

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors of Centex Corporation has adopted the following guidelines to reflect the principles and practices that the Board will follow in carrying out its responsibilities. These guidelines are intended as a component of the framework within which the Board, assisted by the Committees, directs the affairs of the Corporation. They should be interpreted in the context of applicable laws, regulations and listing requirements, as well as the Corporation's charter and by-laws.

1. Structure of Board

The Corporation's charter and by-laws each provide that the size of the Board shall be no fewer than three and no more than thirteen. Within these limits prescribed by the charter and by-laws, the Board may determine the size of the Board from time to time, and the Corporate Governance and Nominating Committee may recommend changes in the size of the Board, which may vary to accommodate the availability of suitable candidates.

The Board will have at all times an Executive Committee, an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation and Management Development Committee. The Board may from time to time establish additional committees as it deems appropriate. The Audit Committee, the Corporate Governance and Nominating Committee and the Compensation and Management Development Committee will each have its own charter setting forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership.

2. Director Selection and Qualifications

The Board, acting on recommendation of the Corporate Governance and Nominating Committee, will nominate a slate of director candidates for election at each annual meeting of stockholders and will elect directors to fill vacancies between annual meetings or to fill newly created directorships.

To discharge its duties in determining whether the need for a new director (or directors) exists, and then identifying and evaluating directors for selection to the Board and its committees, the Corporate Governance and Nominating Committee of the Board shall evaluate the overall composition of the Board as well as the qualifications of each candidate. The Committee will (i) assess whether the need for an additional director (or directors) exists; (ii) identify the current and future needs of the Board to ensure that through the addition of a new director or directors maximum value is delivered to the Corporation and its stockholders; and (iii) prepare a goal profile to identify the particular skill set and desired attributes of preferred director candidates.

When evaluating candidates for election to the Board, the Committee will consider the following guidelines, regardless of whether the candidate was identified by the Committee or its consultant, or was submitted to the Corporation by a stockholder:

a. *General.* Decisions for nominating candidates shall be based on the business and corporate governance needs of Centex. If the need for a director exists, then candidates will be evaluated on the basis of merit, qualifications, performance and competency.

b. *Board Composition.* The composition of the entire Board shall be taken into account when evaluating individual directors, including the diversity of experience and background represented by the Board; the need for financial, business, academic, public or other expertise on the Board and its committees; and the desire for directors working cooperatively to represent the best interests of Centex, its stockholders and employees, and not any particular constituency.

c. *Age.* No person may stand for election as a director if he or she is 70 years of age or older.

d. *Independence.* A majority of the entire Board shall be composed of independent directors. Annually, the Board shall determine each outside director's independence under the New York Stock Exchange corporate governance rules, Securities and Exchange Commission rules and regulations, other applicable laws, rules and regulations regarding director independence, and the Corporation's standards for director independence as described in these guidelines. The Audit, the Compensation and Management Development, and the Corporate Governance and Nominating Committees shall all be composed entirely of independent directors. Independence for these purposes shall mean the independence requirements set forth in the Securities Exchange Act of 1934, as amended, the rules adopted by the Securities and Exchange Commission thereunder, the corporate governance and other listing standards of the New York Stock Exchange as in effect from time to time, and the Corporation's standards for director independence as described in these guidelines.

e. *Character and Integrity.* Centex seeks directors with the highest personal and professional character and integrity who have outstanding records of accomplishment in diverse fields of endeavor and who have obtained leadership positions in their chosen business or profession. These persons should have demonstrated exceptional ability and judgment and have substantial experience of relevance to the Corporation.

f. *Availability.* Candidates should be willing and able to devote the time necessary to discharge their duties as a director and should have the desire to represent and evaluate the interests of Centex as a whole. Board memberships are considered along with other time commitments a prospective director may have and the effect this may have on his or her ability to serve effectively on the Centex Board of Directors. These factors will also be considered at the time of the annual performance evaluation of the Board, individual directors and Committees referred to below. In addition, the Board has set a service guideline that no Centex director should serve on more than four other public company boards of directors, and no Centex director that is a sitting Chief Executive Officer of a public company should serve on more than two other public company boards of directors (including his or her own company). The Board may, in the exercise of its judgment, grant exceptions to the guideline.

g. *Conflicts.* Candidates must be free of conflicts of interest that would interfere with their ability to discharge their duties as a director, or would violate any applicable law or regulation.

h. *Other.* Candidates must also meet any other criteria as determined by the Committee, which may vary from time to time.

