

M I HOMES INC  
Form DEF 14A  
April 02, 2019

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant      Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**M/I Homes, Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):



Edgar Filing: M I HOMES INC - Form DEF 14A

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**3 Easton Oval**

**Columbus, Ohio 43219**

**April 2, 2019**

To Our Shareholders:

The 2019 Annual Meeting of Shareholders (the Annual Meeting ) of M/I Homes, Inc. (the Company ) will be held at 9:00 a.m., local time, on Tuesday, May 7, 2019, at the offices of the Company, 3 Easton Oval, Columbus, Ohio 43219. Holders of record of our common shares as of March 11, 2019 are entitled to notice of, and to vote at, the Annual Meeting.

Enclosed is a copy of our 2018 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, a notice of the Annual Meeting and a proxy statement and proxy card for the Annual Meeting. It is important that your common shares be represented at the Annual Meeting. Please record your vote on the enclosed proxy card and return it promptly in the postage-paid envelope provided or, alternatively, vote your proxy electronically via the Internet or telephonically in accordance with the instructions on your proxy card.

We look forward to reviewing the activities of the Company at the Annual Meeting. We hope you can be with us.

Sincerely,

Robert H. Schottenstein,  
Chairman and Chief Executive Officer

**PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD**

**IN THE ENVELOPE PROVIDED OR, ALTERNATIVELY, VOTE YOUR PROXY**

**ELECTRONICALLY VIA THE INTERNET OR TELEPHONICALLY.**

**3 Easton Oval**

**Columbus, Ohio 43219**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held May 7, 2019**

To Each Shareholder of M/I Homes, Inc.:

Notice is hereby given that the 2019 Annual Meeting of Shareholders (the Annual Meeting ) of M/I Homes, Inc. (the Company ) will be held at 9:00 a.m., local time, on Tuesday, May 7, 2019, at the offices of the Company, 3 Easton Oval, Columbus, Ohio 43219, for the following purposes:

- 1) To elect three directors to serve until the Company s 2022 Annual Meeting of Shareholders and until their successors have been duly elected and qualified;
- 2) To consider and vote upon a non-binding, advisory resolution to approve the compensation of the Company s named executive officers;
- 3) To consider and vote upon a proposal to ratify the appointment of Deloitte & Touche LLP as the Company s independent registered public accounting firm for the 2019 fiscal year; and
- 4) To transact such other business as may properly be brought before the Annual Meeting or any adjournment thereof.

Only holders of record of our common shares at the close of business on March 11, 2019 will be entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment thereof.

It is important that your common shares be represented at the Annual Meeting. Whether or not you intend to be present at the Annual Meeting, please complete, sign, date and return the enclosed proxy card in the envelope provided or, alternatively, vote your proxy electronically via the Internet or telephonically in accordance with the instructions on your proxy card.

By Order of the Board of Directors,  
J. Thomas Mason,  
Secretary

April 2, 2019

**THE COMPANY'S NOTICE OF ANNUAL MEETING OF SHAREHOLDERS, PROXY STATEMENT, FORM OF PROXY AND 2018 ANNUAL REPORT TO SHAREHOLDERS ARE AVAILABLE ONLINE AT [WWW.EDOCUMENTVIEW.COM/MHO](http://WWW.EDOCUMENTVIEW.COM/MHO).**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 7, 2019.**

The Company's Notice of Annual Meeting of Shareholders, Proxy Statement, form of proxy and 2018 Annual Report to Shareholders are available online at [www.edocumentview.com/MHO](http://www.edocumentview.com/MHO).

For information on how to obtain directions to the Annual Meeting and vote in person, please contact our Investor Relations department at (614) 418-8225 or [investorrelations@mihomes.com](mailto:investorrelations@mihomes.com).

**ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS**

Instead of receiving paper copies of our future proxy statements, proxy cards and annual reports to shareholders in the mail, shareholders may elect to receive such documents electronically via e-mail or the Internet. Receiving your proxy materials electronically saves us the cost of printing and mailing documents to you and reduces the environmental impact of our shareholder communications. Shareholders may sign up to receive or access future shareholder communications electronically as follows:

*Shareholders of Record.* If you are a registered shareholder, you may consent to electronic delivery when voting for the Annual Meeting on the Internet at [www.envisionreports.com/MHO](http://www.envisionreports.com/MHO).

*Beneficial Holders.* If your common shares are not registered in your name, check the information provided to you by your bank, broker or other nominee or contact your bank, broker or other nominee for information on electronic delivery service.

**3 Easton Oval**

**Columbus, Ohio 43219**

**PROXY STATEMENT**

**for the**

**2019 Annual Meeting of Shareholders**

**To Be Held May 7, 2019**

**GENERAL**

### **Time, Place and Purposes of Meeting**

The 2019 Annual Meeting of Shareholders of M/I Homes, Inc. (the Annual Meeting ) will be held on Tuesday, May 7, 2019 at 9:00 a.m., local time, at our corporate offices at 3 Easton Oval, Columbus, Ohio 43219. The purposes of the Annual Meeting are set forth in the Notice of Annual Meeting of Shareholders to which this Proxy Statement is attached. All references in this Proxy Statement to M/I Homes, the Company, we, our or us refer to M/I Homes,

### **Solicitation of Proxies**

This Proxy Statement and the accompanying form of proxy are first being sent on or about April 2, 2019 to holders of the Company's common shares, par value \$.01 per share (the Common Shares ), as of the close of business on March 11, 2019 (the Record Date ). This Proxy Statement is furnished in connection with the solicitation of proxies by the Company's Board of Directors (the Board ) for use at the Annual Meeting and any adjournment thereof. The Company's 2018 Annual Report to Shareholders (the 2018 Annual Report ), which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the 2018 Form 10-K ), is being mailed together with this Proxy Statement.

### **Outstanding Shares and Quorum Requirements**

There were 27,538,926 Common Shares issued and outstanding on the Record Date. The Common Shares represent our only class of voting securities entitled to vote at the Annual Meeting. Each Common Share outstanding on the Record Date entitles the holder thereof to one vote on each matter submitted to a shareholder vote at the Annual Meeting. A quorum for the Annual Meeting is a majority of the outstanding Common Shares on the Record Date. Common Shares represented by properly executed proxies returned to the Company at or prior to the Annual Meeting or represented by properly authenticated voting instructions timely recorded electronically via the Internet or telephonically will be counted toward the establishment of a quorum for the Annual Meeting even though they are marked Abstain (on any or all applicable proposals) or Withheld (from any or all director nominees) or are not marked at all.

### **Voting by Proxy**

A proxy card for use at the Annual Meeting is enclosed. You may ensure your representation at the Annual Meeting by completing, signing, dating and promptly returning to the Company, at or prior to the Annual Meeting, the enclosed proxy card in the envelope provided. Alternatively, shareholders holding Common Shares registered directly with our transfer agent, Computershare, may vote their proxies electronically via the Internet or telephonically by

following the instructions on their proxy cards. The deadline for voting electronically via the



Internet or telephonically is 1:00 a.m., local time, on May 7, 2019. There are no fees or charges associated with voting electronically via the Internet or telephonically, other than fees or charges, if any, that shareholders pay for access to the Internet and for telephone service. A record holder of Common Shares may also attend the Annual Meeting and vote in person. Beneficial owners of Common Shares held in street name by a broker, bank or other nominee may also be eligible to vote their proxies electronically via the Internet or telephonically. Beneficial owners should review the information provided to them by their broker, bank or other nominee. This information will set forth the procedures to be followed in instructing their broker, bank or other nominee how to vote the Common Shares held in street name and how to revoke previously given instructions. Beneficial owners who desire to attend the Annual Meeting and vote in person must provide a legal proxy from their broker, bank or other nominee in order to vote in person at the Annual Meeting.

Broker/dealers who hold Common Shares for beneficial owners in street name may, under the applicable rules ( NYSE Rules ) of the New York Stock Exchange (the NYSE ), sign and submit proxies for such Common Shares and may vote such Common Shares on routine matters, such as the ratification of the appointment of auditors, but broker/dealers may not vote such Common Shares on non-routine matters, such as the election of directors and the advisory vote on executive compensation, without specific instructions from the beneficial owner of such Common Shares. Proxies that are signed and submitted by broker/dealers that have not been voted on non-routine matters, as described in the previous sentence, are referred to as broker non-votes.

#### **Revocation of Proxies**

A record holder may revoke its proxy at any time before it is exercised at the Annual Meeting by (1) filing a written notice with the Company revoking the proxy, (2) duly executing and returning to the Company a proxy card bearing a later date, (3) casting a new vote electronically via the Internet or telephonically or (4) attending the Annual Meeting and voting in person. Attending the Annual Meeting without voting in person will not revoke a previously delivered proxy. Beneficial owners of Common Shares held in street name should follow the instructions provided by their broker, bank or other nominee to revoke a previously delivered proxy. Subject to such revocation and except as otherwise stated in this Proxy Statement or in the form of proxy, all proxies properly executed that are received prior to, or at the time of, the Annual Meeting and all proxies properly voted electronically via the Internet or telephonically before 1:00 a.m., local time, on May 7, 2019, will be voted in accordance with the instructions contained therein. If no instructions are given (excluding broker non-votes), proxies will be voted FOR the election of the director nominees identified in Proposal No. 1, FOR the approval of the compensation of the Company's named executive officers as disclosed in this Proxy Statement (Proposal No. 2), FOR the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019 (Proposal No. 3) and at the discretion of the proxy holders on all other matters that may properly be brought before the Annual Meeting or any adjournment thereof.

**Proposal No. 1**

**ELECTION OF DIRECTORS**

In accordance with the Company's Amended and Restated Regulations (as amended, the Regulations), the Board is comprised of nine directors, divided into three classes with staggered three-year terms. A class of three directors is to be elected at the Annual Meeting. The Board has nominated the persons set forth in the table below for election as directors of the Company at the Annual Meeting.

The three nominees receiving the greatest number of votes cast will be elected to serve until the Company's 2022 Annual Meeting of Shareholders and until their successors are duly elected and qualified or until their earlier death, resignation or removal. Withheld votes with respect to any nominee (or all of the nominees) and broker non-votes will be counted for purposes of establishing a quorum, but will have no effect on the election of such nominee(s). However, pursuant to the Board's majority voting policy, any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for his or her election shall tender his or her resignation as a director to the Board. See Information Regarding the Board, its Committees and Corporate Governance Majority Voting Policy on page 10 of this Proxy Statement for more information regarding our majority voting policy.

Sharen Jester Turney retired from the Board on February 8, 2019. Ms. Turney served on the Compensation Committee and the Nominating and Governance Committee prior to her retirement. The Board, upon the recommendation of the Nominating and Governance Committee, appointed Elizabeth K. Ingram to the Board, effective February 8, 2019, to fill the vacancy created by the retirement of Ms. Turney. Ms. Ingram's term expires at the 2021 Annual Meeting of Shareholders. Ms. Ingram was recommended to the Nominating and Governance Committee by Robert H. Schottenstein, the Company's Chairman, Chief Executive Officer and President. The Nominating and Governance Committee, after reviewing Ms. Ingram's qualifications and the Board's then-current needs and determining her independence under NYSE Rules, recommended that Ms. Ingram be appointed to the Board.

Unless otherwise specified in your proxy, the Common Shares voted pursuant to your proxy will be voted FOR the election of the director nominees identified below. The Board has no reason to believe that any nominee will not serve as a director if elected at the Annual Meeting. If any nominee becomes unable to serve or for good cause will not serve as a director, the proxy holders reserve full discretion to vote the Common Shares represented by the proxies they hold for the election of the remaining nominees and for the election of any substitute nominee(s) designated by the Board.

**Your Board of Directors unanimously recommends a vote FOR each of the director nominees named below.**

---

**BOARD OF DIRECTORS**

Name	Age	Current Position(s) with the Company	Director Since
		and/or Business Experience	
<i>Director Nominees - Term to Expire at 2022 Annual Meeting of Shareholders</i>			
Friedrich K.M. Böhm*	77	Consultant for large real estate development projects. Mr. Böhm was a partner of White Oak Partners, a private equity firm, from 2008 to 2015 and Chairman of White Oak Partners from 2008 to 2013. Mr. Böhm served as Chairman Emeritus of NBBJ, an international architectural firm, from 2006 to 2008, Chairman of NBBJ from 1997 until 2006 and Managing Partner and Chief Executive Officer of NBBJ from 1987 until 1997. He currently serves as a director of The Daimler Group and White Oak Partners and was formerly a director of TRC Companies, Inc., Huntington National Bank and NBBJ. In November 2013, Mr. Böhm was appointed as the Company's Lead Independent Director.	1994

Committee Memberships: Audit; Compensation (Chairman); Executive

For nearly 20 years, Mr. Böhm served in an executive role with NBBJ, a leading international architectural firm that has designed communities, buildings, products, environments and digital experiences, including designing over 300,000 housing units. Mr. Böhm provides the Board with extensive and broad-based operating, design, strategic planning and management experience.

William H. Carter*	65	Executive Vice President and Chief Financial Officer of Hexion Inc. (formerly known as Momentive Specialty Chemicals Inc.), an international specialty chemicals and materials company, from April 1995 until December 2015, and a director of Hexion Inc. from November 2001 until December 2015. Mr. Carter also served as Executive Vice President and Chief Financial Officer and a director of Momentive Performance Holdings LLC and its wholly-owned subsidiary Momentive Performance Materials Inc. from October 2010 until October 2014. Prior to joining Hexion Inc., Mr. Carter was a partner with Price Waterhouse LLP, which he joined in 1975. He currently serves on the Board of Directors of Lancaster Colony Corporation.	2012
--------------------	----	---	------

Committee Membership: Audit (Chairman)

Mr. Carter has more than 40 years of finance and accounting experience, including having served as a chief financial officer of a public-reporting company and a partner for an independent registered public accounting firm. Through this extensive experience, he provides the Board with valuable expertise in numerous financial areas, including

accounting, tax, treasury, capital markets and strategic planning.

---

**Current Position(s) with the Company**

<b>Name</b>	<b>Age</b>	<b>and/or Business Experience</b>	<b>Director Since</b>
Robert H. Schottenstein	66	Chairman of the Company since March 2004, Chief Executive Officer of the Company since January 2004 and President of the Company since May 1996. Mr. Schottenstein currently serves as a director of L Brands, Inc. and Installed Building Products, Inc. Mr. Schottenstein also serves on The Ohio State University Wexner Medical Center board and is also a board member of The Ohio State University Foundation. In addition, Mr. Schottenstein serves on the Executive Committee of The Harvard University Joint Center for Housing. Mr. Schottenstein served as a Trustee of The Ohio State University ( OSU ) from 2005 to 2014 and as the Chair of the Board of Trustees of OSU from 2012 to 2014. Mr. Schottenstein formerly served as a director of Huntington Bancshares Incorporated.	1993

Committee Membership: Executive (Chairman)

Mr. Schottenstein's day-to-day leadership as Chief Executive Officer of the Company, more than 25 years of service with the Company in various roles spanning production, sales and land acquisition/disposition and development, family relationship (he is the son of the founder of the Company) and previous experience as a real estate attorney provides the Board with extensive knowledge of our operations, business, industry and history.

