

Toll Brothers
America's Luxury Home Builder®

CODE OF ETHICS & BUSINESS CONDUCT

January 2014

TOLL BROTHERS, INC.
CODE OF ETHICS AND BUSINESS CONDUCT

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INTRODUCTION BY CEO DOUGLAS C. YEARLEY, JR.

At Toll Brothers, we are committed to offering unparalleled service and exceptional quality. Honest and ethical conduct is vital to helping us achieve that goal. At a minimum, honest and ethical conduct means compliance with the laws and regulations that apply to our business and with the principles, policies, and procedures that apply to our Company. It also requires us to be ethical in dealings that involve the Company, its businesses, and its reputation.

With this commitment in mind, we have developed this Code of Ethics and Business Conduct, which will provide you with important information and will reinforce your understanding of our ethical responsibilities in the conduct of our business. It sets forth the principles and policies that must be adhered to and observed by all Company Directors, officers, employees, and consultants. Each person must ensure that the principles set forth in this Code of Ethics are observed in all of our dealings with customers, stockholders, colleagues, subcontractors, vendors, and suppliers.

It is essential that you read and fully comprehend this Code of Ethics. As a Company, we depend upon each other to conduct our business lawfully and ethically and to identify any instance when we may not have done so. The Code emphasizes that each of us has a personal responsibility to speak up if any of us learns of, or has reason to suspect, a violation of the ethical standards of our Company. It is important to remember that our policy strictly prohibits retaliation of any kind for reporting a suspected Code violation in good faith.

It is impossible to spell out the appropriate behavior for every situation, so our Code provides the standards and principles that all of us should apply. I encourage you to speak with your Supervisor, the Human Resources Department, or the Legal Department whenever you have any questions or concerns.

Thank you for understanding the importance of this Code of Ethics and Business Conduct. We have a great Company with great employees and great opportunities ahead of us, and I am very proud that we hold each other to a very high ethical standard.

DOUGLAS C. YEARLEY, JR.
CEO

I. GENERAL GUIDELINES; DEFINITIONS

The Company is publishing this Code of Ethics and Business Conduct (the “Code”) in order to provide you with guidelines to govern your conduct as a representative of the Company. This Code must be adhered to and observed by all Company Directors, officers, employees, and consultants.

Our Code is built on the following general principles:

- There should be no conflict between attention to profit and attention to ethics. In fact, the two should go hand in hand. The Company will prosper most in an environment that is fair, transparent, and ethically sound. As you contribute to such an environment, you will also contribute to the good health of the Company.
- In furtherance of the above, we must:
 - (a) exhibit honesty, candor, and fair dealing in all of our activities;
 - (b) avoid conflicts, or even the appearance of conflicts, between personal interests and the interests of the Company;
 - (c) promote the ethical reputation of the Company and avoid conduct that might reflect adversely on the Company;
 - (d) create and maintain a professional work environment in which all employees, customers, subcontractors, and vendors are treated with respect and dignity;
 - (e) act with integrity in dealing with the Company’s assets to ensure that Company assets are used efficiently and for legitimate business purposes; and
 - (f) comply with the other Company policies that govern our conduct, which can be found on the Company’s intranet.

No code of conduct can spell out the appropriate ethical behavior for every situation with which you will be confronted. As a result, the Company strongly encourages you to communicate with your Supervisor, the Legal Department, or the Human Resources Department regarding any questions you may have with respect to the meaning or applicability of this Code or any violations or potential violations of this Code. Whether expressly required or not, where you have some doubt or some question as to whether a situation is or might be in violation of this Code, or might implicate a particular section of this Code, you should bring the matter to the attention of one of the parties mentioned above. All such inquiries will be handled with discretion and, where possible, will be kept confidential.

Throughout this Code, certain terms and references are used repeatedly. Some of these terms and references are explained below to aid your understanding of the Code.

- “Company” means Toll Brothers, Inc. (“TBI”) and all of its subsidiaries and affiliates.

- “Board” means the Board of Directors of TBI, and “Director” means a member of the Board.
- “Supervisor” means the Regional President, Group President, or Division President in charge of your division, or the Senior Vice President or Vice President in charge of your department. If you are a Regional President or Senior Vice President, “Supervisor” means the Chief Executive Officer.

Inquiries or reports pursuant to this Code may be made as listed below.

- Inquiries or reports to the Legal Department may be made as follows:
 - John K. McDonald
Senior Vice President, General Counsel, and Chief Compliance Officer
Phone: 215.938.8295
Fax: 215.938.8255
Email: jmcdonald@tollbrothersinc.com
- Inquiries or reports to the Human Resources Department may be made as follows:
 - Jon Downs
Senior Vice President, Human Resources
Phone: 215.938.8035
Fax: 215.938.8291
Email: jdowns@tollbrothersinc.com
 - Michele Wolfe
Vice President, Human Resources
Phone: 215.938.8066
Fax: 215.938.8291
Email: mwolfe@tollbrothersinc.com

Except where otherwise provided, when this Code requires that you seek approval or advice from your Supervisor or the Legal Department, you may consult either; however, if you elect to consult your Supervisor, your Supervisor will be required to consult the Legal Department.