3. Director Independence

A director is independent if the director meets each of the following standards and otherwise has no material relationship with the Corporation, either directly, or as a partner, stockholder, or officer of an organization that has a relationship with the Corporation. For purposes of these standards, "the Corporation" means Centex Corporation and its consolidated subsidiaries, collectively.

- a. the director is not, and in the past three years has not been, an employee of the Corporation;
- b. an immediate family member of the director is not, and in the past three years has not been, employed as an executive officer of the Corporation;
- c. (i) neither the director nor a member of the director's immediate family is a current partner of the Corporation's outside auditing firm; (ii) the director is not a current employee of the Corporation's outside auditing firm; (iii) no member of the director's immediate family is a current employee of the Corporation's outside auditing firm participating in the firm's audit, assurance, or tax compliance (but not tax planning) practice; and (iv) neither the director nor a member of the director's immediate family was within the past three years (but is no longer) a

partner or employee of the Corporation's outside auditing firm and personally worked on the Corporation's audit within that time;

d. neither the director nor a member of the director's immediate family is, or in the past three years has been, part of an interlocking directorate in which a current executive officer of the Corporation served on the compensation committee of another company at the same time the director or the director's immediate family member served as an executive officer of that company;

e. neither the director nor a member of the director's immediate family has received, during any 12-month period in the past three years, any direct compensation payments from the Corporation in excess of \$100,000, other than compensation for Board service, compensation received by the director's immediate family member for service as a non-executive employee of the Corporation, and pension or other forms of deferred compensation for prior service;

f. the director is not a current executive officer or employee, and no member of the director's immediate family is a current executive officer, of another company that makes payments to or receives payments from the Corporation, or during any of the last three fiscal years has made payments to or received payments from the Corporation, for property or services in an amount that, in any single fiscal year, exceeded the greater of \$1 million or 2% of the other company's consolidated gross revenues;

g. the director is not an executive officer of a non-profit organization to which the Corporation makes or in the past three fiscal years has made, payments (including contributions) that, in any single fiscal year, exceeded the greater of \$1 million or 2% of the non-profit organization's consolidated gross revenues;

h. the director is not, and during the last fiscal year has not been, a partner in, or a controlling shareholder or executive officer of, a business corporation, non-profit organization, or other entity to which the Corporation was indebted at the end of the Corporation's last full fiscal year in an aggregate amount in excess of 2% of the Corporation's total consolidated assets at the end of such fiscal year;

i. the director is not, and during the last fiscal year has not been, a member of, or of counsel to, a law firm that the Corporation has retained during the last fiscal year or proposes to retain during the current fiscal year;
or

j. the director is not, and during the last fiscal year has not been, a partner or executive officer of any investment banking firm that has performed services for the Corporation, other than as a participating underwriter in a syndicate, during the last fiscal year or that the Corporation proposes to have perform services during the current fiscal year.

The Board may determine that a director or nominee is "independent" even if the director or nominee does not meet each of the standards set forth in paragraphs (g) through (j) above as long as the Board determines that such person is independent of management and free from any relationship that in the judgment of the Board would interfere with such person's independent judgment as a member of the Board and the basis for such determination is disclosed in the Corporation's annual proxy statement.

In addition, a director is not considered independent for purposes of serving on the Audit Committee, and may not serve on that committee, if the director: (1) receives, either directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any of its subsidiaries other than: (a) fees for service as a director, and (b) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation; or (2) is "an affiliated person" of Centex Corporation or any of its subsidiaries; each as determined in accordance with Securities and Exchange Commission regulations.

An "immediate family member" means a person's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares that person's home.

4. Related Person Transactions

The Corporation gives careful attention to related person transactions, which can present potential conflicts of interest. Related person transactions are those transactions, arrangements or relationships in which the Corporation is or will be a participant and the amount involved exceeds \$50,000, and in which a related person has a direct or indirect interest, as more fully defined in the Corporation's Related Person Transactions Policy. Directors, director nominees, executive officers, certain shareholders and their immediate family members and certain associated entities are related persons for purposes of the Policy. The Policy contains procedures for the review, approval and ratification of related person transactions by the Corporate Governance and Nominating Committee of the Board.

