

## **CORPORATE GOVERNANCE COMMITTEE CHARTER**

### **I. PURPOSE OF THE COMMITTEE**

The Corporate Governance Committee (“Committee”) is responsible for overseeing the development of guidelines, policies, and procedures which enhance the Company’s commitment to Corporate Governance.

### **II. RESPONSIBILITIES AND DUTIES**

The following shall be the primary duties and responsibilities of the Committee. These are intended to serve as a guide and may be modified or supplemented as appropriate.

The Committee shall be responsible for:

1. Developing and periodically reviewing the Company’s **Corporate Governance Guidelines (“Guidelines”)**. The Guidelines are a set of core principles of corporate governance that establish a framework for understanding Board member conduct and responsibilities. The Guidelines are intended to promote consistency by the Board in its responsibility for overseeing corporate governance conduct. The Company’s Guidelines are posted on its public website.
2. Overseeing the **Annual Performance Evaluation** of the Board and its Committees. The Committee shall oversee the Board’s and Committees’ annual self-assessment review processes.
3. The Committee shall oversee the **orientation of new directors** and assess the need for **continuing education**.
4. The Committee shall periodically review the **certificate of incorporation** and **by-laws** of the corporation and recommend to the Board of Directors any amendments to the certificate of incorporation and by-laws for appropriate Board action.
5. The Committee shall review and make recommendations regarding the Company’s **Code of Ethics** as it relates to Board Members and Senior Management.
6. The Committee shall review and make recommendations regarding the Company’s guidelines covering **Directors serving on other Boards of Directors**.

7. The Committee shall oversee the Company's procedure related to the **resignation of Directors**; and,
8. The Committee shall oversee the Company's procedure related to **stock ownership guidelines** for Directors and Executive Officers.

### III. REPORTS

The Committee shall:

- Report regularly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
- Report on the performance of its responsibilities at least annually to the Board of Directors,
- Meet at least annually with the General Counsel of the Company to discuss compliance with the Company's corporate governance principles.
- Maintain minutes or other records of meetings and activities of the Committee.

### IV. STRUCTURE AND OPERATIONS

#### Composition and Qualifications

The Committee shall be comprised of **two** or more members of the Board of Directors, each of whom is determined by the Board of Directors to be "independent" in accordance with the rules of the New York Stock Exchange, Inc.

#### Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

## Hovnanian Enterprises, Inc.

### Chairman

The Committee's Chairman is elected by the Chairman of the Board of Directors of Hovnanian Enterprises, Inc. The Committee's Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

### Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

## V. MEETINGS

The Committee shall meet at least annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, senior manager of the corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

## VI. ANNUAL PERFORMANCE EVALUATION OF COMMITTEE

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with its Charter. In addition, the Committee shall review and reassess, at least annually the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.