II. YOUR OBLIGATIONS

It is a condition of your employment with the Company that you read, understand, and comply with the provisions of this Code. You are expected to act fairly and honestly in all of your dealings and are expected to maintain the highest ethical standards in accordance with this Code. Failure to comply with your obligations arising from this Code may result in disciplinary action against you and may subject you to termination.

This Code should be construed broadly to accomplish our goal of conducting business ethically and with integrity. Accordingly, you may not circumvent this Code by doing indirectly that which is directly prohibited (e.g., having prohibited actions taken by, or arranging to have an unacceptable business courtesy made to, a family member, friend, colleague, or associate).

III. FAIR DEALING

The Company expects you to be honest, fair, and straightforward in all dealings. You must always deal fairly and in good faith with the Company, and with our customers, subcontractors, suppliers, vendors, competitors, investors, and business partners, and with each other. You must not use your position with the Company to seek or to take unfair advantage of anyone through manipulation, coercion, concealment, abuse of privileged or confidential information, misrepresentation of material facts, fraudulent behavior, or any other unfair or unlawful practice that seeks to leverage your role as a Director or employee of the Company.

IV. CONFLICTS OF INTEREST

A. GENERALLY

The underlying principle of the Company's conflicts of interest policy is that you must not permit your personal interests to conflict with, or appear to conflict with, the interests of the Company. A "conflict of interest" occurs when your personal or professional interests interfere with, or appear to interfere with, the interests of the Company. A conflict of interest may exist when you are involved in activities for which you or a member of your family may receive a personal gain or benefit, whether tangible or intangible, or when you are involved in activities that might interfere with, or appear to interfere with, the performance of your Company duties and responsibilities.

Certain types of conflicts of interest are discussed in this section. Discounts, gifts, and business courtesies are covered in Section VI below.

NOTE: An actual conflict of interest need not be present to constitute a violation of this Code. You should also avoid any conduct that creates the mere appearance of a conflict of interest. If you have any doubt or question regarding the propriety of certain conduct, please be sure to consult with your Supervisor, the Legal Department, or the Human Resources Department.

B. OUTSIDE EMPLOYMENT

Every employee is expected to devote himself or herself fully to the Company's service during his or her regular hours of employment and to refrain from engaging in any outside employment that competes with, conflicts with, or compromises the interests of the Company or its ancillary businesses or adversely affects the employee's job performance and the ability to fulfill all responsibilities to the Company.

For example, each of the following areas of outside employment creates an impermissible conflict or the appearance of a conflict of interest and is, therefore, prohibited:

- Engaging in the sale of real estate as outside employment.

- Performing as outside employment any services for a Toll Brothers homeowner that are normally performed by the Company.
- Remodeling/renovation/repair work for a Toll Brothers homeowner in an active selling community.

You may be permitted to engage in outside work or hold other jobs subject to certain limitations as set forth in more detail in the Company’s Outside Employment Policy, which is contained in your Employee Handbook. Any questions on this policy should be directed to the Human Resources Department.

C. INTEREST IN VENDORS, SUPPLIERS, AND OTHERS

Without prior approval from the Legal Department, the following activities are prohibited:

Serving (paid or unpaid) as an officer, director, consultant, employee, representative, or agent of, or holding an ownership interest (either directly or indirectly) in:

1. A privately held vendor, supplier, subcontractor, or competitor of the Company.
2. Any privately held business that is involved in industries or product lines that are similar to those of the Company.

A conflict of interest may be present not only through your ownership of or investment in a vendor, subcontractor, or competitor, but also through the ownership of a vendor, subcontractor, or competitor by a family member. For purposes of this section, the term “family member” is intended to be broad and includes, without limitation, your spouse, child, parent, sibling, in-law, domestic partner, or even a roommate. In order to avoid the conflict of interest that could be inherent in such arrangements, employees must disclose any such relationships to the Legal Department.

D. USE OF SUBCONTRACTORS, VENDORS, AND SUPPLIERS FOR PERSONAL MATTERS

The Company permits you to engage a Company subcontractor, vendor, or supplier for personal use; however, due to the heightened potential for a conflict of interest presented by such an engagement, you must comply with the following procedures, which are strictly monitored and enforced by the Legal and Human Resources Departments.

For any project or service that has a total value in excess of \$2,000, the following procedures must be followed:

1. You must obtain advance approval for the project from your Reviewing Supervisor.

A Reviewing Supervisor is:

- (a) for a project being undertaken by an operations employee, the head of an ancillary business, or a corporate administrative department head who reports to a Regional President, his or her Regional President;
 - (b) for a project being undertaken by an employee of an ancillary business or a corporate administrative employee, the head of the ancillary business or corporate administrative department;
 - (c) for a project being undertaken by a Regional President, another Regional President designated by the Senior Vice President of Human Resources; and
 - (d) for a project being undertaken by an executive officer or the head of a corporate administrative department or ancillary business who does not report to a Regional President, the General Counsel.
2. You must complete the “Use of a TBI Subcontractor, Vendor, or Supplier for Personal Use” form and submit the completed form to your Reviewing Supervisor for approval and to the Human Resources Department.
 3. You must present the plans for the project and a preliminary budget for each Company subcontractor that you intend to use to your Reviewing Supervisor.
 4. If the project is approved by the Reviewing Supervisor, you must obtain and maintain itemized invoices from every Company subcontractor, vendor, or supplier used on that project and proof of payment. These records will be subject to an audit at any time during the construction process or at the completion of the job.
 5. Upon the completion of the project, the Reviewing Supervisor must audit at least three Company subcontractors who worked on the project.

