

GMI EXECUTIVE PAY SCORECARDSM

Data & analysis provided by GMI-The Independent Leader in Corporate Governance and ESG&A

12 Mar 2012

Hovnanian Enterprises, Inc.




HOV NYSE

Homebuilding

Market Capitalization USD:

\$98.08 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Ara K. Hovnanian

Age: 54

CEO Since: 1997

	2009	2010	2011
Base Salary	\$1,092,606	\$1,092,606	\$1,092,606
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$699,500	\$949,500	\$949,500
Benefits and Perquisites	\$267,015	\$188,189	\$170,049
TOTAL ANNUAL COMPENSATION	\$2,059,121	\$2,230,295	\$2,212,155
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,380,000	\$1,413,750	\$529,875
Stock Awards	\$0	\$2,622,255	\$24,125
TOTAL COMPENSATION	\$3,439,121	\$6,266,300	\$2,766,155
Median of Other Named Executive Officers Total Compensation	\$946,798	\$1,286,477	\$696,562
Value Realized on Exercise of Stock Option	\$645,000	\$376,250	\$0
Value Realized on Vesting of Stock	\$204,274	\$0	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$849,274	\$376,250	\$0

Proxy Date: 14 Feb 2012

Annual Meeting Date: 27 Mar 2012

Equity Reserves: 15.32%

Stock Option Run Rate: 1.27%

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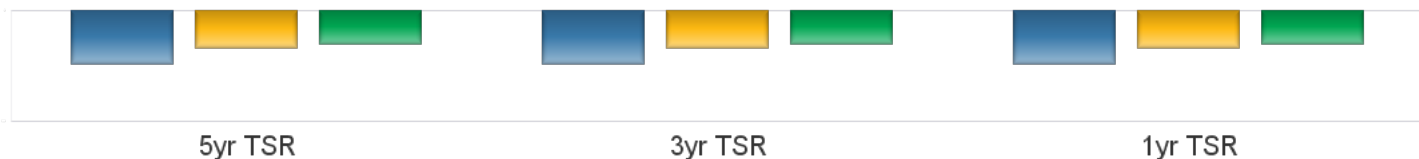
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ HOV



Peer Comparisons (TRBC) =Homebuilding

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HOV	Hovnanian Enterprises, Inc.	\$3,439,121	\$6,266,300	\$2,766,155	\$98,083,068
CVCO	Cavco Industries, Inc.	\$265,585	\$1,056,670		\$237,292,047
UMH	UMH Properties, Inc.	\$211,801	\$681,360		\$133,376,524
BZH	Beazer Homes USA, Inc.	\$6,430,253	\$6,893,362	\$8,515,576	\$114,276,588
MHO	M/I Homes, Inc.	\$1,889,273	\$1,752,998		\$112,460,820
SKY	Skyline Corporation	\$300,000	\$300,000		\$80,136,380

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Beazer Homes USA, Inc.; D.R. Horton, Inc.; KB Home; Lennar Corporation; M.D.C. Holdings, Inc.; Meritage Homes Corporation; NVR, Inc.; Pulte Homes, Inc.; Ryland Group, Inc.; The Standard Pacific Corp.; Toll Brothers, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Stephen D. Weinroth	Chairman	73	Male	30	Outside
Edward A. Kandaas	Member	67	Male	10	Outside
Robert B. Coutts	Member	62	Male	6	Outside

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