Committee also regularly asks the consultant to opine on the reasonableness of specific pay decisions and actions for the named executive officers, as well as the appropriateness of the design of the Company's executive compensation programs.

The activities of the compensation consultant are directed by the Compensation and Management Development Committee, although the consultant may communicate with members of management, as appropriate, to gather data and prepare analyses as requested by the Compensation and Management Development Committee. During 2015, the Compensation and Management Development Committee asked Pearl Meyer to review market data and advise the Committee on setting executive compensation and the competitiveness and reasonableness of the Company's executive compensation program; review and advise the Compensation and Management Development Committee regarding the Company's pay for performance, equity grant and dilution levels, each as relative to the Company's peers; review and advise the Compensation and Management Development Committee regarding regulatory, disclosure and other technical matters; and review and advise the Compensation and Management Development Committee regarding the Company's compensation risk assessment procedures. The Compensation and Management Development Committee also asked Pearl Meyer to provide opinions on named executive officer pay decisions.

In 2015, Pearl Meyer did not provide any other services to the Company. The Compensation and Management Development Committee assessed the independence of Pearl Meyer pursuant to SEC rules and concluded that Pearl Meyer's work for the Compensation and Management Development Committee does not raise any conflict of interest.

The Compensation and Management Development Committee has determined that Pearl Meyer & Partners is independent because it does no work for us other than that requested by the Compensation and Management Development Committee. The Chairman of the Compensation and Management Development Committee reviews the consultant's invoices, which are paid by the Company.

#### **Nominating and Governance Committee**

The Nominating and Governance Committee met four (4) times in 2015. The Nominating and Governance Committee is responsible for matters related to the governance of the Company and for developing and recommending to the Board of Directors the criteria for Board membership, the selection of new Board members, and the assignment of directors to the committees of the Board of Directors. The Nominating and Governance Committee assures that a regular evaluation is conducted of the performance, qualifications, and integrity of the Board of Directors and the committees of the Board. Please see Corporate Governance Board Assessments for further information regarding the regular evaluations. The Nominating and Governance Committee also reviews and makes recommendations with respect to the compensation of members of the Board of Directors. The Nominating and Governance Committee is also responsible for reviewing the Company's Environmental Health & Safety Policies, and assessing and monitoring the Company's Enterprise Risk Management Program. The Board of Directors has determined that each of the members of the Nominating and Governance Committee is independent within the meaning of the Company's categorical standards and the NYSE rules.

#### **Finance and Investment Committee**

The Finance and Investment Committee met seven (7) times in 2015. The Finance and Investment Committee reviews all aspects of the Company's policies that relate to the management of the Company's financial affairs. The Finance and Investment Committee also reviews the Company's long-term strategic plans and annual budgets, capital commitments budget, and the Company's cash needs and funding plans.

**Board Meeting Information**

The Board of Directors held a total of six (6) meetings in 2015. During 2015, each director attended at least 75% of the aggregate number of meetings of the Board of Directors and of the committees on which such director served that were held during the period that such director served as a member of the Board of Directors and as a member of such committees.

PulteGroup encourages its directors to attend each annual meeting of our shareholders, and all of our directors serving on the date of last year's annual meeting attended that meeting.

Throughout the year, PulteGroup held regularly scheduled executive sessions of its non-management directors without management participation. In addition, in 2016, PulteGroup will hold at least one executive session of its non-management directors without the participation of management. James J. Postl, our Lead Director, presides at these executive sessions.

### 2015 DIRECTOR COMPENSATION

The table below shows compensation for the Company's non-employee directors for the fiscal year ended December 31, 2015. Richard J. Dugas, Jr. our Chairman of the Board, President and Chief Executive Officer, receives no compensation for his services as a director of the Company. The compensation received by Mr. Dugas as an employee of the Company is shown in the 2015 Summary Compensation Table set forth in this Proxy Statement.