For any project or service to be provided to an employee from a Company subcontractor, vendor, or supplier that has a total value under or up to \$2,000, you must complete the “Use of a TBI Subcontractor, Vendor, or Supplier for Personal Use” form to document the arrangement and submit the completed form to the Human Resources Department. You must retain a copy of any invoice generated for the project or service and retain proof of payment. You may be requested to produce such documentation.

For any employee who wishes to build a TBI home within a TBI community, this must be done pursuant to an Agreement of Sale approved for the sale of homes in that

community and will be subject to the Company's policy regarding employee purchases of TBI homes.

Violation of this policy will result in disciplinary action up to and including termination.

E. CORPORATE OPPORTUNITY AND OTHER OUTSIDE ACTIVITIES

Without prior approval from the General Counsel, Directors, officers, and employees are prohibited from engaging in the following activities:

1. Directly or indirectly acquiring (or directing to their own personal advantage or that of someone other than the Company) any business opportunity in which the Company might reasonably be interested or any business opportunity that is discovered through the use of Company property, information, or position, or competing with the Company for business opportunities.
2. Engaging in any other outside activity that influences, may influence, or appears to influence the objective decisions required of employees in the performance of their job responsibilities at the Company.

F. SERVICE WITH CIVIC, CHARITABLE, AND PROFESSIONAL ORGANIZATIONS

The Company encourages employees to participate in civic and charitable activities. Participation in such activities does not require any prior approval, but you are required to obtain the prior approval of your Supervisor or the Legal Department if any circumstances exist that might present a conflict of interest or the appearance of a conflict of interest. Prior approval is also required if the employee is to be out of the office or engaged in such activity during the Company's normal business hours.

G. SERVICE AS AN ELECTED OFFICIAL

The Company is aware that employees may be asked to or may desire to serve as elected or appointed officials in their local communities. Before accepting any such appointment or running a campaign for office, you must obtain the prior approval of the General Counsel.

H. PRIOR EMPLOYMENT RELATIONSHIPS

In circumstances in which a former Company employee becomes employed by a Company vendor or subcontractor or in which the Company hires a vendor where a current Company employee was previously employed, there is a heightened potential for conflicts of interest. Such arrangements should be disclosed to your Supervisor or the Legal Department to ensure that appropriate measures are put in place to avoid any potential conflict of interest.

V. BRIBES AND KICKBACKS

Receiving a kickback or bribe or giving a kickback or bribe to someone else to influence a decision for the benefit of the Company, even if intended to facilitate or influence a business transaction, is unethical, is contrary to this Code and the way the Company operates, and may be unlawful. See also the last paragraph under Section IX.B. Any employee found to have received or given a kickback or bribe will be subject to disciplinary action up to and including termination.

VI. GUIDELINES FOR GIFTS, DISCOUNTS, AND OTHER BUSINESS COURTESIES

A. POLICY

Business decisions made by Company employees should be made on the basis of quality, service, price, and similar competitive factors and not on the basis of gifts or business courtesies offered by others. Employees are prohibited from soliciting gifts or business courtesies. Employees are permitted to receive unsolicited gifts and business courtesies only to the extent that they are in accordance with the provisions and spirit of this Code. The acceptance of business courtesies, to the extent permitted, should not create the appearance that the donor expects to receive preferential treatment in return, or the appearance that an attempt is being made to induce a Company employee to grant an unfair competitive advantage or motivate him or her to do anything that is prohibited by law, regulation, or the Company's policy.

Employees in a position to deal with persons or firms with whom the Company maintains business relationships must be familiar with Company policy and procedures regarding business courtesies and must be sensitive to those circumstances in which the offer or acceptance of business courtesies might be perceived as improper.

B. DEFINITION OF BUSINESS COURTESY

A "business courtesy" is a gift, gratuity, or favor from a current or prospective vendor, supplier, subcontractor, or customer for which fair market value is not paid, or fully paid, by the recipient. It may be a tangible or intangible benefit, monetary or not, in the form of free or discounted items or services including, but not limited to, meals, drinks, entertainment, tickets, clothing, accessories, other gift items, event attendance, subscriptions, memberships, housing and hospitality, trips and transportation, recreation, promotional material, and the use of the donor's time, material, property, or equipment.

C. DISCOUNTS

Except as provided in Section VI.E. below, business courtesies in the nature of free or discounted items or services (collectively referred to as "discounts") are deemed by the Company to be unacceptable and may only be accepted with the prior approval of the employee's Supervisor or the Legal Department.

D. UNACCEPTABLE BUSINESS COURTESIES

Except as provided in Section VI.E. below, business courtesies are deemed by the Company to be unacceptable. The following are some examples of unacceptable business courtesies:

1. Cash, cash equivalents, gift cards of even a nominal value, and securities.
2. Business courtesies in excess of nominal value.
3. Tickets to sporting, cultural, or other entertainment events with a value greater than \$250 per individual and \$500 in the aggregate for any single event from one source.