***Directors - Term to Expire at 2020 Annual Meeting of Shareholders***

Phillip G. Creek	66	Chief Financial Officer of the Company since September 2000, Executive Vice President of the Company since February 2008 and Chief Financial Officer of M/I Financial LLC, a wholly-owned subsidiary of the Company ( M/I Financial ), since September 2000.	2002
------------------	----	--	------

Committee Membership: Executive

Mr. Creek has served in various management positions with the Company since 1993 and has worked in the homebuilding industry for over 30 years. Mr. Creek has extensive experience in finance, accounting, strategic planning, homebuilding operations, investor relations and capital markets and provides the Board with valuable knowledge of the homebuilding industry and the Company's operations.

Norman L. Traeger*	79	Founded United Skates of America, a chain of family fun centers, in 1971 and The Discovery Group, a venture capital firm, in 1983. Mr. Traeger currently owns and manages industrial, commercial and office real estate. Mr. Traeger currently serves as a director of The Discovery Group.	1997
--------------------	----	---	------

Committee Memberships: Audit; Compensation; Nominating and Governance (Chairman)

Mr. Traeger's diverse background as a business owner and operator, venture capitalist and real estate developer provides the Board with significant experience in sales, marketing, strategic planning and capital formation, as well as entrepreneurial and operational expertise.

---

**Current Position(s) with the Company**

<b>Name</b>	<b>Age</b>	<b>and/or Business Experience</b>	<b>Director Since</b>
Nancy J. Kramer*	63	Founder of Resource/Ammirati, a digitally led creative agency established in 1981 that was acquired by IBM in 2016, and is now Global Chief Evangelist for IBM iX. Ms. Kramer also serves on the board of The Columbus Foundation, the Wexner Center for the Arts and The Wellington School.	2015

Committee Membership: Nominating and Governance

Ms. Kramer has more than 30 years of experience in the marketing and advertising industry. Her extensive experience provides the Board with valuable expertise with digital and interactive marketing and advertising.

***Directors - Term to Expire at 2021 Annual Meeting of Shareholders***

Michael P. Glimcher*	51	Chief Executive Officer of Starwood Retail Partners, LLC, a developer and operator of retail malls and shopping centers in the United States, since September 2017. Mr. Glimcher served as President of Glimcher Legacy, an independent commercial real estate firm, from June 2016 to September 2017. Mr. Glimcher served as Vice Chairman and Chief Executive Officer of WP Glimcher, a real estate investment trust formed through the merger of Washington Prime Group, Inc. and Glimcher Realty Trust, from January 2015 to June 2016. Mr. Glimcher served as Chairman of the Board of Glimcher Realty Trust, a real estate investment trust, from September 2007 to January 2015 and Chief Executive Officer of Glimcher Realty Trust from January 2005 to January 2015. Mr. Glimcher serves on the Governing Committee of the Columbus Foundation and the Board of Trustees of the Wexner Center for the Arts. He is also a member and past Trustee of the International Council of Shopping Centers and a member of The Real Estate Roundtable and serves as Chairman of the Board of Trustees of the Columbus School for Girls.	2013
----------------------	----	--	------

Committee Membership: Compensation; Nominating and Governance

As the Chief Executive Officer of a developer and operator of retail malls and shopping centers across the United States and a former Chairman and Chief Executive Officer of a publicly-traded real estate investment trust with real estate projects across the United States, Mr. Glimcher brings the Board management, public company, risk management, corporate governance and real estate development, investment and construction experience.

---

**Current Position(s) with the Company**

<b>Name</b>	<b>Age</b>	<b>and/or Business Experience</b>	<b>Director Since</b>
J. Thomas Mason	61	Chief Legal Officer of the Company since November 2011, Executive Vice President of the Company since February 2008 and Secretary of the Company since July 2002. Mr. Mason served as Senior Vice President of the Company from July 2002 until February 2008 and as General Counsel of the Company from July 2002 until November 2011. Prior to July 2002, Mr. Mason was a partner with the law firm of Vorys, Sater, Seymour and Pease LLP in Columbus, Ohio.	2006

Committee Membership: None

Mr. Mason has practiced law for over 35 years, including 18 years in private practice, with an emphasis on land acquisition/disposition and development. As Chief Legal Officer and Secretary of the Company, Mr. Mason is actively involved in the Company's risk management, land acquisition/disposition and development and human resources functions. Mr. Mason provides the Board with insight into legal issues affecting the Company as well as valuable real estate expertise and detailed knowledge of many areas of our business.

Elizabeth K. Ingram*	48	Chief Executive Officer of White Castle System, Inc., a restaurant chain with approximately 380 locations and a manufacturing business that sells products to retailers in all 50 states, since 2015. Ms. Ingram has also served as President of White Castle System, Inc. since 2013 and is a member of its Board of Directors. Ms. Ingram currently serves as Chair of the Board of Directors of United Way of Central Ohio and serves on the Board of Directors of OhioHealth as Chair of Quality of Care. Ms. Ingram is also a member of the Columbus Partnership.	2019
----------------------	----	--	------

Committee Membership: Nominating and Governance

As the Chief Executive Officer of a restaurant chain and manufacturing business with extensive operations across the United States, Ms. Ingram provides the Board with diverse and valuable experience in numerous areas, including business management, sales, marketing, customer service and strategic planning.

\* Independent director under the NYSE Rules.



---

## INFORMATION REGARDING THE BOARD, ITS COMMITTEES AND CORPORATE GOVERNANCE

### Board Organization, Independence and Committees

The Board currently has nine members. The Board has determined that six of its nine members (Friedrich K.M. Böhm, William H. Carter, Michael P. Glimcher, Elizabeth K. Ingram, Nancy J. Kramer and Norman L. Traeger) qualify as independent under NYSE Rules. When determining whether a director qualifies as independent, the Board, in accordance with NYSE Rules, broadly considers all relevant facts and circumstances to determine whether the director has any material relationship with the Company, either directly or indirectly (as a partner, shareholder or officer of an organization that has a relationship with the Company), other than serving as one of our directors. Prior to her retirement, the Board determined that Sharen Jester Turney qualified as independent under NYSE Rules.

Pursuant to the Company's Corporate Governance Guidelines, each independent director is required to notify the Chairman of the Nominating and Governance Committee, as soon as practicable, in the event the director's circumstances change in a manner that may affect the Board's evaluation of his or her independence.

During 2018, the Board held four meetings, and each director attended at least 75% of the total number of meetings of the Board and the committees on which he or she served (in each case, held during the period such director served).

During 2018, the Board had four standing committees: the Audit Committee; the Compensation Committee; the Nominating and Governance Committee; and the Executive Committee. In accordance with the applicable rules of the Securities and Exchange Commission (the "SEC Rules") and NYSE Rules, each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee has its own written charter, which is available on the Company's website at [www.mihomes.com](http://www.mihomes.com) under the "Investors" heading.

*Audit Committee.* The Audit Committee operates pursuant to a written Audit Committee Charter adopted by the Board which reflects SEC Rules and NYSE Rules relating to audit committees. The Audit Committee annually reviews and assesses the adequacy of its charter and recommends changes to the Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices. The primary purpose of the Audit Committee is to assist the Board in its oversight of: (1) the integrity of the Company's consolidated financial statements and internal control over financial reporting; (2) the Company's compliance with legal and regulatory requirements; (3) the Company's independent registered public accounting firm's qualifications, independence and performance; and (4) the performance of the Company's internal audit function.

The Audit Committee's specific responsibilities include: (1) reviewing and discussing the overall scope of the independent registered public accounting firm's annual audit plans, including staffing, professional services, audit procedures and fees; (2) reviewing and discussing the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements; (3) reviewing and discussing the Company's quarterly financial statements and annual audited financial statements and related disclosures; (4) discussing the assessments of the adequacy and effectiveness of the Company's systems of disclosure controls and procedures and internal control over financial reporting; (5) discussing the guidelines and policies used by management to govern the process by which risk assessment and risk management is undertaken, paying particular attention to financial risk exposures; (6) monitoring and reporting to the Board concerning the independence, qualifications and performance of the independent registered public accounting firm; (7) reviewing and pre-approving all audit services and permitted non-audit services to be performed for the Company or its subsidiaries; (8) reviewing the internal auditors' annual audit plans and reviewing reports concerning the results of internal audits; (9) reviewing and discussing with the internal auditors their assessments of the Company's risk management processes and system of internal control; (10) establishing procedures for the



confidential submission, receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; (11) engaging the independent registered public accounting firm; and (12) reviewing any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent registered public accounting firm or the performance of the internal audit function.

Each member of the Audit Committee qualifies as independent and is financially literate under the applicable SEC Rules and NYSE Rules. The Board has determined that the Audit Committee's Chairman, William H. Carter, qualifies as an audit committee financial expert as defined by applicable SEC Rules. The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit Committee met eight times during 2018. The Audit Committee also met eight times with the Company's senior financial management, including the internal auditors, and the Company's independent registered public accounting firm, and discussed the Company's interim and fiscal year financial information prior to public release. The Audit Committee's report relating to the 2018 fiscal year appears on page 53 of this Proxy Statement.

*Compensation Committee.* The Compensation Committee operates pursuant to a written Compensation Committee Charter adopted by the Board which reflects NYSE Rules relating to compensation committees. The Compensation Committee annually reviews and assesses the adequacy of its charter and recommends changes to the Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices. Each member of the Compensation Committee qualifies as independent under the applicable NYSE Rules. The Compensation Committee's primary purpose is to assist the Board in discharging its responsibilities relating to the compensation (cash, equity and otherwise) to be provided to the executive officers and directors of the Company. The Compensation Committee Charter sets forth the specific responsibilities and duties of the Compensation Committee, which include: (1) establishing the Company's executive compensation philosophy, objectives and policies; (2) reviewing, approving and determining the amount and form of compensation for the executive officers; (3) reviewing and making recommendations to the Board regarding the amount and form of non-employee director compensation; (4) reviewing and making recommendations to the Board concerning and administering the Company's cash incentive and equity-based compensation plans; (5) reviewing and discussing with the Board the Company's organizational structure and plans for management succession; (6) reviewing and discussing with management the Compensation Discussion and Analysis section of the proxy statement and recommending to the Board whether to include such Compensation Discussion and Analysis section in the proxy statement; and (7) preparing a report on executive officer compensation for inclusion in the proxy statement. The human resources department supports the Compensation Committee in its duties, and the Compensation Committee from time to time delegates to the human resources department its authority to fulfill certain administrative duties. The Compensation Committee has the sole authority under its charter to retain, terminate and approve the fees and terms of retention of any compensation consultant, legal counsel or other advisor it deems necessary to assist in the performance of its duties, but only after taking into consideration all factors relevant to such consultant's, counsel's or advisor's independence from management, including any factors specified in the NYSE Rules. The Compensation Committee is directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor that it retains.

The Compensation Committee met six times during 2018. The Compensation Committee's report relating to the 2018 fiscal year appears on page 40 of this Proxy Statement. See Compensation Discussion and Analysis beginning on page 22 of this Proxy Statement for more information concerning the activities of the Compensation Committee with respect to the 2018 fiscal year, including the Compensation Committee's engagement of Pearl Meyer & Partners ( Pearl Meyer ), an independent outside consulting firm, to assist the Compensation Committee in the design of the Company's 2018 executive compensation program.

*Nominating and Governance Committee.* The Nominating and Governance Committee operates pursuant to a written Nominating and Governance Committee Charter adopted by the Board which reflects



NYSE Rules relating to nominating committees. The Nominating and Governance Committee annually reviews and assesses the adequacy of its charter and recommends changes to the Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices. The Nominating and Governance Committee's primary responsibility is to assist the Board on the broad range of issues surrounding the composition and operation of the Board, including: (1) identifying individuals qualified to become directors; (2) recommending to the Board director nominees for the next annual meeting of shareholders; and (3) developing and recommending to the Board a set of corporate governance principles. In addition, the Nominating and Governance Committee recommends to the Board committee selections and oversees the evaluation of the Board. Each member of the Nominating and Governance Committee qualifies as independent under the applicable NYSE Rules. The Nominating and Governance Committee met four times during 2018.

*Executive Committee.* When the Board is not in session, the Executive Committee may exercise those powers and carry out those duties of the Board which may lawfully be delegated by the Board. During 2018, the Executive Committee did not hold any formal meetings; however, the Executive Committee approved one action by unanimous written consent.

### **Corporate Governance Guidelines**

In accordance with NYSE Rules, the Board operates pursuant to written Corporate Governance Guidelines intended to promote the effective functioning of the Board and its committees and to reflect the Company's commitment to the highest standards of corporate governance. The Board, with the assistance of the Nominating and Governance Committee, periodically reviews the Corporate Governance Guidelines to ensure they are in compliance with all applicable requirements. The Corporate Governance Guidelines are available on the Company's website at [www.mihomes.com](http://www.mihomes.com) under the Investors heading.

### **Majority Voting Policy**

Our Corporate Governance Guidelines include a majority voting policy that applies in uncontested elections of directors (*i.e.*, an election of directors in which the number of nominees for director does not exceed the number of directors to be elected). Under this policy, any nominee for director who receives a greater number of votes withheld from his or her election than votes for his or her election shall tender his or her resignation as a director to the Board promptly following the certification of the election results. The Nominating and Governance Committee will consider each resignation tendered under the policy and recommend to the Board whether to accept or reject the resignation. The Board will act on each tendered resignation, taking into account the Nominating and Governance Committee's recommendation, within 90 days following the certification of the election results. The Nominating and Governance Committee in making its recommendation, and the Board in making its decision, may consider any factors or other information that they deem relevant or appropriate. The Board will promptly publicly disclose its decision whether to accept or reject such tendered resignation and, if rejected, the reasons for rejecting the tendered resignation.

Any director who tenders his or her resignation may not participate in the Nominating and Governance Committee recommendation or Board action regarding whether to accept or reject the tendered resignation. If, however, a majority of the members of the Nominating and Governance Committee receives a majority withheld vote in the same election, then the Board will appoint a committee comprised solely of independent directors who did not receive a majority withheld vote in that election to consider each tendered resignation and recommend to the Board whether to accept or reject it.

If a director's tendered resignation is rejected by the Board, the director will continue to serve for the remainder of his or her term and until his or her successor is duly elected and qualified or his or her earlier death, resignation or removal. If a director's tendered resignation is accepted by the Board, then the Board, in its sole discretion, may fill any resulting vacancy or may decrease the number of directors comprising the Board, in each case pursuant to the

provisions of and to the extent permitted by the Company's Regulations.

Neither abstentions nor broker non-votes will be deemed votes for or withheld from a director's election and will therefore have no effect in determining whether a majority withheld vote has occurred.