Name	Fees Earned				
	or Paid	Share	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
	in Cash	Awards			
(1)	(2)				(3)
Brian P. Anderson	\$ 120,000	\$ 140,010	\$	\$	\$ 260,010
Bryce Blair	\$ 120,000	\$ 140,010	\$	\$	\$ 260,010
Richard W. Dreiling(4)	\$ 23,750	\$	\$	\$	\$ 23,750
Thomas J. Folliard	\$ 95,000	\$ 140,010	\$	\$	\$ 235,010
Cheryl W. Grisé	\$ 120,000	\$ 140,010	\$	\$	\$ 260,010
James Grosfeld(4)	\$ 23,750	\$	\$	\$	\$ 23,750
André J. Hawaux	\$ 95,000	\$ 140,010	\$	\$	\$ 235,010
Debra J. Kelly-Ennis	\$ 95,000	\$ 140,010	\$ 3,349	\$	\$ 238,359
Patrick J. O'Leary	\$ 120,000	\$ 140,010	\$ 679	\$	\$ 260,689
James J. Postl	\$ 120,000	\$ 140,010	\$	\$	\$ 260,010

- (1) The amounts in this column represent the fees earned or paid in cash for services as a director, including annual retainer, committee chairmanship, and lead director fees.
- (2) The amounts reported in this column are valued based on the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation ( FASB ASC Topic 718 ). Assumptions used in the calculation of these amounts are included in note 8 to the Company's audited financial statements included in our Annual Report. On May 6, 2015, the then-serving directors received their annual equity grant of 7,204 shares, which represents \$140,000 divided by the average of the high and low share price on the date of grant. The amounts reported in this column for Ms. Grisé and Mr. O'Leary represent the value of share units deferred under the PulteGroup, Inc. Deferred Compensation Plan for Non-Employee Directors. The share units consist of fully vested deferred share units that are settled in common shares and may be subject to a deferral election consistent with Internal Revenue Code Section 409A.
- (3) As of December 31, 2015, each individual serving as an outside director during 2015 had the following number of deferred share units and stock options:

Director	Deferred Share Units	Options
Brian P. Anderson		28,000
Bryce Blair		
Richard W. Dreiling		
Thomas J. Folliard		
Cheryl W. Grisé	67,657	14,000
James Grosfeld		
Debra J. Kelly-Ennis		28,000
André J. Hawaux		
Patrick J. O'Leary	21,070	28,000
James J. Postl		

- (4) On December 2, 2015, Messrs. Dreiling and Grosfeld were appointed as members of the Company's Board of Directors.



### **Director Compensation**

The Nominating and Governance Committee reviews the compensation of the Company's non-employee directors. For 2015, the Nominating and Governance Committee did not make any changes to the non-employee director compensation program. During 2015, non-employee directors received the following compensation for service as members of the Board of Directors and as members of Board committees:

Annual Board membership fee of \$95,000 in cash;

Committee chair retainer fee of \$25,000 in cash;

Lead Director retainer fee of \$25,000 in cash; and

Annual Equity Retainer Fee of \$140,000 in common shares (the number of common shares determined by dividing \$140,000 by the average of the high and low share price on the date of grant).

For their service during 2015, Messrs. Dreiling and Grosfeld received prorated annual cash retainer fees and did not receive an annual equity grant.

### ***Director Deferred Compensation***

In 2015, non-employee directors were entitled to defer all or a portion of their cash and equity compensation. Deferred cash payments were credited with interest at a rate equal to the five year U.S. treasury rate, plus 2%. Under the Deferred Compensation Plan for Non-Employee Directors, the payment of director fees may be deferred for up to eight years, and directors may elect to receive their deferred fees in a lump sum or in equal annual installments over a period not to exceed eight years. In the event of the director's departure either before or after the commencement of a deferral period, such director's deferred fees will be paid in a lump sum payment. Under the terms of the plan, all deferred equity will be distributed to the director upon his or her departure from the Board.

Directors who also are our employees do not receive any of the compensation described above.

### ***Equity Ownership Guidelines***

Each member of the Board of Directors is expected to maintain an equity investment in the Company equal to at least three times the annual cash retainer, which must be achieved within five years of the director's initial election to the Board. The holdings that may be counted toward achieving the equity investment guidelines include outstanding stock awards or units, shares obtained through stock option exercises, shares owned jointly with or separately by the director's spouse and shares purchased on the open market. Outstanding stock options do not count toward achieving the equity investment guidelines. As of March 10, 2016, all members of the Board of Directors have met or, within the applicable period, are expected to meet, these share ownership guidelines.