E. ACCEPTABLE BUSINESS COURTESIES

Employees are urged to use their best judgment when offered a business courtesy and to contact their Supervisor to resolve any questions or doubts. For purposes of this Section VI.E., Supervisors are not required to consult the Legal Department, but may feel free to do so. The following are some examples of acceptable business courtesies:

1. Discounts from another company or person with whom the Company has an arrangement for the benefit of all of the Company's employees (e.g., discounts described on the Company's intranet site or discounts available to all employees in the same geographic area).
2. Discounts that are available to the general public or to all employees generally.
3. Novelties and other items of nominal monetary value that are infrequently received and of a type typically distributed widely to others who have essentially the same business relationship with the donor.

Tickets to sporting, cultural, or other entertainment events with a value of less than \$250 per individual and less than \$500 in the aggregate for any single event from one source; there should be reasonable limitations in terms of the frequency of accepting tickets from any single source.

Meals, provided that they accompany or facilitate the discussion of Company business or otherwise serve a demonstrable business purpose and would ordinarily be reimbursable by the Company in accordance with the Company's Travel Policy. Employees should refrain from excessive alcohol consumption during any permitted business meal and are reminded that all Company policies govern the conduct at such meals.

4. Complimentary attendance at sponsored industry (or related industry) entertainment and/or award dinners or events, to be attended by other industry representatives.

5. Complimentary attendance at charitable or community events.

Notwithstanding the above, employees are prohibited from accepting any of the business courtesies set forth in this section from Toll home buyers or customers.

VII. TRANSACTIONS WITH THE COMPANY

The Company has various policies in place that govern transactions between the Company and its Directors, officers, and employees. For information on the policies and procedures that apply to a transaction between you and the Company, please see one of the following policies, all of which are available on the Company's intranet site or from the Human Resources Department or Legal Department.

- Policy for Employee Discounts on Toll Brothers Homes
- Policy for Employee's Immediate Family Member Discounts on Toll Brothers Homes
- Employee Mortgage Loan Discount Policy
- Westminster Security Employee Discount Policy
- Policy for Purchase from Toll Integrated Systems
- Related Party Transaction Policy
- Management Guidelines for Insider Transactions

VIII. EMPLOYMENT-RELATED MATTERS

The Company is committed to maintaining a work environment of mutual trust and respect that is safe and productive, free from discrimination, harassment, violence, drugs, and alcohol, and where all employees are recruited, developed, and advanced on the basis of their qualifications, talents, and achievements. To that end, the following documents and policies have been put in place:

A. EMPLOYEE HANDBOOKS

You received a copy of the applicable Employee Handbook for your job category when you began employment with us. The Employee Handbook contains policies and procedures applicable to you. In addition to reading and complying with this Code, you are, from the date of commencement of your employment, also responsible for reading and complying with the policies and procedures set forth in the current Employee Handbook for your job category. A copy of the current Employee Handbook applicable to your job category is available on the Company's intranet or may be obtained by contacting the Human Resources Department.

B. DRUGS AND ALCOHOL

The health and safety of every employee demands that you report to work free from any substance, including drugs or alcohol, that could prevent you from doing your job properly and in a safe manner. The possession, distribution (selling or otherwise), manufacture, or use of any illicit drugs on Company premises, in Company vehicles,

or while on Company time is strictly prohibited. For purposes of this policy, lunch or break times and Company-sponsored events are considered Company time. Any employee who violates this policy will be subject to termination. Employees are also prohibited from working (including driving a Company vehicle) under the influence of alcohol and/or illicit drugs.

Any employee violating the Company's policies regarding drugs and alcohol will be deemed to have engaged in serious misconduct and will be subject to disciplinary action, up to and including termination.

C. EQUAL EMPLOYMENT OPPORTUNITY

The Company is committed to promoting equal employment opportunity. The Company will recruit, hire, train, promote, compensate, discipline, and provide other conditions of employment on the basis of merit and without regard to a person's gender, age, race, color, religion, national origin, ancestry, citizenship, physical or mental disability, sexual orientation, gender identity, genetic information, family responsibility, or any other status protected by law. The Company will provide reasonable accommodations that do not create an undue hardship for the Company for individuals' disabilities and religious beliefs and practices.

D. HARASSMENT

1. Generally. The Company prohibits the harassment of any employee on the basis of gender, age, race, color, religion, national origin, ancestry, citizenship, physical or mental disability, sexual orientation, gender identity, genetic information, family responsibility, or any other status protected by law. For the purpose of this policy statement, harassment is defined as verbal or physical conduct of a discriminatory nature directed towards an employee of the Company that affects an individual's employment status, is used as a basis for employment decisions, has the purpose of interfering with an individual's job performance, or creates an intimidating or offensive work environment.

If you feel that you have been the target of harassment or have witnessed the harassment of another, you should immediately report the offending conduct to the Human Resources Department or the Legal Department. Any Supervisor made aware of a possible harassment or discrimination problem must immediately notify either the Human Resources Department or the Legal Department.

2. Sexual Harassment. It is the Company's policy that each employee should be able to enjoy a work environment free of all forms of discrimination, including sexual harassment. Sexual harassment in any form by any employee, Director, or officer or by a vendor, contractor, or customer is unacceptable and expressly prohibited.