### **Review, Approval or Ratification of Related Person Transactions**

All Related Person Transactions (as defined below) are subject to our written Related Person Transaction Policy. Under this policy, the Audit Committee is responsible for reviewing and approving (or ratifying) all Related Person Transactions. In carrying out its responsibilities, the Audit Committee considers all relevant facts and circumstances relating to a Related Person Transaction and either approves (or ratifies) or disapproves the Related Person Transaction. While the relevant facts and circumstances vary depending on the transaction, they generally include:

the benefits to the Company of the transaction;

the terms of the transaction;

the interest of the Related Person (as defined below) in the transaction;

the alternatives to entering into the transaction;

whether the transaction is on terms comparable to those available from third parties; and

the overall fairness of the transaction.

The Audit Committee will approve (or ratify) a Related Person Transaction only if it determines that it is in the best interests of the Company. No director may participate in the consideration or approval (or ratification) of a Related Person Transaction with respect to which he or she or any of his or her immediate family members is a Related Person. The Audit Committee may, from time to time, delegate its duties under the Related Person Transaction Policy to the Audit Committee Chairman.

To the extent practicable, all Related Person Transactions will be approved in advance. If advance approval is not practicable, or if a Related Person Transaction that has not been pre-approved is brought to the attention of the Audit Committee, the Audit Committee will promptly consider all of the relevant facts and circumstances in its ratification of the transaction. Our directors, executive officers and other members of management are responsible for bringing all proposed Related Person Transactions of which they have knowledge to the attention of the Audit Committee Chairman.

Under our policy, a Related Person Transaction is any transaction, arrangement or relationship in which the Company or any of our subsidiaries was or is to be a participant and the amount involved exceeds \$120,000 and any Related Person had or will have a direct or indirect material interest. A Related Person is any person who is: (1) a director (or nominee for director) or executive officer of the Company; (2) to our knowledge, the beneficial owner of more than 5% of the Common Shares; or (3) any immediate family member of any of the foregoing persons.

During 2018 and the year-to-date period in 2019, the Company has not been a participant in any Related Person Transaction, other than the Related Person Transaction disclosed in our proxy statement relating to the 2018 Annual

Meeting of Shareholders.

**Attendance at Annual Shareholder Meetings**

The Company does not have a formal policy with respect to attendance by our directors at our annual meetings of shareholders. However, directors are encouraged to attend, and the Board and its committees meet immediately following, each annual meeting of shareholders. All of our then current directors attended the 2018 Annual Meeting of Shareholders.



## **Code of Business Conduct and Ethics**

All of the Company's directors, officers and employees (including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions) must adhere to the Company's Code of Business Conduct and Ethics, which complies with the applicable SEC Rules and NYSE Rules and is intended to reinforce our commitment to maintaining the highest ethical standards in operating our business. The Code of Business Conduct and Ethics is available on the Company's website at [www.mihomes.com](http://www.mihomes.com) under the Investors heading or by writing to M/I Homes, Inc., 3 Easton Oval, Suite 500, Columbus, Ohio 43219, c/o Chief Legal Officer and Secretary. We intend to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of the Code of Business Conduct and Ethics that relate to elements listed under Item 406(b) of Regulation S-K and apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website.

## **Executive Sessions**

In accordance with our Corporate Governance Guidelines and NYSE Rules, our non-management directors meet without management or inside directors present at every regularly scheduled Board meeting (at least twice per year) and at such other times as our Lead Independent Director or a majority of our non-management directors deem necessary or appropriate. Each executive session is chaired by our Lead Independent Director. During 2018, the non-management directors held four executive sessions.

## **Communications with the Board of Directors**

The Board believes it is important for shareholders and other interested parties to have a process by which to send communications to the Board. Accordingly, shareholders and other interested parties who wish to communicate with the Board or a particular director or group of directors (including the non-management directors) may do so by sending a letter to M/I Homes, Inc., 3 Easton Oval, Suite 500, Columbus, Ohio 43219, c/o Secretary. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Shareholder/Interested Party-Board Communication or Shareholder/Interested Party-Director Communication. All such letters must identify the author as a shareholder or other interested party (indicating such interest) and clearly state whether the intended recipients are all members of the Board or certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

## **Board Leadership Structure**

The Company does not have a fixed policy regarding whether the offices of Chairman of the Board and Chief Executive Officer should be vested in the same person or two different people. The Board has determined that the combined role of Chairman and Chief Executive Officer, as supplemented by our Lead Independent Director (as discussed below), is the most effective leadership structure for us at the present time. The Board believes that our Chief Executive Officer is best qualified to serve as Chairman because, as the officer ultimately responsible for our operations and performance, he is intimately familiar with our business, operations and industry and uniquely positioned to effectively identify and lead discussions concerning our strategic priorities. The Board further believes that the combined role of Chairman and Chief Executive Officer promotes the development and execution of our business strategy and facilitates information flow between management and the Board, which are essential to effective governance. In addition, the Board believes that our current Chief Executive Officer's family relationship (he is the son of the founder of the Company), previous experience as a real estate attorney and more than 25 years of service with the Company in various roles spanning production, sales and land acquisition/disposition and development further qualify him to serve as Chairman.

To supplement our leadership structure, the Board has a Lead Independent Director position, which is currently held by Friedrich K.M. Böhm. The Lead Independent Director serves at the discretion of, and is

annually elected by, our independent directors. The Lead Independent Director has the following duties and responsibilities:

review with the Chairman and approve the agenda for meetings of the Board;

review with the Chairman and approve the schedule for meetings of the Board to assure there is sufficient time for discussion of all agenda items;

review with the Chairman and approve information provided to the Board;

call executive sessions or meetings of the independent directors or non-management directors, as he or she deems necessary or appropriate, and preside at all such executive sessions or meetings;

preside at all meetings of the Board at which the Chairman is not present;

meet separately with the Chairman after executive sessions of the independent directors or the non-management directors to review matters considered during such executive sessions;

serve as the liaison between the Chairman and the independent directors;

be available for consultation and direct communication with the Company's shareholders, if requested; and

perform such other duties as the Board may from time to time delegate.

The Board periodically reviews our leadership structure and retains the authority to modify the structure, as and when appropriate, to address our then current circumstances.

### **Board's Role in Risk Oversight**

Management is responsible for identifying and managing risk and bringing to the Board's (or the applicable committee's) attention the most material risks that we face. While management reviews risk on a company-wide basis, it focuses on risks in four primary areas: (1) financial risk; (2) legal, compliance and regulatory risk; (3) cybersecurity risk; and (4) operational and strategic risk. The Board has ultimate oversight responsibility for our risk-management program and carries out this responsibility directly and through its committees. The full Board directly oversees and reviews operational and strategic risk and receives regular reports from the committee chairs regarding risk oversight in the committees' respective areas of responsibility. The Audit Committee oversees and reviews financial risk (including our internal controls) and legal, compliance and regulatory risk. In carrying out their oversight responsibilities, the full Board and the Audit Committee receive regular reports from the appropriate members of management regarding the material risks that have been identified, including how those risks are being managed and strategies for mitigating those risks. The Audit Committee also receives an annual risk assessment report from our

internal auditors and, in accordance with its charter, discusses with management the guidelines and policies that management uses to govern the process by which risk assessment and management is undertaken, with particular attention to financial risks.

In connection with its oversight of our executive compensation program, the Compensation Committee reviews and evaluates our compensation policies and practices relating to our employees (as well as our executive officers). During its review and evaluation, the Compensation Committee focuses on any incentives that may create, and any factors that may reduce the likelihood of, excessive risk taking by our employees to determine whether our compensation policies and practices present a material risk to us. Based on this review, the Compensation Committee has concluded that our compensation policies and practices for our employees (including our executive officers) do not create risks that are reasonably likely to have a material adverse effect on us.

The Nominating and Governance Committee oversees risks related to the composition and operation of our Board, including director independence and potential conflicts of interest.

### **Nomination of Directors**

As described above, the Company has a standing Nominating and Governance Committee that is responsible for providing oversight on the broad range of issues surrounding the composition and operation of the Board, including identifying candidates qualified to become directors and recommending director nominees to the Board.

When considering candidates for the Board, the Nominating and Governance Committee evaluates the entirety of each candidate's credentials and does not have any specific eligibility requirements or minimum qualifications that must be met by a Nominating and Governance Committee-recommended nominee. The Nominating and Governance Committee considers those factors it deems appropriate, including judgment, skill, independence, diversity, strength of character, experience with businesses and organizations comparable in size or scope, experience as an executive of, or advisor to, a publicly-traded or private company, experience and skill relative to other Board members, specialized knowledge or experience and desirability of the candidate's membership on the Board. The Nominating and Governance Committee does not have a formal policy with regard to the consideration of diversity in identifying director nominees. However, the Nominating and Governance Committee considers diversity, including diversity of gender, race and ethnicity, education, professional experience, viewpoints, backgrounds and skills. The Nominating and Governance Committee does not assign a specific weight to particular factors and, depending upon the current needs of the Board, may weigh certain factors more or less heavily. The Nominating and Governance Committee does, however, believe that all members of the Board should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters and no conflict of interest that would materially interfere with performance as a director.

The Nominating and Governance Committee considers candidates for the Board from any reasonable source, including shareholder recommendations, and does not evaluate candidates differently based on who has made the recommendation. Pursuant to its written charter, the Nominating and Governance Committee has the authority to retain consultants and search firms to assist in the process of identifying and evaluating candidates and to approve the fees and other retention terms for any such consultant or search firm. No such consultant or search firm has been used to date.

Shareholders may recommend director candidates for consideration by the Nominating and Governance Committee by giving written notice of the recommendation to M/I Homes, Inc., 3 Easton Oval, Suite 500, Columbus, Ohio 43219, c/o Secretary. The recommendation must include the candidate's name, age, business address, residence address and principal occupation or employment, as well as a description of the candidate's qualifications, attributes and other skills. A written statement from the candidate consenting to serve as a director, if so nominated and elected, must accompany any such recommendation.

The Board, taking into account the recommendations of the Nominating and Governance Committee, selects the nominees for election as directors at the annual meeting of shareholders. In addition, shareholders who wish to nominate one or more persons for election as a director at the annual meeting of shareholders may do so, provided they comply with the nomination procedures set forth in the Company's Regulations. To nominate one or more persons for election as a director at an annual meeting, the Company's Regulations require that a shareholder give written notice of such shareholder's intent to make such nomination or nominations by personal delivery or by United States Mail, postage pre-paid, to the Secretary of the Company not less than 60 days nor more than 90 days prior to the first anniversary of the date of the preceding year's annual meeting (or, if the date of the annual meeting is changed by more than 30 days from the anniversary date of the preceding year's annual meeting or, in the case of a special meeting, within seven days after the date the Company mails or otherwise gives notice of the date of the meeting). Such notice shall set forth: (1) the name and address of the shareholder



intending to make the nomination and the person or persons to be nominated; (2) a representation that the shareholder is a holder of record entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (3) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (4) such other information regarding each nominee proposed by the shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated, or intended to be nominated, by the Board; and (5) the consent of each nominee to serve as a director of the Company, if so elected. The Chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedures.

---

**Proposal No. 2**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Pursuant to SEC rules and our Board policy requiring an annual say-on-pay vote, we are asking our shareholders to approve the following non-binding resolution on the compensation of our executive officers identified in the Summary Compensation Table on page 41 of this Proxy Statement (the Named Executive Officers):

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the Company's Named Executive Officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and all related disclosures.

Through a mix of base salary, annual cash performance bonus and long-term equity awards, we seek to promote four primary objectives with our executive compensation program: (1) attracting and retaining exceptional executives; (2) motivating our executives; (3) aligning the interests of our executives and our shareholders; and (4) rewarding short- and long-term performance. We are committed to a pay-for-performance philosophy. As such, a significant majority of each Named Executive Officer's compensation is at risk or variable and dependent upon our performance and/or appreciation in the price of our Common Shares. The Compensation Discussion and Analysis beginning on page 22 of this Proxy Statement describes our executive compensation program and how and why the Compensation Committee determined that compensation. We urge shareholders to read the Compensation Discussion and Analysis as well as the Summary Compensation Table and other related compensation tables on pages 41-50 of this Proxy Statement.

In 2018, our principal goals were to continue to increase our profitability (as measured by our pre-tax income from operations, excluding extraordinary items ( Adjusted Pre-Tax Income )), new contracts and homes delivered while maintaining our historically high customer service and quality scores. Given our focus on continuing to increase our profitability in 2018, our consistent growth in profitability over the previous six years and the design of our executive compensation program during that six-year period, the Compensation Committee continued to believe that our historical executive compensation practices were effectively driving our financial and operational performance and designed our 2018 executive compensation program in a substantially similar manner as our 2017 program:

*Base Salary.* The Named Executive Officers' base salaries in 2018 remained at their 2017 levels.

*Annual Cash Performance Bonus.* In 2018, each Named Executive Officer was eligible to earn an annual cash performance bonus based on our Adjusted Pre-Tax Income. The design of the 2018 program was substantially the same as the 2017 program with one primary change. The Committee increased the maximum performance level to \$175 million (from \$165 million in 2017) in an effort to drive performance relative to 2017 (i.e., increased Adjusted Pre-Tax Income was required in all cases under the 2018 program to receive the same percentage bonus as under the 2017 program). For example, we needed to increase our Adjusted Pre-Tax Income by 10% in 2018 for the Named Executive Officers to earn the same percentage bonuses in 2018 that they earned in 2017.

In 2018, we increased our Adjusted Pre-Tax Income by 8% and each Named Executive Officer received a cash performance bonus that represented 73% of his maximum annual performance bonus opportunity. Due to the leveraged design of the 2018 program, the Named Executive Officers' bonuses in 2018 were 3% less than the bonuses they earned in 2017 based on the same metric despite our 8% increase in Adjusted Pre-Tax Income.



*Equity-Based Compensation.* In 2018, the Committee continued its historical practice of awarding our Named Executive Officers equity-based compensation in the form of (1) service-based stock

options and (2) performance share units ( PSUs ). In Mr. Schottenstein s case, the Committee increased the number of options awarded to him in 2018 by 13,500 (to 96,000) and the grant date market value of the Common Shares underlying the target number of PSUs awarded to him by \$150,000 (to \$750,000) based primarily on competitive data and input from its independent compensation consultant. In Messrs. Creek s and Mason s cases, each received the same number of stock options as he received in 2017 and a target number of PSUs with the underlying Common Shares having approximately the same grant date market value as the grant date market value of the Common Shares underlying the target number of PSUs he received in 2017. Under the 2018 PSU awards, each Named Executive Officer s PSUs will vest and be earned, if at all, after the completion of a three-year performance period from January 1, 2018 through December 31, 2020 based (1) 80% on our cumulative annual Adjusted Pre-Tax Income over the performance period and (2) 20% on our relative total shareholder return compared to our Peer Group over the performance period, and continued employment. Any vested PSUs will be settled on a one-for-one basis in whole Common Shares. Any PSUs that do not vest due to inadequate performance or termination of employment will be forfeited.