5. Stockholder Nominations

The Corporate Governance and Nominating Committee does not solicit director nominations. If it is actively considering adding a new director, or preparing to recommend a slate of existing directors for re-election to the Board, it will consider recommendations sent by stockholders to the Secretary of the Corporation that set forth:

- a. the name and address of the stockholder who intends to make the nomination and of the person to be nominated;
- b. a representation that the stockholder is a record holder of Centex stock entitled to vote at the annual meeting of stockholders and intends to appear in person or by proxy at the meeting to nominate the person specified in the letter;
- c. a description of all arrangements or understandings between the stockholder and the nominee and other persons(s) (naming such person(s)) pursuant to which the nomination is to be made by such stockholder;
- d. such other information regarding the nominee proposed by such stockholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated by the Board; and
- e. the consent of the nominee to serve as a director of the Corporation if so elected.

6. Director Resignation

Each director must agree to tender a resignation from the Board if the following should occur.

In a change in circumstances. Each director must agree that he or she will tender a resignation from the Board in the event of a material change in his or her personal circumstances, including a change in principal job responsibilities (other than a promotion with the director's current employer). The decision whether to accept the resignation would be made by the Board, with a recommendation from the Corporate Governance and Nominating Committee.

In the election of directors. In an uncontested election of directors (*i.e.*, an election where the only nominees are those recommended by the Board of Directors), any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election will tender his or her resignation to the Chairman of the Board not later than ten (10) days following certification of the stockholder vote.

The Corporate Governance and Nominating Committee (the "Committee") will promptly consider the resignation submitted by a director receiving a greater number of votes "withheld" from his or her election than votes "for" his or her election, and the Committee will recommend to the Board whether to accept the tendered resignation or reject it. In considering whether to accept or reject the tendered resignation, the Committee will consider all factors deemed relevant by the members of the Committee including, without limitation, the stated reasons why shareholders "withheld" votes for election from such director, the length of service and qualifications of the director whose resignation has been tendered, the director's contributions to the Corporation, and the Corporation's Corporate Governance Guidelines.

The Board will act on the Committee's recommendation no later than 90 days following the date of the shareholders' meeting where the election occurred. In considering the Committee's recommendation, the Board will consider the factors considered by the Committee and such additional information and factors the Board believes to be relevant. Following the Board's decision on the Committee's recommendation, the Corporation will promptly publicly disclose the Board's decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more directors' resignations are accepted by the Board, the Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to this provision will not participate in the Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of members of the Committee received a greater number of votes "withheld" from their election than votes "for" their election at the same election, then the independent directors who are on the Board who did not receive a greater number of votes "withheld" from their election than votes "for" their election (or who were not standing for election) will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and will recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the independent directors who did not receive a greater number of votes "withheld" from their election than votes "for" their election or who were not standing for election.

This corporate governance guideline will be summarized or included in each proxy statement relating to an election of directors of the Corporation.

7. Director Responsibilities

The business of Centex Corporation is managed under the direction of the Board. Among the Board's major responsibilities are:

- Selection, compensation and evaluation of the Chief Executive Officer and oversight of succession planning.
- Assurance that processes are in place to promote compliance with law and high standards of business ethics.
- Oversight of Centex's strategic planning.
- Approval of all material transactions and financings.
- Understanding Centex's financial statements and other disclosures and evaluating and changing where necessary the process for producing accurate and complete reporting.

- Using its experience to advise management on major issues facing Centex.
- Evaluating the performance of the Board and its committees and making appropriate changes where necessary.

Directors are expected to maintain a good attendance record, and familiarize themselves with the materials distributed prior to each Board or committee meeting. Absent special circumstances, such materials are provided at least three business days before the meeting, and further in advance for material transactions. The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director. The directors are expected to make every effort to attend each annual meeting of stockholders.

Non-employee directors meet immediately after all Board meetings without management present, and the independent directors meet at least once annually. The Corporation has appointed a lead independent director to preside at such meetings. The lead director has been given the following additional responsibilities:

- make recommendations to the Board regarding the structure of Board meetings
- recommend matters for consideration by the Board
- determine appropriate materials to be provided to the directors
- serve as an independent point of contact for stockholders wishing to communicate with the Board other than through the Chairman
- assign tasks to the appropriate committees
- with the approval of the Corporate Governance and Nominating Committee, oversee the annual evaluation of the Board and its Committees.