Sexual harassment may include any unwelcome action that is sexual in content or implication, including where submission or exposure to the action is either an explicit or implicit term or condition of employment, or where submission to or rejection of the action is used as a basis for employment decisions affecting that employee. It also includes conduct that has the purpose or effect of interfering with the employee's work performance or creating an intimidating, hostile, or offensive work environment. Such conduct includes unwelcome sexual advances, requests, or demands for sexual favors or other verbal, physical, or visual conduct of a sexual nature. It refers to behavior with a sexual connotation that is not welcome and that is personally intimidating, hostile, or offensive, and debilitates morale and, therefore, interferes with work effectiveness.

Any employee who believes that he or she has been the victim of sexual harassment should immediately report the offending conduct to the Human Resources Department or the Legal Department. Any Supervisor or manager made aware of a possible harassment or discrimination problem must immediately notify either the Human Resources Department or the Legal Department.

No employee who exercises his or her right to report such incidents involving discrimination or sexual harassment will be subject to retaliation.

E. SEARCHES

The Company's policy allows the use of any lawful method of investigation that the Company deems necessary to determine whether any person has engaged in any conduct that interferes with or adversely affects its business, including compliance with this Code and other Company policies and procedures. This includes the theft of any Company property or any property of any Company employee or visitor. It also includes, but is not limited to, suspicion of possession, sale, or use of drugs, alcohol, firearms, or anything else that is prohibited or restricted on Company property.

Although desks, lockers, computers, filing cabinets, Company vehicles, and other work spaces are made available for your convenience while at work, you should remember that all remain the sole property of the Company. The Company reserves the right, in furtherance of its interest in promoting safety, security, and proper usage in the workplace, to open, inspect, and monitor such Company property (including, without limitation, documents, emails, and online communications). Such an inspection can occur at any time, with or without advance notice. You, therefore, should not expect that you have any privacy or confidentiality with regard to Company property. In addition, in those situations in which you use your own mobile device for work or for downloading Company software or applications, you may be expected to temporarily turn the device over to the Company if needed for a Company investigation.

IX. CONFIDENTIAL INFORMATION

A. GENERALLY

You should maintain the confidentiality of information entrusted to you by the Company or its customers, except when disclosure is authorized or legally mandated. Unauthorized disclosure of Confidential Information relating to the Company can cause competitive harm to the Company and, in some cases, can result in legal liability for the employee and the Company. For purposes of this Code, “Confidential Information” includes, but is not limited to:

- Marketing, legal, planning, tax, and accounting methods, policies, plans, procedures, strategies, and techniques;
- Financial information concerning the Company, including, but not limited to, projections, guidance, estimates, forecasts, and supporting schedules, and documentation;
- Research and development projects, plans, and results;
- Trade secrets and other technical information;
- Names, addresses, and other nonpublic information regarding the Company's suppliers, vendors, shareholders, customers, and potential customers;
- Customer lists as well as transactional, financial, or other personal information about our customers;
- Any other data or information relating to the business of the Company that is not generally known by and readily accessible to the public;
- Any other data or information relating to our customers that is not generally known by and readily accessible to the public;
- Information concerning the Company's employees such as names, addresses, nonpublic personal information, salaries, bonuses, performance ratings, corrective action, and employee relations issues; and
- Information obtained by the Company from others pursuant to a confidentiality or nondisclosure agreement or understanding.

B. NONDISCLOSURE OF CONFIDENTIAL INFORMATION

It is a violation of this Code and potentially of civil and criminal laws for you to disclose to persons outside the Company – even inadvertently – Confidential Information about the Company, except as required by law or in the performance of your regular duties. To the extent disclosure is required by law, you must consult the Legal Department prior to making such disclosure.

C. SAFEGUARDING CONFIDENTIAL INFORMATION

All Confidential Information concerning the Company and its business is the property of the Company, and you must take due care to ensure that it is safeguarded. For example, sensitive documents should not be left lying on desks either during or after working hours, and care should be taken when disposing of such documents (e.g., shredding). Visitors should not be left unattended in offices or conference rooms containing sensitive or confidential Company documents. You must exercise prudence in not discussing sensitive Company business in social settings or in places where it may be overheard by persons unaffiliated with the Company.

D. COMMUNICATIONS WITH MEDIA AND WITH INVESTORS

Communications on behalf of the Company with the media, banks, brokers, financial and securities analysts, and investors must be made only by the Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, General Counsel, Director of Investor Relations, Senior Vice President of Marketing, or other specifically designated representatives of the Company. Unless you have been expressly authorized to make such communications, you should refer any inquiry relating to the Company from the media, a financial or securities analyst, or an investor to one of the Company officers listed above.

E. REQUESTS BY REGULATORY OR GOVERNMENTAL AGENCIES

Requests by regulatory or government agencies for information and requests by the media regarding any information concerning litigation or other investigative or legal proceeding involving the Company must be referred to the Legal Department.

F. PERSONNEL RECORDS

Only authorized employees with a valid work-related reason may have access to and use of personnel records kept by the Company about individual employees. These records include employee medical records, payroll records, information supplied by applicants or employees for “employment eligibility verification” under federal law, and various other personal data.

Employees who work with or are called upon to review and maintain personnel records have the responsibility to keep such records private and confidential and to ensure that appropriate procedures are taken to preserve the confidentiality of the information. Questions concerning whether information is confidential, how an employee should handle a request for disclosure of confidential information, or what specific procedures apply to ensure the security of the confidential information should be directed to the Human Resources Department or the Legal Department.