In 2018, we achieved record results on numerous fronts. Among other things, we increased:

net income by 49% to a company record \$107.7 million;

Adjusted Pre-Tax Income by 8% to \$147.1 million;

diluted earnings per share by 64% to \$3.70 per share;

revenues by 17% to a company record \$2.3 billion;

new contracts by 10% to a company record 5,845 new contracts;

homes delivered by 14% to a company record 5,778 homes; and

shareholders equity by 14% to a company record \$855 million.

We also finished 2018 with backlog units and sales value that were 9% and 13% greater than a year earlier, respectively, and the average sales price in our backlog was the highest level in our history.

This vote on our executive compensation program is advisory which means that it is not binding on us. However, the Compensation Committee values the opinions of our shareholders. If there is a significant vote against this proposal, the Committee will consider our shareholders concerns and evaluate what actions are necessary to address those concerns.

The affirmative vote of holders of a majority of the outstanding Common Shares entitled to vote at the Annual Meeting is required to approve this proposal. Abstentions and broker non-votes will be counted for purposes of establishing a quorum and will have the same effect as a vote against this proposal.

**Your Board of Directors unanimously recommends a vote FOR the approval of the compensation of our Named Executive Officers as disclosed in this Proxy Statement.**

**Proposal No. 3**

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019. Deloitte & Touche LLP served as the Company's independent registered public accounting firm for the 2018 fiscal year. Although action by the shareholders in this matter is not required, the Audit Committee believes that shareholder ratification of its appointment of Deloitte & Touche LLP is appropriate because of the independent registered public accounting firm's role in reviewing the quality and integrity of the Company's internal control over financial reporting. A representative of Deloitte & Touche LLP will be present at the Annual Meeting. The representative will have an opportunity to make a statement, if he or she desires, and will be available to respond to appropriate questions.

The affirmative vote of holders of a majority of the outstanding Common Shares entitled to vote at the Annual Meeting is required to ratify the appointment of Deloitte & Touche LLP. Abstentions will be counted for purposes of establishing a quorum and will have the same effect as a vote against the proposal. In the event that the shareholders do not ratify the appointment of Deloitte & Touche LLP, the Audit Committee will reconsider (but may decide to maintain) its appointment of Deloitte & Touche LLP.

**Your Board of Directors unanimously recommends a vote FOR the ratification of Deloitte & Touche LLP as our independent registered public accounting firm.**

---

**EXECUTIVE OFFICERS AND CERTAIN KEY EMPLOYEES**

The executive officers of the Company are Robert H. Schottenstein, Phillip G. Creek and J. Thomas Mason. Biographical information with respect to the executive officers is set forth under Board of Directors beginning on page 4 of this Proxy Statement. The executive officers are elected by, and serve at the pleasure of, the Board. The following table sets forth biographical information with respect to certain key employees of the Company:

<b>Name</b>	<b>Age</b>	<b>Current Positions with Company/Business Experience</b>	<b>Year Started</b>
Derek J. Klutch	55	Chief Executive Officer of M/I Financial since April 2019 and President of M/I Financial since November 2016.	1993
Fred J. Sikorski	64	Region President overseeing our Tampa and Orlando Divisions since December 2006, our Raleigh and Charlotte Divisions since May 2008, our Cincinnati Division since September 2011, our Washington D.C. Division since April 2012, our Sarasota Division since April 2016, and our Columbus Division from September 2010 to July 2016 and since February 2019.	1998
Thomas W. Jacobs	53	Region President overseeing our Austin, Dallas, Houston and San Antonio Divisions since January 2016, and our Chicago, Minneapolis/St. Paul, Indianapolis and Detroit Divisions since February 2019. Prior to January 2016, Mr. Jacobs served in a regional role with Ryland Homes overseeing 10 divisions, including Austin, Chicago, Dallas, Houston, and San Antonio.	2016

## PRINCIPAL SHAREHOLDERS

The following table sets forth, as of March 11, 2019, the number and percentage of our outstanding Common Shares beneficially owned by (1) each person who, to the knowledge of the Company, beneficially owns more than five percent of the outstanding Common Shares, (2) each of the Company's directors, nominees for director and Named Executive Officers and (3) all of the current directors and executive officers of the Company as a group. Except as set forth in the footnotes to the table, the shareholders have sole voting and dispositive power with respect to such Common Shares:

Name of Beneficial Owner	Number of Common Shares	Percent of Class
Friedrich K. M. Böhm	56,934 <sup>(1)</sup>	*
William H. Carter	30,133 <sup>(1)(2)</sup>	*
Phillip G. Creek	226,513 <sup>(1)</sup>	*
Michael P. Glimcher	15,500 <sup>(1)</sup>	*
Elizabeth K. Ingram		*
Nancy J. Kramer	9,000 <sup>(1)</sup>	*
J. Thomas Mason	138,596 <sup>(1)(2)</sup>	*
Robert H. Schottenstein	725,464 <sup>(1)(3)</sup>	2.6%
Norman L. Traeger	42,058 <sup>(1)</sup>	*
All current directors and executive officers as a group (9 persons)	1,244,198	4.4%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, NY 10022	5,057,902 <sup>(4)</sup>	18.4%
Donald Smith & Co., Inc. 152 West 57 <sup>th</sup> Street New York, NY 10019	2,565,223 <sup>(5)</sup>	9.3%
Dimensional Fund Advisors LP 6300 Bee Cave Road Building One Austin, TX 78746	2,042,529 <sup>(6)</sup>	7.4%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	1,759,195 <sup>(7)</sup>	6.4%
Franklin Resources, Inc. One Franklin Parkway	1,503,119 <sup>(8)</sup>	5.5%

San Mateo, California 94403

\* Less than 1.0% of the outstanding Common Shares

- (1) The amounts shown include 220,000, 135,000 and 167,700 Common Shares for Phillip G. Creek, J. Thomas Mason and Robert H. Schottenstein, respectively, which underlie currently exercisable stock options. The amounts shown also include 23,527 Common Shares held by each of Friedrich K.M. Böhm and Norman L. Traeger, 16,500 Common Shares held by William H. Carter, 15,500 Common Shares held by Michael P. Glimcher and 9,000 Common Shares held by Nancy J. Kramer, in each case, in the form of director stock units issued pursuant to the Amended and Restated 2006 Director Equity Incentive Plan (the "2006 Director Plan"), the 2009 Long-Term Incentive Plan, as amended (the "2009 LTIP"), and the 2018 Long-Term Incentive Plan (the "2018 LTIP"). Under the terms of the 2006 Director Plan, the 2009 LTIP and the 2018 LTIP, a participant does not beneficially own, or have voting or dispositive power with respect to, Common Shares acquired under the plan in the form of director stock units, until such Common Shares are distributed pursuant to the terms of the plan.
- (2) The amounts shown include 13,633 and 3,596 Common Shares held by William H. Carter and J. Thomas Mason, respectively, under the terms of the Amended and Restated Director Deferred Compensation Plan

- (the Director Deferred Compensation Plan ) and the Amended and Restated Executives Deferred Compensation Plan (the Executives Deferred Compensation Plan ), respectively. Under the terms of the Director Deferred Compensation Plan and the Executives Deferred Compensation Plan, a participant does not beneficially own, or have voting or dispositive power with respect to, Common Shares acquired under the plan, until such Common Shares are distributed pursuant to the terms of the plan.
- (3) The amount shown includes 485,400 Common Shares held of record by IES Family Holdings No. 2, LLC, an Ohio limited liability company. Robert H. Schottenstein is the sole manager of IES Family Holdings No. 2, LLC and has sole voting and dispositive power with respect to such 485,400 Common Shares. The amount shown also includes 10,000 Common Shares owned by Robert H. Schottenstein's spouse, as to which Mr. Schottenstein disclaims beneficial ownership, and 62,364 Common Shares directly owned by Robert H. Schottenstein. The address of Robert H. Schottenstein is 3 Easton Oval, Suite 500, Columbus, Ohio 43219.
- (4) Based on information set forth in a Schedule 13G/A filed on January 31, 2019, which was filed on behalf of BlackRock, Inc., a parent holding company, BlackRock International Limited, BlackRock (Netherlands) B.V., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, National Association, BlackRock Investment Management (UK) Limited, BlackRock Investment Management, LLC and BlackRock Japan Co., Ltd. BlackRock, Inc. has sole voting power with respect to 4,776,748 of such Common Shares and sole dispositive power with respect to all of such Common Shares.
- (5) Based on information set forth in a Schedule 13G filed on February 8, 2019, which was filed on behalf of Donald Smith & Co., Inc., a registered investment adviser, and Donald Smith Long/Short Equities Fund, L.P. Donald Smith & Co., Inc. has sole voting power with respect to 2,356,148 of such Common Shares and sole dispositive power with respect to all of such Common Shares. Donald Smith Long/Short Equities Fund, L.P., LLC has sole voting power with respect to 8,154 of such Common Shares and sole dispositive power with respect to all of such Common Shares.
- (6) Based on information set forth in a Schedule 13G/A filed on February 8, 2019, which was filed on behalf of Dimensional Fund Advisors LP, a registered investment adviser, who has sole voting power with respect to 1,979,796 of such Common Shares and sole dispositive power with respect to all of such Common Shares.
- (7) Based on information set forth in a Schedule 13G filed on February 12, 2019, which was filed on behalf of The Vanguard Group, a registered investment adviser, who has sole voting power with respect to 33,398 of such Common Shares, shared voting power with respect to 6,617 of such Common Shares, sole dispositive power with respect to 1,722,214 of such Common Shares and shared dispositive power with respect to 36,981 of such Common Shares.
- (8) Based on information set forth in a Schedule 13G dated January 28, 2019, which was filed on behalf of Franklin Resources, Inc. ( FRI ), Franklin Advisers, Inc. ( FAI ), and Charles B. Johnson and Rupert H. Johnson, Jr., the principal shareholders of FRI. FAI has sole voting and dispositive power with respect to 1,468,019 of such Common Shares.





## COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes our executive compensation philosophy and objectives, our Named Executive Officers' 2018 compensation and how and why the Compensation Committee (the Committee) determined that compensation.

### Executive Summary

*Objectives.* Through a mix of (1) base salary, (2) annual cash performance bonus and (3) long-term equity awards, the Committee seeks to: (a) attract and retain exceptional executives; (b) motivate our executives; (c) align the interests of our executives and our shareholders; and (d) reward short- and long-term performance.

*2018 Goals and Performance.* In 2018, our principal goals were to continue to increase our profitability (as measured by Adjusted Pre-Tax Income (as defined on page 16 and described in detail on page 33 of this Proxy Statement)), new contracts and homes delivered while maintaining our historically high customer service and quality scores. We achieved these goals and experienced record results on numerous fronts.

In 2018, we (1) increased our Adjusted Pre-Tax Income by \$10.6 million, or 8%, to \$147.1 million (marking our seventh consecutive year of increasing our profitability), (2) entered into a company record 5,845 new contracts (a 10% increase from 2017) and (3) delivered a company record 5,778 homes (a 14% increase from 2017).

Other highlights of our 2018 financial and operating performance include:

Revenue. Revenue increased 17% to a company record \$2.3 billion;

Net Income. Net income increased 49% to a company record \$107.7 million;

Diluted Earnings Per Share. Diluted earnings per share increased 64% to 3.70 per share;

Backlog. At December 31, 2018, backlog units and sales value increased 9% and 13%, respectively, compared to a year earlier, and the average sales price in backlog increased to a company record \$409,000;

Average Sale Price. The average sale price of homes delivered increased 4% to \$384,000;

Land Position. We invested \$552.5 million in land acquisitions and development and increased our controlled lots to 28,723;

Active Communities. Active communities at December 31, 2018 increased by 11% to 209;

Balance Sheet. Shareholders' equity at December 31, 2018 increased 14% to a company record \$855 million; and

Share Repurchase Program. We adopted a \$50 million share repurchase program and purchased 1.1 million Common Shares.

Expanded Our Footprint. We entered the Detroit, Michigan market in March 2018 with our acquisition of a local builder.

*2018 Executive Compensation Program.* Given our focus on continuing to increase our profitability in 2018, our consistent growth in profitability over the previous six years and the design of our executive compensation program during that six-year period, the Committee continued to believe that our historical executive compensation practices were effectively driving our financial and operational performance. As a result, the Committee made relatively few changes to our executive compensation program in 2018 and designed the program in a substantially similar manner as our 2017 program.

Base Salary. The Named Executive Officers' base salaries in 2018 remained at their 2017 levels.

Annual Cash Performance Bonus. In 2018, each Named Executive Officer was eligible to earn an annual cash performance bonus based on our Adjusted Pre-Tax Income. The design of the 2018 annual cash performance bonus program was substantially the same as the 2017 annual bonus program with one primary change. The Committee increased the maximum performance level to \$175 million (from \$165 million in 2017). The Committee increased the maximum performance level in an effort to drive performance relative to 2017 (*i.e.*, increased Adjusted Pre-Tax Income was required in all cases under the 2018 program to receive the same percentage bonus as under the 2017 program). For example, we needed to increase our Adjusted Pre-Tax Income by 10% in 2018 for the Named Executive Officers to earn the same percentage bonuses in 2018 that they earned in 2017. We increased our Adjusted Pre-Tax Income by 8% in 2018. As a result of our performance, Messrs. Schottenstein, Creek and Mason earned performance bonuses of \$2,284,065, \$1,087,650 and \$725,100, respectively. In each case, the bonus represented 73% of his maximum potential performance bonus opportunity. Due to the leveraged design of the 2018 program, the Named Executive Officers' annual cash performance bonuses in 2018 were 3% less than the bonuses they earned (based on the same metric) in 2017.

Long-Term Equity-Based Compensation. In 2018, the Committee continued its historical practice of awarding our Named Executive Officers equity-based compensation in the form of (1) service-based stock options and (2) PSUs. In Mr. Schottenstein's case, the Committee increased in 2018 the number of options awarded to him by 13,500 (to 96,000) and the grant date market value of the Common Shares underlying the target number of PSU's awarded to him by \$150,000 (to \$750,000) based primarily on competitive data and input from its independent compensation consultant. In Messrs. Creek's and Mason's cases, each received the same number of stock options as he received in 2017 and a target number of PSUs with the underlying Common Shares having approximately the same grant date market value as the grant date market value of the Common Shares underlying the target number of PSUs he received in 2017.

*Pay-for-Performance.* We are committed to a pay-for-performance philosophy. As a result, a significant majority of each Named Executive Officer's compensation is at risk or variable and dependent on our performance and/or stock price appreciation (*i.e.*, performance-based). The charts below set forth the percentage of each Named Executive Officer's 2018 total compensation that was performance-based:

### **2018 TOTAL COMPENSATION**

(from Summary Compensation Table on page 41)

*Compensation Best Practices.* We incorporate a number of practices and processes into our executive compensation program that we believe reflect best corporate governance practices, including:

Independent Compensation Committee. The Committee has the exclusive power and authority to determine all elements of executive compensation and is comprised entirely of independent directors.