In addition, the lead director establishes, in collaboration with the Chief Executive Officer, agenda items to be discussed at each Board meeting. Each Board member is free to suggest items for inclusion on the agenda at any time. Agendas for the meetings of committees of the Board are cleared by the chair of the committee, and committee members may place items on the agenda.

As a service guideline, the Board intends that directors serving as the lead director or as a chair of a Board committee will serve a three-year term in the position. The Board may, in the exercise of its judgment, allow for a shorter or longer term of service in any particular situation.

8. Director Access to Management and Independent Advisors

All directors are able to directly contact members of management, including, in the case of the Audit Committee, direct access to the head of internal audit. Broad management participation is encouraged in presentations to the Board. The Board and its Committees are empowered to hire at Corporation expense their own financial, legal and other experts to assist them in addressing matters of importance to the Corporation. The Compensation Committee works directly with an executive compensation consultant.

9. Non-Employee Director Compensation

The amount and type of compensation for the Corporation's non-employee directors is recommended by the Corporate Governance and Nominating Committee, which conducts an annual review of director compensation and

develops its recommendation working with outside compensation specialists, and approved by the Board. Each non-employee director of the Corporation will receive annual compensation in the form of cash, stock options and restricted stock. Such annual compensation is valued at \$300,000.00, of which one-third will be in cash, one-third will be in the form of an option to purchase shares of common stock of the Corporation, and one-third will be shares of restricted stock. Each non-employee Committee Chair (other than the Audit Committee Chair) receives additional compensation of \$20,000 per year. The Audit Committee Chair receives additional compensation of \$25,000 per year, and the lead director receives an additional \$35,000 per year.

10. Director Orientation and Continuing Education

Directors are provided extensive material regarding Centex upon their initial election to the Board, including a binder containing information regarding Centex and its policies and various administrative and legal matters. Other orientation procedures include meetings with senior executives of the Corporation and its major business units. Board meetings are occasionally held outside the corporate office to permit the directors to visit operating locations of the Centex companies. Centex supports any individual director's continuing education needs, as long as the associated financial commitment is reasonable.

11. Evaluation of the Board and its Committees

The Corporate Governance and Nominating Committee has established a process for the annual evaluation of the effectiveness of the Board and each Committee, and oversees the composition, organization (including its Committee structure, membership and leadership) and practices of the Board. An individual director assessment is performed annually as well.

12. Management Compensation, Evaluation and Succession

The Board provides annual goals for the Chief Executive Officer. The Compensation and Management Development Committee approves those goals and evaluates the CEO's performance, including his or her success in achieving these goals, in setting compensation.

The Board recognizes that the selection of key leadership and the oversight of succession planning are among the most important duties of the Board. The Board reviews management succession planning annually. The Corporation has also established an emergency succession plan to address emergency situations that would require the immediate temporary or permanent replacement of the Chief Executive Officer.

13. Stock Ownership Guidelines

For directors. The Board has established guidelines suggesting the non-employee directors of the Board of the Corporation achieve and maintain ownership of a minimum amount of the Corporation's Common Stock. These guidelines are five times the cash component of director compensation for the Board year beginning at the 2005 annual meeting, which would equate to holdings valued at \$500,000.

For executive and senior officers. The Board has established guidelines suggesting that all executive officers of the Corporation and other senior officers of the Corporation or Centex Homes identified on the list below should achieve and maintain ownership of a minimum amount of the Corporation's Common Stock. These guidelines are based on a multiple of base salary as described below:

Title of Officer		Multiple
<i>Centex Corporation</i>	<i>Centex Homes</i>	
Chief Executive Officer		5x
Chief Operating Officer	Chief Executive Officer	4x

Chief Financial Officer; Executive Vice President and Senior Vice President reporting to CEO or COO	Region Presidents; Executive Vice President, Operations Support	3x
Executive Vice President not reporting to the CEO or COO		2x
Senior Vice President not reporting to the CEO or COO		1.5x

Directors and officers have five years to meet these guidelines once they become subject to the guidelines. Compliance is measured at the end of each fiscal year using the closing price of Common Stock on that date or, if the director or officer acquired the shares at a higher price, the price at which he or she acquired the shares.