X. INSIDER TRADING

It is a violation of this Code and potentially of civil and criminal laws for any Insider who is in possession of material nonpublic information relating to the Company to trade directly or indirectly in the Company's securities or to disclose such information to another person who may trade in the Company's securities. Directors, officers, employees, and members of the immediate family or household of such persons are all considered "Insiders."

Material nonpublic information is any information, positive or negative, that might be of significance to an investor in determining whether to buy, sell, or hold securities of the Company, and that has not been previously disclosed by the Company to the general public or is not otherwise available to the general public. In short, material nonpublic information is any information that could reasonably affect the price of the Company's securities.

Insider trading can bring severe consequences. Persons found to have traded on inside information, or to have passed such information to others, are subject to civil sanctions and criminal prosecution. The potential penalties for such misconduct include imprisonment, disgorgement of profits, substantial fines, and civil liability of up to three times the profit gained or loss avoided.

The Company's complete Insider Trading Policy is available on the Company's intranet. Please pay particular attention to (a) situations when preapproval is required under the Insider Trading Policy in order for certain Insiders to trade in Company securities, and (b) the blackout periods set forth in the Insider Trading Policy, during which trading in Company securities by Insiders is prohibited. Any questions concerning the Insider Trading Policy, blackout periods, preapprovals, or transactions in the Company's securities should be directed to the General Counsel.

XI. POLITICAL CONTRIBUTIONS

A. POLICY

No Director, officer, employee, or agent is authorized to make a political contribution on behalf of the Company or in the Company's name except in accordance with this Code and the Company's Political Contributions Policy, which is available on the Company's intranet. Without prior approval of the General Counsel, no employee may use his or her position with the Company to solicit contributions from the Company's suppliers, subcontractors, vendors, consultants, or employees.

B. FEDERAL ELECTIONS

Federal law prohibits the Company from making any contributions to any candidate for federal office or to any federal party committees or federal political action committees. This prohibition includes direct and indirect payments, regardless of whether they are given in cash, goods, or services or through allowing a candidate to use the Company's facilities and equipment. This prohibition does not preclude contributions by the Company's employee-funded political action committee, which may be made in

accordance with the Company's Political Contributions Policy, which is available on the Company's intranet.

With respect to federal candidates, it is against the Company's policy:

1. For the Company to make any contribution or expenditure of any nature;
2. To use Company stationery or assets to make or solicit contributions; or
3. To reimburse an employee for any contribution or expenditure.

C. STATE AND LOCAL ELECTIONS

Political contributions to candidates for state or local elections are limited under state law. Therefore, as a general matter of policy, such contributions are not to be made on behalf of the Company except in accordance with the Company's Political Contributions Policy. No such contributions will be made without the prior written approval of the General Counsel and the Chief Executive Officer, as outlined in the Company's Political Contributions Policy.

D. INDIVIDUAL CONTRIBUTIONS

The Company's Political Contributions Policy applies solely to the use of Company assets and is not intended to discourage or prevent individuals from engaging in political activities on their own time and at their own expense. You must take care, however, in all cases to avoid giving the appearance that you are acting or speaking on the Company's behalf. Since your work time can be considered a contribution, no employee may work for any candidate during hours for which he or she is being paid by the Company. In addition, no employee will be reimbursed by the Company for personal political contributions.

E. TRADE ASSOCIATIONS

It is the Company's policy to prohibit Company contributions to trade associations where the contribution will be used either directly or indirectly in support of candidates in violation of federal or state law. This policy does not, however, prohibit the Company from supporting the legitimate lobbying efforts of a trade association of which this Company is a member. Please contact the General Counsel if you have any questions or require any clarification as to whether a contribution is permissible.

F. DEALING WITH PUBLIC OFFICIALS

It is in the public's and the Company's best interest to avoid any action that could give the appearance that a public official's judgment or integrity may have been compromised. Therefore, it is against Company policy to purchase meals, gifts, or entertainment for public officials. For similar reasons, free or greatly discounted services to public officials are prohibited. Exceptions to this policy may be made for beverages and food consumed

on the Company's premises in connection with the conduct of the official's duties and for advertising novelties.

XII. CERTAIN LAWS AND REGULATIONS APPLICABLE TO OUR BUSINESS

The Company must comply with laws and regulations that are applicable to its business, including insider trading laws, and requires that its Directors, officers, and employees also comply. If there is any question about any laws or regulations that may govern the Company, you should seek advice from the Legal Department. Although not an exhaustive list, below are some of the laws that the Company frequently encounters in its business operations.

A. FAIR HOUSING ACT

Title VIII of the Civil Rights Act of 1968, as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability. Neither the Company nor its employees may refuse to negotiate, rent, or sell housing based on race, color, national origin, religion, sex, familial status, or disability. Nor may the Company or its employees set different terms for the sale or rental of housing based on these characteristics. With respect to mortgage lending, neither the Company nor its employees may refuse to make a loan, or impose different terms or conditions on a loan, such as different interest rates, points, or fees, based on any of the characteristics covered by the Fair Housing Act.