Independent Compensation Consultant. The Committee engages an independent compensation consultant, who performs no other work for us, to advise on executive compensation matters.

Pay-for-Performance. 78.6%, 77.0% and 72.8% of Messrs. Schottenstein, Creek and Mason's respective 2018 total compensation was performance-based.

Long-Term Vesting. All of the Named Executive Officers' equity-based compensation awards have multi-year vesting periods (five years for stock options and three years for PSUs).

No Employment Agreements. None of the Named Executive Officers have employment agreements.

No Repricing. Under our equity compensation plans, we are prohibited from repricing stock options without shareholder approval.

No Hedging or Pledging. Under our Insider Trading Policy, our executives are prohibited from hedging, pledging or trading in derivatives of our Common Shares.

No Dividends on Unvested Equity Awards. We do not provide for the payment of dividends or dividend equivalents on unvested equity awards.

Double Trigger. Under the change in control agreement that we maintain with each Named Executive Officer, the executive will not receive a cash severance unless both a change in control and a qualifying termination of employment occurs.

### **2018 Advisory Vote on Executive Compensation**

At our 2018 Annual Meeting of Shareholders (and consistent with our prior say-on-pay votes), our shareholders approved the compensation of our Named Executive Officers, with 97% of the votes cast in favor of our say-on-pay resolution. The Committee considered the results of the 2018 say-on-pay vote as part of its 2019 review of our executive compensation program. The Committee believes that our 2018 say-on-pay results are an affirmation of our executive compensation program, and, as a result, it did not make any changes to our 2019 executive compensation program based on the 2018 vote.

### **Compensation Philosophy and Objectives**

We design our executive compensation program to promote the following philosophy and objectives:

*Attract and Retain.* Compensation should be competitive with the compensation programs of other publicly-traded homebuilders which compete with us for talent to ensure that we attract and retain exceptional executives.

*Motivate.* Compensation should motivate our executives to perform at the highest level and achieve our financial and strategic goals while discouraging excessive risk taking.

*Align Interests.* Compensation should align the interests of our executives and our shareholders with the ultimate goal of creating long-term shareholder value.

*Reward Performance.* Compensation should depend on, and reward executives on the basis of, individual and company short- and long-term performance and thereby foster a pay-for-performance culture.

The Committee believes that the structure of our compensation program should be fundamentally the same across our entire management team. As a result, while individual compensation levels vary, the Named Executive Officers and the rest of our management team generally receive the same components of compensation (*i.e.*, base salary, annual cash performance bonus and long-term equity awards). In addition, the same or similar performance goals apply to their annual cash performance bonuses. The Committee believes this consistency fosters team work, ensures that the entire management team focuses on the same corporate goals and shares in the risks and rewards of our performance in a similar manner and reduces the likelihood of excessive risk taking.

### **Role of Executive Officers**

Consistent with past practice, at the request of the Committee, our Chief Executive Officer, with the assistance of other members of senior management, made initial recommendations to the Committee regarding the 2018 executive compensation program. Thereafter, the Committee from time to time solicited further input from the Chief Executive Officer and such other members of management. Also at the request of the Committee, the Chief Executive Officer and certain of such other members of management participated in the Committee meetings. The Committee seeks this input because of the Chief Executive Officer's close working relationship with the other Named Executive Officers and management's comprehensive knowledge of our business and financial and strategic goals. The Committee, however, has the exclusive authority to determine all elements of executive compensation and makes all final decisions.

### **Role of Independent Compensation Consultant**

The Committee retained Pearl Meyer to serve as its independent compensation consultant for 2018. Pearl Meyer's engagement focused on: (1) reviewing our executive compensation program as a whole, each principal component and the mix of compensation; (2) analyzing competitive pay data, including comparing (a) our Named Executive Officers compensation (target total direct compensation, target annual compensation, each principal component and the mix of compensation) to the compensation of similarly-positioned executives within our Peer Group and (b) our annual cash incentive plan and long-term incentive plan practices with our Peer Group; (3) analyzing our performance relative to our Peer Group, with a focus on revenue growth and total shareholder return; (4) reviewing the composition of our Peer Group (as defined on page 27 of this Proxy Statement); (5) advising on executive compensation trends and best practices; (6) assessing the dilution and overhang of our annual equity grants compared to our Peer Group; (7) reviewing our non-employee director compensation program as a whole, each principal component and the competitiveness of such compensation compared to our Peer Group and (8) advising on the terms of our 2018 LTIP which our shareholders approved at the 2018 Annual Meeting of Shareholders. At the request of the Committee, Pearl Meyer discussed with management the recommendations that management planned to make to the Committee regarding 2018 compensation.

During 2018, Pearl Meyer did not provide any services to us beyond its support of the Committee. The Committee assessed the independence of Pearl Meyer and concluded that Pearl Meyer's work for us did not raise any conflict of interest.

## Setting Executive Compensation

In the first quarter of each year, the Committee evaluates the Named Executive Officers' performance, determines whether they will receive cash performance bonuses for the prior year and whether the PSUs for the recently completed three-year performance period have vested and establishes the compensation program for the current year.

During the course of establishing the 2018 executive compensation program, the Committee reviewed:

our 2018 financial and strategic goals;

a report prepared by our human resources department summarizing (1) our financial performance, total shareholder return and share price during each of the preceding four fiscal years (2014-2017) and (2) the annual cash performance bonuses paid and the stock options granted to our Named Executive Officers as a group and company-wide in that same period;

senior management's recommendations for the 2018 (1) annual cash performance bonus program and (2) equity-based compensation program (including stock options and PSUs);

a report prepared by our human resources department setting forth (1) the number of stock options granted during each of the preceding five fiscal years (2013-2017) to each current equity compensation plan participant (including the Named Executive Officers) and all participants in the aggregate, (2) our estimated burn rate for 2018 and estimated three-year average burn for 2016-2018 and (3) the total number of Common Shares that remained available for grant under our then-current equity compensation plan;

tally sheets prepared by our human resources department setting forth for each Named Executive Officer the (1) dollar value of each component of compensation and total compensation for 2017 and, on an estimated basis, for 2018, (2) realizable value (*i.e.*, the difference between the then-current market price of our Common Shares on the NYSE and the exercise price) of all outstanding stock options (on an exercisable and unexercisable basis), (3) estimated fair value of all outstanding PSUs (assuming achievement of the target performance goals for the PSUs awarded in 2016 and 2017 and based on estimated actual results for the PSUs awarded in 2015) and (4) potential payments upon a change of control;

the individual performance of each Named Executive Officer; and

a report prepared by Pearl Meyer analyzing our executive compensation program, including (1) competitive data comparing the target total direct compensation, target annual compensation, each principal component and the mix of compensation received by each Named Executive Officer to similarly-positioned executive officers within the peer group of publicly-traded homebuilders set forth below (the Peer Group), (2) a review of our and the Peer Group's annual and long-term incentive plan practices, (3) competitive data comparing our performance to the Peer Group (including revenue



growth and total shareholder return) and (4) assessing the dilution and overhang of our annual equity grants compared to our Peer Group.

The Peer Group consisted of:

Beazer Homes USA, Inc.	M.D.C. Holdings, Inc.
CalAtlantic Group, Inc.	Meritage Homes Corporation
D.R. Horton, Inc.	NVR, Inc.
Hovnanian Enterprises, Inc.	PulteGroup, Inc.
KB Home	Taylor Morrison Home Corporation
Lennar Corporation	Toll Brothers, Inc.
LGI Homes, Inc.	Tri-Pointe Group, Inc.

The Committee, with input from management and Pearl Meyer, selected our Peer Group. The Committee selected these companies (all of which are publicly-traded homebuilders) because they are generally our principal competitors for personnel, customers, land and investment. In 2018, the Peer Group remained the same as in 2017. In February 2018, CalAtlantic Group, Inc. merged with and into Lennar Corporation.

The Committee utilized the Peer Group data to understand the compensation levels and pay practices of our competitors and ensure that our Named Executive Officers' compensation was generally consistent and competitive with the components, forms and amounts of compensation paid by our competitors (*i.e.*, reasonable on a relative basis). The Committee did not benchmark our compensation, or any component thereof, to a specific percentile within our Peer Group. Instead, the Committee used the Peer Group data only as a point of reference and one of several factors in setting executive compensation.

When setting compensation, the Committee also takes into account that the homebuilding industry is highly competitive and cyclical and our Named Executive Officers have considerable tenure with us, experience in both up and down homebuilding cycles and delivered strong results during their tenure. The Committee believes that this continuity of management and experience is valuable.

### **2018 Executive Compensation**

For 2018, the principal components of our executive compensation program were:

base salary;

annual cash performance bonus; and

long-term equity-based compensation in the form of (1) stock options and (2) PSUs.

The Committee recognizes the need for both cash and equity-based compensation and short- and long-term compensation. The Committee believes that a mix of compensation is necessary to strike an appropriate balance between short- and long-term financial and strategic goals, discourage excessive risk-taking and align the interests of our executives and our shareholders. We do not, however, have a pre-established formula or target for the allocation between cash and equity-based compensation or short- and long-term compensation. Instead, the Committee subjectively determines the mix of compensation based on input from Pearl Meyer and consideration of the Peer

Group data, individual and corporate performance, each executive's experience and responsibilities, our short- and long-term financial and strategic goals, conditions in the homebuilding industry and the general economy and our past practices.

### ***Base Salary***

Base salary is the only fixed component of compensation. As such, we intend for base salary to provide a competitive, base level of compensation so that executives do not feel pressured to take unnecessary or excessive risks or overly focus on the price of our Common Shares. The Committee annually reviews and subjectively determines each Named Executive Officer's base salary.

When determining the Named Executive Officers' 2018 base salaries, the Committee considered:

the base salaries of similarly-positioned executives in our Peer Group;

individual and corporate performance in 2017;

the executive's scope of responsibility, level of experience and tenure;

input from Pearl Meyer; and

homebuilding and general economic conditions.

The Committee did not assign a specific weighting to any of these factors.

Based on its review and support from Pearl Meyer, the Committee elected not to change the Named Executive Officers' base salaries in 2018 (which remained at \$900,000, \$600,000, and \$500,000 for Messrs. Schottenstein, Creek and Mason, respectively). The Committee determined that, while each Named Executive Officer performed well in 2017, no changes were necessary to achieve our compensation objectives. Messrs. Schottenstein's and Creek's base salaries were last increased in 2013 and Mr. Mason's in 2016.

In the course of its review of individual performance, the Committee noted Mr. Schottenstein's leadership role in developing and executing our operating strategy and driving our record financial and operating results in 2017. For Mr. Creek, the Committee noted his management of our overall operations, capital structure and balance sheet (including our successful issuance of \$250 million of 5.625% senior notes due 2025 and the redemption of all of our outstanding depositary shares in 2017) and the 14% increase in our shareholders' equity in 2017. For Mr. Mason, the Committee noted his role in our land management (including our \$528.9 million investment in land acquisitions and development and 24% increase in controlled lots in 2017) as well as his oversight of our legal and human resources departments, risk management and regulatory compliance.

### ***Annual Cash Performance Bonus***

The annual cash performance bonus is designed to motivate our Named Executive Officers and reward them based on our achievement of one or more pre-determined, objective performance goals that are directly related to our financial and strategic goals for the year. Historically and in 2018, the annual cash performance bonus opportunity has represented the most significant portion of each Named Executive Officer's potential total compensation. The Committee believes this fosters a pay-for-performance culture and accountability for our performance. The bonus is awarded pursuant to our shareholder-approved 2009 Annual Incentive Plan, a cash-based incentive plan. Under this Plan, the Committee has the express authority to reduce the amount paid to a participant with respect to an award.



During the first quarter of 2018, the Committee established the 2018 annual cash performance bonus program, including (1) the performance goals and award formula to be measured to determine the bonus (if any) that each Named Executive Officer would earn and (2) the maximum bonus that each Named Executive Officer would be eligible to earn. For 2018, the maximum potential performance bonuses for Messrs. Schottenstein, Creek and Mason were 350%, 250% and 200% of their respective 2018 base salaries (the same maximum percentages that have applied since 1999, 2006 and 2013 for each of them, respectively). The Committee subjectively determined these maximum percentages after considering the annual performance bonus opportunities for similarly-positioned executives in our Peer Group, our past practices, the Named Executive Officer's scope of responsibility (*i.e.*, as an executive's scope of responsibility increases, the proportion of compensation that is performance-based increases) and input from Pearl Meyer.

The Committee subjectively established the 2018 performance goals and award formula based on:

our 2017 performance;

our 2018 budget and financial and strategic goals;

the annual bonus programs for similarly-positioned executives in our Peer Group;

homebuilding and general economic conditions;

our past practices; and

input from Pearl Meyer.

The Committee did not assign a specific weighting to any of these factors.

For 2018, our principal financial goal remained to continue to increase our profitability (as measured by Adjusted Pre-Tax Income). From 2012-2017, we had increased our Adjusted Pre-Tax Income from \$13.5 million to \$136.5 million (with an average annual increase of 23% over the last three years). For each year during this six-year period, Adjusted Pre-Tax Income had served as the sole performance goal for our annual cash performance bonus program. Given our focus on continuing to increase Adjusted Pre-Tax Income in 2018, our consistent growth in Adjusted Pre-Tax Income over the previous six years and the design of our executive compensation program during that six-year period, the Committee continued to believe that our historical executive compensation practices (and the selection of the Adjusted Pre-Tax Income metric) were effectively driving our financial and operational performance. As a result, the Committee selected Adjusted Pre-Tax Income as the sole performance goal for 2018.

In making this selection, the Committee also noted that the Adjusted Pre-Tax Income metric focused our executives in a balanced manner on increasing revenue, margin expansion and controlling costs and provided a clear connection between pay and performance. Additionally, the selection of Adjusted Pre-Tax Income was consistent with our Peer Group (10 of the 14 companies used pre-tax income as a performance metric in their annual bonus program and all of the companies used at least one income-based metric in their program), and Pearl Meyer supported the selection of the metric.

For 2018, the Committee established threshold and maximum Adjusted Pre-Tax Income goals of \$45 million and \$175 million, respectively, and designed the award formula so that each Named Executive Officer would earn 20% and 100% of his maximum potential bonus opportunity at the threshold and maximum performance levels, respectively. This design was substantially the same as the 2017 annual cash performance bonus program with one principal change. In 2018, the Committee increased the maximum performance level to \$175 million (from \$165 million in 2017). The Committee increased the maximum performance level in an effort to drive performance relative to 2017 (*i.e.*, increased Adjusted Pre-Tax Income was required in all cases under

the 2018 award formula to receive the same percentage bonus as under 2017 award formula). For example, we needed to increase our Adjusted Pre-Tax Income by 10% in 2018 for the Named Executive Officers to earn the same percentage bonuses in 2018 that they earned in 2017. If we earned the same amount of Adjusted Pre-Tax Income in 2018 as in 2017, the bonuses earned in 2018 would be 10% less than those earned in 2017.

