

# CORPORATE SUSTAINABILITY

## CORPORATE GOVERNANCE





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M.D.C. Holdings, Inc. (MDC) is one of the nation’s leading homebuilders. Through our Richmond American Homes subsidiaries, we’ve helped more than 210,000 buyers close on new, quality homes from coast to coast. The MDC Board of Directors lends seasoned industry experience and provides oversight and operational guidance. They work closely with executive leadership to establish and communicate company culture and values.

### Our past and future

The first single-family Richmond American home was built in Denver in 1977. From that point forward, our subsidiaries have built a solid reputation for quality construction and attention to detail. A strong balance sheet, diverse product mix, and a build-to-order model that allows for greater homebuyer personalization have become keys to success.

We also endeavor to balance environmental and social concerns with business fundamentals. Striking this balance is not only a matter of conscience, but key to maximizing long-term shareholder success. Ultimately, growing and maintaining a sustainable business goes hand in hand with fostering an environment where that business can flourish.

As our company embarks on a new decade, we seek to leverage the core principles and practices that we attribute to past achievements, while welcoming new perspectives that allow our organization to evolve with a changing environmental and economic landscape.

### Strong leadership positioning us for growth

Our business judgment not only comes from four+ decades of industry experience, but from the hands-on involvement of our senior leaders. Our leadership’s disciplined approach has given the Company the competitive edge needed to help us succeed during both booming and turbulent economic periods. As we look to the future, the Company will strive to combine our continuity and institutional knowledge with fresh perspectives to make us even stronger.

### Highlights

- Increasingly diverse corporate management with an average of 14 years of experience at the Company as of February 25, 2020
- Promoting from within when possible

### Women on the rise

A dedication to diversifying leadership means women are rising in the ranks. Not only were the last two board members women, but we have women taking on leadership in a division president role.



**NATASHA GANDHI**  
*Division President, Southern Colorado*

With a BA in Architecture and an MBA and Masters in Real Estate and Construction Management, Natasha worked for two other national builders before finding her place at Richmond American Homes of Colorado, Inc.

She sees affordability as is the biggest obstacle facing homebuilders right now. According to Natasha, the problem is more complex than building more affordable homes. More and more millennials are entering the market. They’re savvy and they’re looking for more than the least costly possible living space.

“Every builder has a strategy for the affordability problem,” Natasha says, “But other homebuilders do it by cutting down on design choices. We’ve found a way to be a premier brand and offer those selections even within the more affordable market.”

Natasha credits Larry Mizel and David Mandarich for creating a solid foundation that allows corporate management within the Richmond American companies, like herself, to lead from a place of strength. “Richmond American has a lot of history and the processes are in place. It allows us to be more innovative and less reactionary to the whims of the market.”

That innovation includes developing land in a way that preserves open spaces, creating neighborhoods that work alongside the existing topography, not against it. “Taking a piece of land, developing it and helping families build their dreams. I don’t know what else could be more gratifying,” she says.

**48% of company employees in a position of manager and above are female (June 2020)**



**NICOLE BLOOM**  
*Division President, Las Vegas*

When Nicole heads into work each morning, she joins a team with extraordinary tenure. Her team members have often been with the company for 15 or 20 years. Nicole herself had careers with two other builders before making her home at Richmond American in 2000.

Contributing to the development of healthy neighborhoods and the greater community was always a priority for Larry Mizel and David Mandarich. Nicole is happy to carry that legacy into the future. She credits the low turnover rates in her division and the impressive longevity of leadership to the culture. Respecting employees and their lives goes a long way. And creating an environment where employees can flourish is a big part of the company’s long-term goal to foster vibrant, thriving communities.

“We’re a family,” Nicole says. “My team works hard and doesn’t want to let me down.” To prove her commitment to the employee growth, Nicole promotes from within when possible. In fact, most of her management team began as entry-level employees.

The effort to build a community doesn’t stop with employee advocacy. It also filters down to the methodology behind designing Richmond American’s neighborhoods. That starts with Richmond American’s objective to sell homes to real homebuyers who plan to live in and contribute to the community, rather than selling to investors or landlords.

“We’re building neighborhoods. We want people. It’s not about churning out product to rent or flip,” Nicole says.

According to Nicole, neighborhood planning is also key. The company isn’t out to create a concrete jungle. That means designing neighborhoods with open space, parks, playgrounds, dog parks and trails, as well as working with land developers that share the same mindset. It’s a project that’s personal to her. After all, she lives in a Richmond American neighborhood herself.

Nicole wants to encourage more women to pursue a career in homebuilding. She’s a member of many homebuilding organizations, including holding the Co-Chair position for the Southern Nevada Professional Women in Building Council.

### ***Engaged and experienced board***

MDC's Board of Directors is actively involved in providing operational guidance and helping to steer the course of the company's future. Our senior management regularly updates the Board on the company's environmental, health and safety, and community involvement. The Board receives reports and considers investor feedback when providing oversight of management on topics related to sustainable business practices and corporate responsibility.

Our Corporate Governance/Nominating Committee meets several times a year to discuss everything from sustainability to company policy. For 2020 and beyond, we are confident that our shareholders are aligned with the vision of board members for long-term growth, success and contribution to a greater community.

#### **HIGHLIGHTS**

- Dedication diversity: the last two board members added were women
- Board members attend 12 regular meetings per year, which is more than twice the average of our peers

### ***Employment policies and training***

M.D.C. Holdings, the Richmond American Homes companies, as well as its mortgage and insurance affiliates, have a foundation of integrity and a disciplined approach to business. We have the policies and training in place to set clear expectations and keep our employees accountable for maintaining an ethical company culture.

#### **CODE OF CONDUCT**

Our code of conduct training takes place for all employees at the time of hire, as well as for all employees and directors on an annual basis. Topics covered include business ethics, conflicts of interest and appropriate standards of workplace conduct.

#### **INSIDER TRADING POLICY**

All employees are prohibited from trading in MDC's stock when in possession of material non-public information, or disclosing such information in violation of the policy.

#### **CYBERSECURITY TRAINING**

MDC's Information Technology Department conducts cybersecurity training throughout the year, and provides educational tools to test and improve employee knowledge both at work and at home.