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## CORPORATE GOVERNANCE

### **Governance Guidelines; Code of Ethical Business Conduct; Code of Ethics**

The Board of Directors has adopted Corporate Governance Guidelines, which reflect the principles by which PulteGroup operates. The guidelines address an array of governance issues and principles including: director independence, committee independence, management succession, annual Board of Directors evaluation, periodic director evaluation, director share ownership, director nominations, director age limitations, role of the Lead Director, and executive sessions of the independent directors. PulteGroup's Governance Guidelines are available for viewing on our website at [www.pultegroupinc.com](http://www.pultegroupinc.com). The Board of Directors also has adopted a Code of Ethical Business Conduct, which applies to all directors and employees and a Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, Controller and other senior officers. The Company intends to include on its website any waivers of its Code of Ethical Business Conduct that relate to executive officers and directors as well as any amendments to, or waivers from, a provision of its Code of Ethics that applies to the Company's principal executive officer, principal financial officer, or controller that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K.

### **Board Leadership**

Our Corporate Governance Guidelines contemplate that the independent directors will annually designate one of the independent directors to serve as Lead Director for a one-year term. While the Lead Director will be designated annually by the independent directors, in order to provide consistency and continuity, it is generally expected that he or she will serve for more than one year. As noted above, Mr. Postl currently serves as Lead Director. The Lead Director works with the Chairman and Chief Executive Officer to ensure that the Board of Directors discharges its responsibilities, has procedures in place to enable it to function independently of management and clearly understands the respective roles and responsibilities of the Board of Directors and management. In addition, the Lead Director's duties include convening and chairing regular executive session meetings of the non-management directors and, as appropriate, providing prompt feedback to the Chairman and Chief Executive Officer; coordinating and developing the agenda for executive sessions of the independent directors; convening meetings of the independent directors if necessary; coordinating feedback to the Chairman and Chief Executive Officer on behalf of the independent directors regarding business issues and management; providing final approval, after consultation with the Chairman and Chief Executive Officer, as to the agendas for meetings of the Board of Directors and informational needs associated with those agendas and presentations; performing such other duties as may be necessary for the Board of Directors to fulfill its responsibilities or as may be requested by the Board of Directors as a whole, by the non-management directors, or by the Chairman of the Board; in the absence of the Chairman of the Board, acting as chair of meetings of the Board of Directors; serving as the designated spokesperson for the Board of Directors when it is appropriate for the Board of Directors to comment publicly on any matter; and being available for consultation and direct communication if requested by the Company's major shareholders. The Board of Directors believes that having a combined Chairman and Chief Executive Officer and an independent Lead Director having significant and well-defined responsibilities as described above enhances the Chairman and Chief Executive Officer's ability to provide insight and direction on important strategic initiatives to both management and the independent directors and, at the same time, ensures that the appropriate level of independent oversight is applied to all decisions of the Board of Directors, and accordingly facilitates the overall functioning of the Board of Directors.

### **Board Role in Risk Oversight**

The Board of Directors' involvement in risk oversight includes both formal and informal processes and involves the Board of Directors and committees of the Board of Directors.

On an annual basis, the Board of Directors or selected committees of the Board of Directors undertakes a formal enterprise risk assessment during which the principle risks facing PulteGroup and associated responses are evaluated. In addition to the formal assessment, the Board of Directors and committees of the Board of Directors are also involved in risk oversight on a more informal basis at regular Board of Directors and committee meetings. The Audit Committee receives materials on a frequent basis to address the identification and status of risks to the Company, including financial risks, litigation claims and risks and cybersecurity risks. At meetings of the full Board of Directors, these risks are identified to Board members, and the Chairman of the Audit Committee reports on the activities of the Audit Committee regarding risk analysis. In addition, two times per year, the Audit Committee receives a report from PulteGroup's Ethics Committee regarding current hotline activities and associated responses. The other committees of the Board of Directors also consider and address risk as they perform their respective responsibilities, and such committees report to the full Board of Directors from time to time as appropriate, including whenever a matter rises to the level of a material or enterprise level risk. The Board of Directors also receives regular financial and business updates from senior management, which involve detailed reports on financial and business risks facing PulteGroup when applicable.

#### **Board Assessments**

Each year, the Nominating and Governance Committee leads a confidential assessment process under which our Board of Directors and its committees conduct self-evaluations. Additionally, every other year, the Nominating and Governance Committee leads a confidential assessment process under which each individual director completes a self-assessment.

*Board evaluation* Each year, the Board of Directors and the Nominating and Governance Committee review and discuss the results of the Board of Directors' self-evaluation. The discussion includes an assessment of the Board's compliance with the principles in the Corporate Governance Guidelines and identification of areas in which the Board could improve its performance.