In designing the 2018 award formula, the Committee also sought to drive performance relative to our budget and further reward performance that exceeded our expectations. Accordingly and consistent with the 2016 and 2017 annual cash performance bonus programs, the Committee structured the 2018 award formula so that the amount earned for Adjusted Pre-Tax Income that (1) fell between (a) \$45 million and (b) \$150 million (which approximated our 2018 budgeted Adjusted Pre-Tax Income) increased proportionately and (2) fell between (a) \$150 million and (b) \$175 million increased proportionately. The Committee recognized that such a leveraged design can, under certain circumstances, encourage excessive risk-taking. To mitigate this risk, however, the Committee designed the award formula so that the performance levels were ambitious but reasonably achievable based on our budget.

To foster team work and cohesion, the Committee continued to align the payout opportunities for the Named Executive Officers so that each would earn the same percentage of his maximum performance bonus opportunity at all performance levels.

The following table sets forth the amount that each Named Executive Officer was eligible to earn based on our achievement of the threshold and maximum performance levels and the actual amount earned based on our 2018 performance:

**Adjusted Pre-Tax Income Performance Goal<sup>(1)</sup>**

Named Executive Officer	Amount Earned		Actual Amount Earned in 2018
	at Threshold <sup>(2)</sup>	Amount Earned at Maximum <sup>(2)</sup>	
Robert H. Schottenstein	\$630,000	\$3,150,000	\$2,284,065
Phillip G. Creek	\$300,000	\$1,500,000	\$1,087,650
J. Thomas Mason	\$200,000	\$1,000,000	\$725,100

(1) Adjusted Pre-Tax Income means the Company's pre-tax income from operations, excluding extraordinary items, such as asset impairments and certain other non-cash write-offs. For 2018, Adjusted Pre-Tax Income was equal to the sum of (a) income before income taxes and (b) impairment of inventory and investment in joint venture arrangements, in each case as reflected in our audited consolidated statement of income included in our 2018 Form 10-K.

(2) As discussed above, the amounts earned increase proportionately (a) between the threshold performance level (\$45 million) and Adjusted Pre-Tax Income of \$150 million and (b) Adjusted Pre-Tax Income of \$150 million and the maximum performance level (\$175 million).

In 2018, we achieved Adjusted Pre-Tax Income of \$147.1 million, an increase of \$10.6 million, or 8%, from 2017. As a result, Messrs. Schottenstein, Creek and Mason earned performance bonuses of \$2,284,065, \$1,087,650 and \$725,100, respectively. In each case, the bonus represented 73% of his maximum potential performance bonus



opportunity. Due to the leveraged design of the 2018 annual cash performance bonus program, the Named Executive Officers' bonuses in 2018 were 3% less than the bonuses they earned (based on the same metric) in 2017 even though we increased our Adjusted Pre-Tax Income by 8% in 2018. After considering these results and our overall performance for the year, the Committee believes that the 2018 annual cash performance bonus program was an effective driver of growth in our profitability in 2018.

### *Equity-Based Compensation*

2018 Awards. Our equity-based compensation is designed to motivate and reward long-term performance, align the interests of our Named Executive Officers and our shareholders, promote retention and balance short-term financial goals with long-term operating decisions. To achieve these objectives, the Committee annually grants our Named Executive Officers (1) service-based stock options and (2) PSUs. As a result, 100% of each Named Executive Officer's equity-based compensation is dependent on our long-term performance or stock price appreciation before any value is realized.

When determining the number of stock options and the target number of PSUs to grant to the Named Executive Officers in 2018, the Committee considered:

our 2017 performance;

our 2018 budget and financial and strategic goals and long-term strategic plan;

individual performance and scope of responsibility;

the long-term equity-based compensation for similarly-positioned executives in our Peer Group;

the estimated expense, dilutive effect, and impact on our burn rate;

the number of options and PSUs previously granted to each Named Executive Officer; and

input from Pearl Meyer.

The Committee subjectively determined the number of options and target number of PSUs to grant to each Named Executive Officer without assigning a specific weighting to any of these factors.

Stock Options. In February 2018, the Committee awarded Messrs. Schottenstein, Creek and Mason stock options to purchase 96,000, 55,000 and 27,500 Common Shares, respectively. In Mr. Schottenstein's case, the Committee increased the number of options awarded to him in 2018 by 13,500 to 96,000 (from 82,500 each year since 2013) based primarily on Peer Group data and input from Pearl Meyer. In particular, the Committee noted that the value of Mr. Schottenstein's long-term equity-based compensation ranked in the bottom quartile for chief executive officers in the Peer Group. In Messrs. Creek's and Mason's cases, the 2018 awards represented the same number of service-based stock options that they have received annually since 2013. Consistent with past option awards, the 2018 options vest and become exercisable in 20% increments on December 31, 2018, 2019, 2020, 2021 and 2022, subject to the Named Executive Officer's continued employment on the applicable vesting date, and expire ten years after the date of grant.

Because stock options have value only if the price of our Common Shares increases, the Committee believes that options are inherently tied to our performance and shareholder return and align the interests of our Named Executive Officers and our shareholders. The Committee further believes that the five-year vesting schedule focuses our Named Executive Officers on our long-term performance and is consistent with the nature of the homebuilding business (*i.e.*,

the business requires a relatively long time horizon before a financial benefit is realized), mitigates excessive risk taking in the short-term and serves as a retention tool (unvested options are forfeited if an executive voluntarily terminates his employment).

*PSUs.* In February 2018, the Committee awarded Messrs. Schottenstein, Creek and Mason 23,488, 12,527 and 10,429 target number of PSUs with the underlying Common Shares having a market value on the grant date of approximately \$750,000, \$400,000 and \$333,000, respectively (the 2018-2020 PSUs ). In Mr. Schottenstein's case, the Committee increased the grant date market value of the Common Shares underlying

the target number of PSU s awarded to him in 2018 by \$150,000 to \$750,000 (from \$600,000 in each year since 2014) for the same reasons it increased the number of stock options awarded to him in 2018. In Mr. Creek s case, the 2018 grant date market value was the same as the grant date market value of the Common Shares underlying the target number of PSUs awarded to such him annually since 2014 (when the Committee first awarded PSUs). In Mr. Mason s case, the 2018 grant date market value was the same as the grant date market value of the Common Shares underlying the target number of PSUs awarded to him annually since 2016 (when the Committee last increased the grant date market value of the Common Shares underlying the target number of PSUs awarded to him).

The actual number of 2018-2020 PSUs that will vest and be earned (if any) by each Named Executive Officer will be based (1) 80% on our cumulative annual Adjusted Pre-Tax Income (the 2018-2020 Adjusted Pre-Tax Income Performance Goal ) over the three-year performance period commencing on January 1, 2018 and ending on December 31, 2020 (the 2018-2020 Performance Period ) and (2) 20% on our relative total shareholder return compared to our Peer Group (the 2018-2020 Relative TSR Performance Goal ) over the 2018-2020 Performance Period, and on continued employment. For each performance goal, the Committee established threshold, target and maximum performance levels and the 2018-2020 PSUs will vest, if at all, after completion of the 2018-2020 Performance Period, based upon our level of achievement of such performance goal, at the following percentage levels of the target number of 2018-2020 PSUs allocated to such performance goal:

Level of Achievement of Performance Goal <sup>(1)(2)</sup>	Percentage of Target 2018-2020 PSUs Vesting <sup>(1)</sup>
Below Threshold	0%
Threshold	50%
Target	100%
Maximum or Above	150%

(1) The percentage of the target 2018-2020 PSUs that will vest and be earned for performance between (a) the threshold and target levels will increase proportionately from 50% to 100% based on our actual performance and (b) the target and maximum levels will increase proportionately from 100% to 150% based on our actual performance.

(2) The same threshold, target and maximum performance levels for each performance goal apply to each Named Executive Officer.

Additionally, the Named Executive Officer must remain employed by us through the end of the 2018-2020 Performance Period for the 2018-2020 PSUs to vest and be earned, except in the case of termination due to death, disability or retirement or involuntary termination without cause by us. Any vested 2018-2020 PSUs will be settled on a one-for-one basis in Common Shares. Any 2018-2020 PSUs that do not vest will be forfeited. The 2018-2020 PSUs have no dividend or voting rights.

The Committee selected Adjusted Pre-Tax Income as the primary performance goal (weighted 80%) because this metric (1) is a key metric in our internal financial plan, (2) provides a balanced approach to focusing our executives on achieving our long-term objectives and maximizing performance and (3) is consistent with the long-term incentive

plan practices of our Peer Group. The Committee subjectively established the threshold, target and maximum performance levels based on our projections and strategic plan covering the 2018-2020 Performance Period, current and expected homebuilding industry conditions and input from Pearl Meyer. The target level approximates our projected cumulative annual Adjusted Pre-Tax Income for the 2018-2020 Performance Period. It was designed to be reasonably achievable and provide a meaningful opportunity for reward with strong management performance but requires our average annual Adjusted Pre-Tax Income for the

2018-2020 Performance Period to materially exceed our 2017 Adjusted Pre-Tax Income (\$136.5 million). The maximum level was set at approximately 105% of the target level and was designed to incentivize and reward superior performance. Historically, the maximum level has been set at 110% of the target level. In 2018, the Committee reduced the maximum level to approximately 105% of the target level based on expected homebuilding and general economic conditions for the 2018-2020 Performance Period. The threshold level was set at approximately 90% of the target level and was designed to provide a reasonable vesting opportunity if our average annual Adjusted Pre-Tax Income falls short of the target but exceeds our 2017 Adjusted Pre-Tax Income.

The Committee selected relative total shareholder return as the secondary performance goal (weighted 20%) because this metric (1) provides an external performance perspective, (2) assesses performance relative to our Peer Group, (3) directly aligns the interests of our executives and our shareholders and (4) is consistent with the long-term incentive plan practices of our Peer Group. Relative total shareholder return will be calculated based on changes in the market price of our Common Shares (plus dividends paid on the Common Shares (if any)) over the 2018-2020 Performance Period compared against each company in our Peer Group. The Committee set the threshold, target and maximum performance levels at the 25th, 50th and 75th percentiles of the Peer Group, respectively. The Committee subjectively established these performance levels based upon input from Pearl Meyer, market practices for a relative total shareholder return performance metric and our past practices.

Results/Payment for 2016-2018 PSU s. As described in our 2017 Proxy Statement, in February 2016, the Committee awarded Messrs. Schottenstein, Creek and Mason 35,608, 23,738 and 19,762 target number of PSUs, respectively (the 2016-2018 PSUs ). Pursuant to the 2016-2018 PSUs, each Named Executive Officer was entitled to a grant of our Common Shares ranging from 0% to 150% of his target number of 2016-2018 PSUs based (1) 80% on our cumulative annual Adjusted Pre-Tax Income over the three-year performance period commencing on January 1, 2016 and ending on December 31, 2018 (the 2016-2018 Performance Period ) and (2) 20% on our relative total shareholder return compared to our 2016-2018 PSU Peer Group (as defined below) over the 2016-2018 Performance Period, and on continued employment.

At the time of grant, the Committee established threshold, target and maximum performance levels for each performance goal. The Committee structured the 2016-2018 PSUs such that the actual number of PSUs that would vest and Common Shares that would be earned by each Named Executive Officer would be equal to (1) 50% of his target number if we achieved the threshold level for both performance goals, (2) 100% of his target number if we achieved the target level for both performance goals, (3) 150% of his target number if we achieved the maximum level for both performance goals and (4) zero if we failed to achieve the threshold level for both performance goals (with the percentage vesting increasing proportionately between performance levels based on our actual performance). The same threshold, target and maximum performance levels applied to each Named Executive Officer.

The following table sets forth the threshold, target and maximum performance levels for each performance goal for the 2016-2018 PSUs and our actual results with respect to such goals:

#### 2016 2018 PSU Award Results

Performance Goal	Performance Level			Actual Performance
	Threshold	Target	Maximum	
Adjusted Pre-Tax Income <sup>(1)</sup> (weighted 80%)	\$330 million	\$375 million	\$420 million	\$398.8 million

Relative TSR<sup>(2)</sup>

(weighted 20%)

25%

50%

75%

38%

(1) Adjusted Pre-Tax Income means the Company's cumulative annual pre-tax income from operations, excluding extraordinary items, such as asset impairments and certain other non-cash write-offs, over the

2016-2018 Performance Period. For 2016, Adjusted Pre-Tax Income was equal to the sum of (a) income before income taxes, (b) impairment of inventory and investment in joint venture arrangements, and (c) \$19.4 million of stucco-related charges included in Costs and expenses: Land and housing; for 2017, Adjusted Pre-Tax Income was equal to the sum of (a) income before income taxes, (b) impairment of inventory and investment in joint venture arrangements, and (c) \$8.5 million of stucco-related charges included in Costs and expenses: Land and housing; and for 2018, Adjusted Pre-Tax Income was equal to the sum of (a) income before income taxes and (b) impairment of inventory and investment in joint venture arrangements, in each case as reflected in our audited consolidated statements of income included in our 2018 Form 10-K.

- (2) Relative TSR means the Company's total shareholder return over the 2016-2018 Performance Period as compared to the total shareholder return of each company in our 2016-2018 Peer Group over the same period. Total shareholder return is calculated based on the change in the market price of the applicable company's common shares (plus dividends paid on such shares (if any)) over the 2016-2018 Performance Period. The 2016-2018 Peer Group consisted of the same companies that comprise our current Peer Group, except that the 2016-2018 Peer Group did not include LGI Homes, Inc. and Tri Pointe Group, Inc. (which were added to our Peer Group in 2017). For purposes of calculating the total shareholder return for the 2016-2018 Peer Group, the Committee included (a) CalAtlantic Group, Inc. and Lennar Corporation until their merger (using a weighted average share price of the two companies (based on market capitalization) for the beginning share price) and (b) Lennar Corporation after the merger until the end of the 2016-2018 Performance Period.

For the 2016-2018 Performance Period, (1) we achieved cumulative annual Adjusted Pre-Tax Income of \$398.8 million and (2) our relative TSR ranked in the 38th percentile of the 2016-2018 Peer Group. Based on these results, the Committee certified a vesting level of 116% of each Named Executive Officer's target number of 2016-2018 PSUs and approved grants of 41,432, 27,620 and 22,995 Common Shares to Messrs. Schottenstein, Creek and Mason, respectively.