B. ANTITRUST LAWS

Compliance with the applicable antitrust laws is vitally important to the Company and, therefore, claims of ignorance, good intentions, or failure to seek timely advice will not be accepted as an excuse for violations. The penalties for violations of the antitrust laws are quite severe and include not only possible dismissal from the Company, but also civil fines and penalties and criminal fines and penalties including imprisonment. Therefore, whenever in doubt about compliance with antitrust laws, you must seek the guidance of the Legal Department. In general, you should be mindful of the following principles:

- Agreements or understandings with competitors that fix prices or otherwise restrict competition are not only bad business practices but also usually illegal.
- Contracts or other arrangements that involve restrictive agreements with suppliers may be unlawful and should not be entered into without the prior written approval of the Legal Department.
- The goods and services that the Company purchases from others and the prices and terms on which it does should not be discussed outside of the Company.

C. MARKETING AND ADVERTISING REGULATIONS

In marketing our products, you must follow all of the basic antitrust principles noted above. There are, however, some additional legal and ethical principles that should govern your conduct.

If you make specific claims about our homes or other products or services we offer, you should have evidence to substantiate those claims. You should not market our homes or services in any way that might cause confusion between the Company and any of our customers or competitors. If a promotion is being offered, it should be offered to all of our customers who meet the qualifications for such promotion. We should not disparage any of the products, services, or employees of any of our competitors. Promotions and comparative advertising are subject to very detailed and technical regulation and, therefore, should only be offered after approval from the appropriate Regional President and the Company's Marketing Department.

All use of the Company's trademarks and trade names should be in accordance with our practices governing such use.

The Company will not pay or accept any bribe, kickback, or similar payment to or from anyone, including agents of our customers or members of their families, in connection with the sale of any of our homes, provision of any services, or conduct of our business. Should any such payments be requested, the Legal Department must be contacted immediately. Our policy is to forego any business that can only be obtained by improper or illegal payment.

D. PURCHASING POLICY

The Company will purchase all of its supplies and requirements on the basis of price, quality, and service. All suppliers should be dealt with fairly, honestly, and openly. Suppliers should be chosen without regard to the size of their company or the nationality of the shareholders or management, except in so far as specific legal requirements dictate that those factors be taken into consideration.

This policy extends to services such as banking, auditing, legal, consulting, advertising, and construction services, as well as to the purchase of goods used by the Company.

E. SAFETY AND ENVIRONMENTAL LAWS

The Company operates its business in a safe and environmentally sound manner, and we consider compliance with safety regulations and environmental laws to be vitally important to the welfare of the Company. In addition to complying with all federal, state, and local laws regarding safety and environmental standards, you are also expected to comply with Company policies regarding these matters. The Company's policies pertaining to safety in home building, storm water management, disposal of hazardous waste, and other related policies are available on the Company's intranet. If you have any questions regarding such policies, you should consult the Legal Department.

F. FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (“FCPA”) is a federal criminal law that prohibits any Director, officer, employee, or agent of the Company from corruptly making, or offering to make, or authorizing the payment of, any money or anything of value, directly or indirectly, to foreign government officials in order to obtain or retain business. This prohibition includes the provision of any payment intended to influence the decision of any foreign government official in his or her official capacity, including a decision not to perform an official function. In addition to employees and officers of foreign government departments, agencies, or political parties, the term “foreign public official” may include a candidate for foreign public office and employees of state-owned enterprises or companies. The FCPA applies to payments to any foreign public official, regardless of rank or position. Companies and individuals who violate the FCPA are subject to substantial penalties, including significant fines and imprisonment.

The FCPA also prohibits corrupt payments through intermediaries. Intermediaries may include joint venture partners or agents. It is unlawful to make a payment to a third party while knowing that all or a portion of the payment will go directly or indirectly to a foreign official. The term “knowing” can include conscious disregard and deliberate ignorance.

The Company expects that all employees will conduct themselves in compliance with all applicable laws, including the FCPA and the anti-bribery laws of the countries in which the Company does business. Any questions regarding the scope of the FCPA, including whether any transaction may implicate the FCPA, should be directed to the Legal Department.

G. OTHER LAWS

As the Company continues to grow and evolve, and expand its geographic footprint, it is becoming increasingly more difficult to stay ahead of new and ever-changing laws. Therefore, it is important to remember that if you have any doubts or questions regarding the applicability of any law or the propriety of certain conduct, you should seek the advice of the Legal Department.

XIII. REPORTING POSSIBLE ACCOUNTING AND AUDITING CONCERNS

A. GENERALLY

Congress passed the Sarbanes-Oxley Act of 2002 ("SOX") to improve, among other things, the accounting and auditing practices of publicly held companies. As required by Section 301 of SOX, the Audit Committee of the Company adopted the TBI Accounting and Auditing Complaint Monitoring Procedures for (i) the receipt, retention, and treatment of complaints received by the Company from outside parties regarding accounting, internal accounting controls, or auditing matters ("Accounting Matters"), and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding Accounting Matters.