For purposes of these guidelines, stock is deemed "owned" for both directors and officers in the case of (a) shares owned outright, (b) beneficially-owned shares; and (c) time vested stock or stock equivalents, such as restricted stock or stock units or performance units payable in stock. Stock options, whether vested or not, do not count as stock "owned." Restricted stock granted to directors is also deemed "owned," whether or not any applicable restrictions have lapsed.

In addition to the above ownership guidelines, beginning after adoption of these guidelines in 2008, directors and officers are subject to a "holding period" requirement for stock options, restricted stock, stock units and performance units payable in stock. If a person has not reached the ownership guideline set forth above, then 100% of the after-tax gain on option exercises must be held in shares (through a "net exercise" or exercise and sell to cover or similar procedure). In addition, if a person has not reached the ownership guideline set forth above, then 100% of the after-tax shares of vesting restricted stock, or the after-tax shares issued upon the distribution of restricted stock units or performance units payable in shares must be held in shares. Also, 100% of the after-tax value of performance units payable in cash must be used to purchase and hold shares. After the ownership guideline has been met subsequent option exercises and the vesting of stock awards or performance units are not subject to the holding requirement.

Exceptions to these share ownership and holding requirements may be made at the discretion of the Compensation and Management Development Committee if compliance would create severe personal or financial hardship or prevent an officer from complying with a court order (as part of a divorce settlement, for example).

14. Evaluation of Corporate Governance Guidelines

Annually, the Corporate Governance and Nominating Committee reviews these Guidelines and recommends changes to the Board if appropriate.

15. Stockholder Ratification of Independent Auditors

At the Annual Meeting each year, the holders of the Corporation's Common Stock will be given the opportunity to vote on whether to ratify the selection of independent auditors for the following fiscal year.

16. Stockholder Proposals

If a stockholder proposal that was not supported by the Board receives a majority of the votes cast at a meeting at which a quorum is present, the Board will reconsider the proposal.

17. Stockholder Communications with the Board

Any Centex stockholder may communicate with any member of the Centex Board of Directors by sending any such communication to Centex Corporation, Post Office Box 199000, Dallas, Texas 75219-9000 to the attention of the director or directors of the stockholder's choice (e.g., "Attention: Lead Director" or "Attention: All Independent Directors," etc.). Centex relays all such communications addressed in this manner as appropriate. Any communications addressed to the attention of "The Board of Directors" will be forwarded to the Lead Director for review and further handling as appropriate.

18. Policy on Recoupment in Restatement Situations

If financial results of the Corporation are restated due to fraud or intentional misconduct, the Board or an appropriate Committee will review any incentive compensation paid or awarded to the officer(s) or employee(s) of the Corporation or any subsidiary who may have been responsible for the fraud or intentional misconduct that caused the need for the restatement. The Board or appropriate Committee will, to the extent permitted by applicable law, in all appropriate cases, require recoupment of any unearned amounts paid or awarded as incentive compensation to the officer or employee, if (i) the Board or the reviewing Committee, as applicable, concludes in good faith that the officer or employee engaged in fraud or intentional misconduct that caused or partially caused the need for the restatement, (ii) the amount of the incentive compensation was calculated upon the achievement of certain financial results that were subsequently the subject of a restatement, and (iii) the amount of the incentive compensation that would have been awarded to the officer or employee had the financial results been properly reported would have been lower than the amount actually awarded. The Board will not seek to recover incentive compensation awarded more than three years prior to the date the applicable restatement is disclosed. For the purposes of this Guideline, "incentive compensation" includes cash bonus, restricted stock, deferred stock units, stock options, deferred cash compensation and other long-term measures, and the proceeds from any exercise or sale thereof, and, to the extent specified in any severance policy of the Corporation or severance agreement, cash severance benefits paid to an officer or employee.

19. Code of Ethics

The Corporation has adopted "The Centex Way: A Guide to Decision-Making on Business Conduct Issues" as its code of business conduct. "The Centex Way" promotes the highest ethical standards in all business dealings by the Corporation's employees and satisfies the Securities and Exchange Commission's requirements for a code of ethics for the Corporation's executive officers. This document is available on the Corporation's web site at www.centex.com in the Investors area (Governance subsection).

As amended through February 14, 2008