**Equity Grant Practices.** The Committee grants all equity-based awards (including awards to our non-employee directors) pursuant to the 2018 LTIP. All equity-based awards granted from 2010 until the approval of the 2018 LTIP at our 2018 Annual Meeting of Shareholders were granted under the 2009 LTIP. Except in the case of grants for new hires (which may be made at the first Committee meeting following the hiring date), the Committee grants all stock options and PSUs at its first regularly scheduled Committee meeting of the year (typically in February). Our Board generally establishes the date of this meeting many months in advance, and the meeting follows our release of earnings for the prior year. We do not have any program, plan or practice to time the grant of equity-based awards with the release of material non-public information. All stock options are awarded at the closing price of our Common Shares on the NYSE on the date of grant (*i.e.*, the date the Committee approves the grant).

### **Benefits and Perquisites**

In 2018, we provided our Named Executive Officers with the following benefits and perquisites (in addition to those received by all employees in general). The Named Executive Officers, along with certain other members of management, received a monthly automobile allowance. The amount of the allowance is based on position. For security and efficiency reasons, our Chief Executive Officer is permitted to use our corporate airplane for personal use. The Committee reviews the extent of personal usage on a quarterly basis and retains the authority to discontinue such usage at any time. Mr. Schottenstein was assessed income for all personal use of the plane in 2018 in accordance with the applicable Internal Revenue Service regulations. The amount shown in the Summary Compensation Table represents the incremental cost to us for his personal use of the plane (as opposed to the income he was assessed).

We also maintain a \$1.0 million supplemental split-dollar life insurance policy for Mr. Creek. Under this arrangement, we have an obligation to pay a portion of the premium and he has an obligation to pay the





balance. In addition to paying our portion of the premium, we pay his portion and reimburse him for the taxes he incurs with respect to our payment of his portion. Prior to 2002, we provided this benefit to each of our executive officers for competitive reasons. Since 2002, we have not provided this benefit to any of our new executive officers and have continued (on the same terms without any material modification) only those split-dollar policies that were in effect for our executive officers at the time of the adoption of the Sarbanes-Oxley Act of 2002 and that have not otherwise been surrendered and terminated.

### **Payments in Connection with Termination of Employment or Change in Control**

Due to the considerable tenure of our Named Executive Officers, we do not have employment or severance agreements with them, other than the change in control agreements described below (the *CIC Agreements* ). As a result, we are not obligated to pay any severance or other enhanced benefits to our Named Executive Officers upon termination of employment or a change in control, except for the benefits provided under the *CIC Agreements*, our equity compensation plans and our annual performance bonus plan under certain circumstances. The Committee believes these benefits are generally consistent with market practice within our Peer Group, help us attract and retain exceptional executives and, in the case of change in control benefits pursuant to the *CIC Agreements*, align executive and shareholder interests by enabling the Named Executive Officers to pursue corporate transactions without a concern for job security.

*CIC Agreements.* We are a party to a *CIC Agreement* with each Named Executive Officer. The *Agreements* are identical in all respects, except for the amounts payable thereunder, and remain in effect for so long as the applicable Named Executive Officer is employed by us or until we mutually agree to terminate his *Agreement*.

As previously reported, the Committee determined that it was in our best interests to enter into the *CIC Agreements* in 2008 based on several considerations, including to: (1) serve as a retention tool and incentivize the Named Executive Officers to continue focusing on our business in the event of a potential change in control transaction; (2) focus the Named Executive Officers on leading our business through the then ongoing, severe recession in the homebuilding industry; (3) ensure the Named Executive Officers pursue business alternatives that maximize shareholder value without a concern for job security; and (4) ensure our compensation practices remained competitive.

The *CIC Agreements* provide the Named Executive Officers with a level of financial protection only upon a loss of employment in connection with a change in control (*i.e.*, a *double trigger* ). Under the *CIC Agreements*, if (1) we terminate a Named Executive Officer's employment without cause within six months prior to, or twenty-four months after, a change in control or (2) a Named Executive Officer terminates his employment for good reason within twenty-four months after a change in control, such Named Executive Officer will be entitled to:

a lump sum payment equal to the sum of:

a pre-determined multiple of his then-current annual base salary,

a pre-determined multiple of his average bonus earned during the five fiscal years immediately preceding the date of termination,

a pro-rated amount of the annual bonus (if any) which the Named Executive Officer is eligible to receive with respect to the fiscal year in which his employment is terminated, calculated based

upon (1) the degree to which the performance goals applicable to his bonus have been achieved (on a pro-rated basis) through the last day of the month preceding the

Named Executive Officer's termination of employment and (2) the number of full calendar months that have elapsed during the fiscal year in which the termination occurs, and

any unused vacation; and

continued coverage (at no cost) in all of our programs that are subject to the benefit provisions of COBRA for up to a maximum of 24 months unless he obtains replacement coverage.

The pre-determined payment multiples are 2.99 for Mr. Schottenstein and 2 for each of Messrs. Creek and Mason. These multiples were selected based primarily on a review of market data for our Peer Group.

Additionally, under the CIC Agreements, if the payments to be received by a Named Executive Officer constitute excess parachute payments under Section 280G of the Internal Revenue Code of 1986, as amended (the Code), and are subject to excise tax under Section 4999 of the Code, such Named Executive Officer will be entitled to a gross-up payment in an amount necessary to ensure that he does not bear the cost of the excise tax, unless a cut-back by less than 10% of the total amount payable would make the excise tax inapplicable (in which case the amount payable to him will be reduced to the extent necessary to make the excise tax inapplicable). This modified gross-up provision was included to balance protecting the Named Executive Officers from any excise tax and limiting our exposure to the cost of a gross-up if the excise tax is triggered by a minimal amount.

*2018 LTIP and 2009 LTIP.* Under the 2018 LTIP (our current equity compensation plan) and the 2009 LTIP (our former equity compensation plan (which was replaced by the 2018 LTIP) and under which awards remain outstanding) and the respective form of award agreement that applies to all outstanding stock options thereunder, if a participant's employment is terminated for any reason other than death, disability, retirement or cause, his or her stock option privileges will be limited to the options immediately exercisable on the date of termination and expire unless exercised within 60 days after such date. In the case of termination due to death, disability or retirement, all options will become immediately exercisable and expire unless exercised by the applicable expiration date of the option. In the case of termination for cause, a participant will forfeit all of his or her options (whether or not exercisable). In the case of a change in control of M/I Homes, the Committee may take such actions as it deems necessary or desirable with respect to outstanding stock options. However, if in connection with a change in control, the Committee elects to (1) cancel any option, the participant will be entitled to receive a cash payment equal to the excess, if any, of the value of the consideration to be paid in the change in control to holders of the same number of Common Shares as the number of Common Shares underlying the option being cancelled over the aggregate exercise price of the option being cancelled or (2) cause a substitute award to be issued with respect to any option, the substitute award must substantially preserve the value, rights and benefits of the option being substituted.

Pursuant to the 2018 LTIP and the 2009 LTIP and the respective form of award agreement that applies to all outstanding PSUs thereunder, if a participant's employment is terminated before the end of the performance period for any reason other than death, disability, retirement or involuntary termination by us without cause (*i.e.*, termination by us for cause or voluntary termination by the participant), the participant will forfeit all of his or her PSUs. In the case of termination due to death or disability, the number of PSUs that would have vested had the participant remained employed through the end of the performance period (based on our actual performance as of the end of the performance period) will vest and be earned. In the case of termination due to retirement or involuntary termination by us without cause, a prorated portion of the PSUs that would have vested (based on our actual performance as of the end of the performance period) will vest and be earned. The prorated amount will be based on the full number of months that the participant remained employed during the performance period. In the case of a change in control of M/I Homes, the Committee may take such actions as it deems necessary or desirable with respect to outstanding PSUs. However, if in connection with a change in control, the Committee elects to (1) cancel any PSU award, then the target number of PSUs subject to such award will vest and the participant will be entitled to receive a cash payment

equal to the product of (a) the value of the

consideration to be paid for each Common Share in connection with the change in control and (b) the number of vested PSUs or (2) cause a substitute award to be issued with respect to any PSUs, the substitute award must substantially preserve the value, rights and benefits of the PSUs being substituted.

*2009 Annual Incentive Plan.* Under our 2009 Annual Incentive Plan, if a participant's employment is terminated before the end of the performance period for any reason other than death, disability, retirement or involuntary termination by us without cause (*i.e.*, termination by us for cause or voluntary termination by the participant), he or she will not be eligible to receive any compensation under the Plan for such performance period. In the case of termination due to death, disability, retirement or involuntary termination by us without cause, he or she will be eligible to receive a pro-rated portion (based on the number of whole calendar months that the participant was employed by us during the performance period) of the compensation that would have been payable (based on our actual performance as of the end of the performance period) if he or she had remained employed for the full performance period. If a participant's employment is terminated after the end of a performance period but prior to the related payment date, he or she will be entitled to receive any compensation earned for such performance period, except in the event of a termination for cause, in which case he or she will not receive any compensation for such performance period. In the case of a change in control of M/I Homes, each outstanding award under the 2009 Annual Incentive Plan will be deemed earned and payable at its target level.

For more information concerning the Named Executive Officers' rights (including quantification of the amounts that would be payable) upon termination of employment or a change in control, see the Potential Payments Upon Termination of Employment or Change in Control section on page 46 of this Proxy Statement.

### **Deferred Compensation Plan**

The Named Executive Officers may elect to defer payment of all or part of their annual cash performance bonus (if any) to a later date under our Executives' Deferred Compensation Plan. The deferred amount is allocated to the Named Executive Officer's deferred compensation account, where the deferred amount is converted into that number of whole phantom stock units determined by dividing the deferred amount by the closing price of our Common Shares on the NYSE on the date of such conversion (which is the same day the bonus is paid and the allocation is made). Each executive's deferred compensation account is credited in an amount equal to any cash dividends paid on our Common Shares based on the phantom stock units then held by the executive. The amount so credited for dividends is also converted into phantom stock units. Subject to Section 409A of the Code, the phantom stock units held by a Named Executive Officer are distributed in the form of whole Common Shares within 60 days of the earlier of the date specified by the Named Executive Officer in his deferral notice for the applicable plan year or the date his employment terminates for any reason other than retirement or, in certain cases, disability (in which case, the date set forth in his deferral notice applies), except that, in the event of a change in control of M/I Homes, the phantom stock units are distributed in whole Common Shares within 60 days of the date of the change in control if an executive has so elected in his deferral notice. We make no contributions under the Executives' Deferred Compensation Plan (matching or otherwise), and the future payment obligations under the Plan are our general unsecured obligations.

The Committee believes that, by encouraging ownership of our Common Shares, the Executives' Deferred Compensation Plan further aligns the interests of our Named Executive Officers and our shareholders. None of the Named Executive Officers elected to defer any portion of his 2018 bonus. For more information concerning the Named Executive Officers' participation in the Executives' Deferred Compensation Plan and their respective aggregate account balances thereunder as of December 31, 2018, see the Nonqualified Deferred Compensation table on page 45 of this Proxy Statement.

### **Share Ownership Guidelines**

We do not require our Named Executive Officers to own a minimum number of our Common Shares. However, equity-based compensation is a significant percentage of their total compensation, and we provide

them with the opportunity to defer payment of all or part of their annual cash performance bonus and receive Common Shares in lieu thereof at a future date under the Executives' Deferred Compensation Plan. As of the Record Date, Messrs. Schottenstein, Creek and Mason beneficially owned 725,464, 226,513 and 138,596 Common Shares, respectively.

### **Anti-Hedging/Pledging**

Our officers (including the Named Executive Officers), directors and employees are subject to our Insider Trading Policy. This Policy sets forth rules governing transactions in our securities and the handling of confidential information. The Policy prohibits certain transactions which we believe create a heightened risk and/or the appearance of inappropriate conduct, including the purchase of financial instruments or other transactions that hedge or offset (or are designed to hedge or offset) a decrease in market value of our securities. Specifically, the Policy prohibits with respect to our securities (1) engaging in hedging or monetization transactions, including prepaid variable forward contracts, equity swaps, collars and exchange funds, (2) buying or selling publicly traded-options, including put options, call options and other derivative securities, (3) engaging in short sales, (4) holding securities in a margin account and (5) pledging securities as collateral for a loan. These prohibitions apply to securities acquired by an officer, director or employee as part of his or her compensation and securities otherwise held by him or her. The prohibitions also apply to the family members of an officer, director or employee (and any other persons) who reside in the officer's, director's or employee's household as well as any family members whose transactions are directed by, or subject to the influence or control of, such officer, director or employee.

### **Tax Implications**

Section 162(m) of the Code generally prohibits a public company from deducting compensation paid to a covered employee in excess of \$1 million in any taxable year. Prior to the passage of The Tax Cuts and Jobs Act (the "TCJA") on December 22, 2017, compensation that qualified as performance-based compensation under Section 162(m) could be excluded from this \$1 million limit and the Committee had historically considered the deductibility of our executive compensation under Section 162(m) and generally structured the annual cash performance bonus and equity-based compensation in a manner intended to qualify as performance-based compensation.

The TCJA substantially modified Section 162(m) and, among other things, (1) repealed the performance-based compensation exemption for taxable years beginning after December 31, 2017 and (2) expanded the group of officers subject to Section 162(m) to include, among others, a company's chief financial officer and any individual who has previously been a covered employee (even if the individual no longer holds the position). The TCJA provides limited transition relief for certain compensation paid pursuant to a written binding contract which was in effect on November 2, 2017 and has not been materially modified. Due to the uncertainty of the application of Section 162(m) as a result of the TCJA (including this limited transition relief), there can be no assurance that historical compensation intended to satisfy the performance-based requirements for exemption will be deductible. Beginning with our 2018 fiscal year, new compensation awarded to our executive officers (including our Chief Financial Officer) in excess of \$1 million generally will not be deductible (regardless of whether all or a portion of such excess is performance-based compensation).

### **Looking Forward 2019 Compensation**

After reviewing our executive compensation program and data provided by Pearl Meyer, consulting with Pearl Meyer and receiving input from our Chief Executive Officer and certain other members of management, in the first quarter of this year, the Committee established our 2019 executive compensation program. The 2019 program is substantially similar in design to our 2018 program. At the recommendation of Pearl Meyer, the Committee added William Lyon Homes to our Peer Group for 2019 (including for purposes of the 2019 PSUs) based on its relative size and markets. Set forth below is a summary of the principal components of the 2019 executive compensation program.





*Base Salary.* The base salaries for Messrs. Schottenstein, Creek and Mason remain at \$900,000, \$600,000, and \$500,000 respectively.

*Annual Performance Bonus.* Each Named Executive Officer is eligible to receive an annual cash performance bonus that is based on our 2019 Adjusted Pre-Tax Income. The maximum cash performance bonuses that Messrs. Schottenstein, Creek and Mason may receive for 2019 are 350%, 250% and 200% of their respective 2019 base salaries (the same maximum percentages that applied in 2018).