B. SUBMISSION OF COMPLAINTS BY OUTSIDE PARTIES

Any outside party wishing to submit a complaint regarding Accounting Matters should do so in writing and send it by regular or electronic mail to the General Counsel, who also serves as the Chief Compliance Officer and Accounting Compliance Officer, or to the Chairman of the Audit Committee of the Company as follows:

John K. McDonald
Senior Vice President, General Counsel, and Chief Compliance Officer
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044
Email: jmcdonald@tollbrothersinc.com

Paul Shapiro
Chairman of the Audit Committee of the Board of Directors
c/o John K. McDonald, Senior Vice President, General Counsel, and
Chief Compliance Officer
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044
Email: jmcdonald@tollbrothersinc.com

In addition, the Company has an anonymous hotline that can be accessed by dialing 877.628.7892 or by going through the www.tollbrothersinc.com website. More information about the hotline is available on the Company's website.

C. ANONYMOUS SUBMISSION OF COMPLAINTS BY EMPLOYEES

Any employee may submit, on an anonymous basis if so desired, any concerns regarding Accounting Matters. All such concerns must be set forth in writing and sent by regular or electronic mail to the General Counsel, who also serves as the Chief Compliance Officer and Accounting Compliance Officer, or to the Chairman of the Audit Committee of the Company at the address set forth below:

John K. McDonald
Senior Vice President, General Counsel, and Chief Compliance Officer
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044
Tel: 215.938.8295
Email: jmcdonald@tollbrothersinc.com

Paul Shapiro
Chairman of the Audit Committee of the Board of Directors
c/o John K. McDonald, Senior Vice President, General Counsel, and
Chief Compliance Officer
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044
Tel: 215.938.8295
Email: jmcdonald@tollbrothersinc.com

In addition, you may access the Company's anonymous hotline by dialing 877.628.7892. You may also make an anonymous report on the Company's intranet or public Internet page. These are easy and confidential ways to report any concerns about Accounting Matters that you may witness or learn about from other sources. More information about anonymous reporting is available on the Company's intranet.

D. TREATMENT OF COMPLAINTS

The General Counsel, in conjunction with the Chief Executive Officer and, if deemed appropriate by the Chief Executive Officer, the Chief Financial Officer, will determine the best method for investigating the material facts relating to the complaint and determine what remedy, if any, is appropriate under the circumstances.

The Company will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employees in the terms and conditions of employment based on any lawful action of such employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of SOX.

XIV. REPORTING POSSIBLE VIOLATIONS OF THE LAW, THE CODE OF ETHICS, OR OTHER COMPANY POLICIES

A. VIOLATIONS

Violations of the law, this Code, or any of the Company's policies or rules of conduct may constitute grounds for dismissal. If a situation that presents a potential violation of this Code arises, you should immediately contact (i) your Supervisor, (ii) the Human Resources Department, or (iii) the Legal Department. Any Supervisor made aware of a violation or possible violation of the law, this Code, or any of the Company's policies or rules of conduct must immediately notify the Human Resources Department or the Legal

Department. No waivers of this Code for executive officers or Directors of the Company may be made unless approved by the Board of Directors or a committee of the Board.

Discovery of events of a questionable, fraudulent, or illegal nature or that appear to be in violation of this Code must be promptly reported in the manner described above.

Employees wishing to make an anonymous report of a potential violation of the law, this Code, or any of the Company's policies or rules of conduct may also send such a report in writing by regular or electronic mail to the General Counsel at the address set forth below:

John K. McDonald
Senior Vice President, General Counsel, and Chief Compliance Officer
Toll Brothers, Inc.
250 Gibraltar Road
Horsham, PA 19044
Tel: 215.938.8295
Email: jmcdonald@tollbrothersinc.com

In addition, the Company has an anonymous hotline that you can access by dialing 877.628.7892. You may also make an anonymous report on the Company's intranet or public Internet page. These are easy and confidential ways to report any criminal activities, unethical or inappropriate behavior, or other violations of this Code that you may witness or learn about from other sources. More information about the anonymous reporting is available on the Company's intranet.

B. TREATMENT OF COMPLAINTS

The General Counsel, in conjunction with the Chief Executive Officer, will determine the best method for investigating the material facts relating to any reported potential violations and determine what remedy, if any, is appropriate under the circumstances.

The Company will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employees in the terms and conditions of employment based on any lawful action of such employee with respect to good faith reporting of complaints regarding any violation of the Code.

C. ANONYMITY

No code of conduct can be truly effective without the freedom to ask questions, exchange information, and report questionable conduct without the fear of reprisal for taking such actions. Therefore, all inquiries and reports made pursuant to this Code will be handled with discretion and, to the fullest extent possible, will be held in the strictest confidence. There will be no adverse effect on any employee who brings to the attention of his or her Supervisor or to the Human Resources or Legal Departments (or other appropriate officer of the Company) a violation or potential violation of this Code by another employee.

XV. AUDITS; COMPLIANCE OFFICER

The Company will conduct periodic audits from time to time to ensure compliance with the Code by all employees and others subject to its provisions. The General Counsel is also the Chief Compliance Officer and is the officer responsible for all questions regarding the applicability and enforcement of this Code.

CERTIFICATION

I, _____,

hereby certify that (a) I have received and reviewed the Toll Brothers Code of Ethics and Business Conduct (“Code”), (b) I understand the conduct that is expected of me under the Code as an employee of Toll Brothers, Inc., and (c) as of this _____ day of _____, 20__, I am in compliance with the Code.

This page remains a part of this booklet.
It is only a sample copy of the form you have signed.