*Equity-Based Compensation.* In February 2019, the Committee awarded Messrs. Schottenstein, Creek and Mason stock options to purchase 96,000, 55,000 and 27,500 Common Shares, respectively. In each case, this represents the same number of service-based stock options that he received in 2018. These options vest and become exercisable in 20% increments on the first five anniversaries of the date of grant, subject to the Named Executive Officer's continued employment on the applicable vesting date.

In February 2019, the Committee also awarded Messrs. Schottenstein, Creek and Mason 27,154, 14,482 and 12,056 target number of PSUs with the underlying Common Shares having a market value on the date of grant of approximately \$750,000, \$400,000 and \$333,000, respectively. In each case, this grant date market value was approximately the same as the grant date market value of the Common Shares underlying the target number of PSUs awarded to such Named Executive Officer in 2018.

The PSUs will vest and be earned, if at all, after the completion of the performance period, which is the three-year period commencing on January 1, 2019 and ending on December 31, 2021, based (1) 80% on our cumulative annual Adjusted Pre-Tax Income and (2) 20% on our relative total shareholder return compared to our Peer Group over the performance period, and on continued employment. The actual number of PSUs that will vest and be earned by each Named Executive Officer may be increased by up to 50% (from the target number) if we achieve the maximum performance level for both of the performance goals and be decreased to zero if we fail to achieve the threshold performance level for both of the performance goals. If we achieve the threshold performance level for both of the performance goals, 50% of each Named Executive Officer's target number of PSUs will vest and be earned. The percentage of the target number of PSUs that will vest and be earned for performance between (1) the threshold and target performance levels will increase proportionately from 50% to 100% based on our actual performance and (2) the target and maximum performance levels will increase proportionately from 100% to 150% based on our actual performance. The same threshold, target and maximum performance levels apply to each Named Executive Officer. The vested PSUs will be settled on a one-for-one basis in whole Common Shares. The PSUs have no dividend or voting rights. Any portion of the PSUs that do not vest will be forfeited

## COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board (and the Board approved) that the Compensation Discussion and Analysis be included in this Proxy Statement and the Company's 2018 Form 10-K.

### **Compensation Committee:**

*Friedrich K. M. Böhm (Chairman)*

*Michael P. Glimcher*

*Norman L. Traeger*

## COMPENSATION OF EXECUTIVE OFFICERS

### Summary Compensation Table for 2018

The following table summarizes the total compensation for the fiscal years ended December 31, 2018, 2017 and 2016 for the Company's Chief Executive Officer, Chief Financial Officer and Chief Legal Officer during the 2018 fiscal year:

Name and Principal Position	Year	Non-Equity					Total
		Salary	Stock Awards	Option Awards	Incentive Plan Compensation	All Other Compensation	
		(\$) <sup>(1)</sup>	(\$) <sup>(2)</sup>	(\$) <sup>(3)</sup>	(\$) <sup>(4)</sup>	(\$) <sup>(5)</sup>	(\$)
Robert H. Schottenstein Chairman, Chief Executive Officer and President	2018	900,000	757,676	1,085,760	2,284,065	224,579	5,252,080
	2017	900,000	581,213	779,625	2,354,940	224,932	4,840,710
	2016	900,000	592,161	624,525	2,322,495	238,400	4,677,581
Phillip G. Creek Executive Vice President, Chief Financial Officer and Director	2018	600,000	404,095	622,050	1,087,650	31,998	2,745,793
	2017	600,000	387,469	519,750	1,121,400	32,091	2,660,710
	2016	600,000	394,763	416,350	1,105,950	31,634	2,548,697
J. Thomas Mason Executive Vice President, Chief Legal Officer, Secretary and Director	2018	500,000	336,417	311,025	725,100	12,573	1,885,115
	2017	500,000	322,579	259,875	747,600	12,350	1,842,404
	2016	492,308	328,643	208,175	737,300	12,138	1,778,564

(1) The amounts shown reflect the base salaries earned by the Named Executive Officers for the 2018, 2017 and 2016 fiscal years.

(2) The amounts shown reflect the aggregate grant date fair value of the target number of 2018-2020 PSUs, PSUs granted in 2017 (the 2017-2019 PSUs) and 2016-2018 PSUs granted under the 2009 LTIP during the 2018, 2017 and 2016 fiscal years, respectively, computed in accordance with FASB ASC Topic 718. These amounts do not represent the actual amounts that will be realized by the Named Executive Officers with respect to such awards. Assumptions used in the calculation of these amounts are included in Note 2 to the Company's audited consolidated financial statements for the fiscal year ended December 31, 2018, included in the Company's 2018 Form 10-K. The actual number of PSUs that will vest and be earned (if any) by each Named Executive Officer will be based (a) 80% on our cumulative annual Adjusted Pre-Tax Income over the applicable performance period (which began on January 1, 2018 and ends on December 31, 2020 for the 2018-2020 PSUs, which began on January 1, 2017 and ends on December 31, 2019 for the 2017-2019 PSUs, and which began on January 1, 2016 and ended on December 31, 2018 for the 2016-2018 PSUs) and (b) 20% on our relative total shareholder return compared to our Peer Group over the applicable performance period, and on continued employment. The aggregate grant date fair value of the PSUs assuming we achieve the maximum performance level is as follows: Mr. Schottenstein, \$1,136,514 for the 2018-2020 PSUs, \$871,818 for the 2017-2019 PSUs and \$888,243 for the

2016-2018 PSUs; Mr. Creek, \$606,128 for the 2018-2020 PSUs, \$581,190 for the 2017-2019 PSUs and \$592,145 for the 2016-2018 PSUs; and Mr. Mason, \$504,611 for the 2018-2020 PSUs, \$483,854 for the 2017-2019 PSUs and \$492,964 for the 2016-2018 PSUs. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Equity-Based Compensation on page 31 of this Proxy Statement and Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement for more information concerning the 2018-2020 PSUs granted in the 2018 fiscal year and PSUs granted under the 2009 LTIP generally.

- (3) The amounts shown reflect the aggregate grant date fair value of stock options granted under the 2009 LTIP during the 2018, 2017 and 2016 fiscal years computed in accordance with FASB ASC Topic 718. These amounts do not represent the actual amounts that will be realized by the Named Executive Officers with respect to such awards. Assumptions used in the calculation of these amounts are included in Note 2 to the Company's audited consolidated financial statements for the fiscal year ended December 31, 2018, included in the Company's 2018 Form 10-K. The stock option awards underlying the aggregate grant date fair value for each Named Executive Officer with respect to the 2018, 2017 and 2016 fiscal years are as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Name</b>	<b>(# of shares)</b>	<b>(# of shares)</b>	<b>(# of shares)</b>
Robert H. Schottenstein	96,000 <sup>(a)</sup>	82,500 <sup>(a)</sup>	82,500 <sup>(a)</sup>
Phillip G. Creek	55,000 <sup>(a)</sup>	55,000 <sup>(a)</sup>	55,000 <sup>(a)</sup>
J. Thomas Mason	27,500 <sup>(a)</sup>	27,500 <sup>(a)</sup>	27,500 <sup>(a)</sup>

- (a) These stock options were granted under the 2009 LTIP during the 2018, 2017 and 2016 fiscal years as the Named Executive Officer's annual service-based stock option award and vest and become exercisable over a five-year period in 20% increments beginning on December 31 of the year in which the option was granted (subject to the Named Executive Officer's continued employment on the applicable vesting date) and expire ten years after the date of grant unless sooner exercised or forfeited. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Equity-Based Compensation on page 31 of this Proxy Statement and Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement for more information concerning the annual service-based stock options granted in the 2018 fiscal year and stock options granted under the 2009 LTIP generally.
- (4) The amounts shown reflect the non-equity incentive plan cash performance bonuses earned by the Named Executive Officers under the Company's 2009 Annual Incentive Plan for the 2018, 2017 and 2016 fiscal years. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Annual Cash Performance Bonus on page 28 of this Proxy Statement for more information concerning the annual cash performance bonuses earned by the Named Executive Officers with respect to the 2018 fiscal year.
- (5) The following table sets forth the details of All Other Compensation paid to each Named Executive Officer with respect to the 2018, 2017 and 2016 fiscal years:

Name	Year	Company					Total (\$)
		Vehicle Allowance	Personal Use of Company Aircraft	Tax Reimbursement	Life Insurance Premiums	Contributions to 401(k) Plan	
		(\$) (a)	(\$) (b)	(\$) (c)	(\$) (d)	(\$) (e)	
Robert H. Schottenstein	2018	10,200	212,006			2,373	224,579
	2017	10,200	212,582			2,150	224,932
	2016	10,200	226,262			1,938	238,400
Phillip G. Creek	2018	10,200		2,282	17,143	2,373	31,998
	2017	10,200		2,440	17,301	2,150	32,091
	2016	10,200		2,412	17,084	1,938	31,634
J. Thomas Mason	2018	10,200				2,373	12,573
	2017	10,200				2,150	12,350
	2016	10,200				1,938	12,138

- (a) The amounts shown reflect the aggregate cost to the Company attributable to a monthly automobile allowance.
- (b) The amounts shown reflect the incremental cost to the Company relating to personal use of the Company's airplane. The incremental cost for personal use of the Company's airplane is calculated based on the average variable cost per hour to operate the airplane (which includes fuel, airport services, landing fees, passenger

supplies, pilot travel related costs, ground transportation, and prorated amount of maintenance and service program) times the hours of personal use. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Benefits and Perquisites on page 34 of this Proxy Statement for more information concerning this benefit.

- (c) The amounts shown reflect the amounts paid by the Company for reimbursement of taxes incurred by Phillip G. Creek in connection with the Company's payment of Mr. Creek's portion of the premium for a supplemental split-dollar life insurance policy for his benefit.
- (d) The amounts shown reflect the Company's payment of both its portion and Phillip G. Creek's portion of the premium for a supplemental split-dollar life insurance policy for the benefit of Mr. Creek. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Benefits and Perquisites on page 34 of this Proxy Statement for more information concerning this benefit.
- (e) The amounts shown reflect profit-sharing contributions made by the Company to the Named Executive Officers pursuant to the Company's 401(k) Plan.

## Grants of Plan-Based Awards for 2018

Name	Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Awards: Number of Securities Underlying of Option Awards	Fair Value and Option Awards	
		Grant Threshold (\$) <sup>(1)</sup>	Maximum (\$) <sup>(1)</sup>	Threshold (#) <sup>(2)</sup>	Target (#) <sup>(2)</sup>	Maximum (#) <sup>(2)</sup>			Options (#) <sup>(3)</sup>
Robert H. Schottenstein	-	630,000	3,150,000						
	2/15/2018			11,744	23,488	35,232			757,676 <sup>(4)</sup>
	2/15/2018						96,000	31.93	1,085,760 <sup>(5)</sup>
Phillip G. Creek	-	300,000	1,500,000						
	2/15/2018			6,263	12,527	18,790			404,095 <sup>(4)</sup>
	2/15/2018						55,000	31.93	622,050 <sup>(5)</sup>
J. Thomas Mason	-	200,000	1,000,000						
	2/15/2018			5,214	10,429	15,643			336,417 <sup>(4)</sup>
	2/15/2018						27,500	31.93	311,025 <sup>(5)</sup>

(1) The amounts shown reflect the minimum and maximum amounts that each Named Executive Officer was eligible to receive with respect to the 2018 fiscal year based on the Adjusted Pre-Tax Income performance goal established by the Compensation Committee for such Named Executive Officer pursuant to the 2009 Annual Incentive Plan as described in Compensation Discussion and Analysis Components of 2018 Compensation Annual Cash Performance Bonus beginning on page 28 of this Proxy Statement. While the Compensation Committee established minimum and maximum amounts with respect to the Adjusted Pre-Tax Income performance goal, it did not establish any target amount for this performance goal. In 2018, we achieved Adjusted Pre-Tax Income of \$147.1 million, which resulted in a bonus of \$2,284,065, \$1,087,650 and \$725,100 for Robert H. Schottenstein, Phillip G. Creek and J. Thomas Mason, respectively.

(2) The amounts shown reflect the threshold, target and maximum number of 2018-2020 PSUs that each Named Executive Officer is eligible to earn based (a) 80% on our cumulative annual Adjusted Pre-Tax Income over the 2018-2020 Performance Period and (b) 20% on our relative total shareholder return compared to our Peer Group over the 2018-2020 Performance Period, and on continued employment. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Equity-Based Compensation on page 31 of this Proxy



Statement and Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement for more information concerning the 2018-2020 PSUs granted in the 2018 fiscal year and PSUs granted under the 2009 LTIP generally.

- (3) The amounts shown reflect the number of stock options granted under the 2009 LTIP as the Named Executive Officer's 2018 annual service-based stock option award. These stock options vest and become exercisable over a five-year period in 20% increments beginning on December 31, 2018 (subject to the Named Executive Officer's continued employment on the applicable vesting date) and expire on February 15, 2028 unless sooner exercised or forfeited. The stock options have an exercise price equal to the closing price of our Common Shares on the NYSE on the date of grant. See Compensation Discussion and Analysis Components of 2018 Executive Compensation Equity-Based Compensation on page 31 of this Proxy Statement and Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement for more information concerning the annual service-based stock options granted in the 2018 fiscal year and stock options granted under the 2009 LTIP generally.
- (4) The amounts shown reflect the aggregate grant date fair value of the target number of 2018-2020 PSUs granted to the Named Executive Officer in the 2018 fiscal year computed in accordance with FASB ASC Topic 718.
- (5) The amounts shown reflect the aggregate grant date fair value of the stock options granted to the Named Executive Officer in the 2018 fiscal year computed in accordance with FASB ASC Topic 718.

---

**Outstanding Equity Awards at 2018 Fiscal Year-End**

Name	Option Awards <sup>(1)</sup>		Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) <sup>(7)</sup>
Robert H. Schottenstein	16,500		23.66	2/12/2023	49,194	1,034,058
	33,000		23.79	2/18/2024		
	33,000	16,500 <sup>(2)</sup>	21.28	2/17/2025		
	33,000	33,000 <sup>(3)</sup>	16.85	2/16/2026		
	33,000	49,500 <sup>(4)</sup>	23.34	2/8/2027		
	19,200	76,800 <sup>(5)</sup>	31.93	2/15/2028		
Phillip G. Creek	55,000		23.66	2/12/2023	29,664	623,537
	55,000		23.79	2/18/2024		
	44,000	11,000 <sup>(2)</sup>	21.28	2/17/2025		
	33,000	22,000 <sup>(3)</sup>	16.85	2/16/2026		
	22,000	33,000 <sup>(4)</sup>	23.34	2/8/2027		
	11,000	44,000 <sup>(5)</sup>	31.93	2/15/2028		
J. Thomas Mason	25,000		12.23	2/8/2022	24,696	519,110
	27,500		23.66	2/12/2023		
	27,500		23.79	2/18/2024		
	22,000	5,500 <sup>(2)</sup>	21.28	2/17/2025		
	16,500	11,000 <sup>(3)</sup>	16.85	2/16/2026		
	11,000	16,500 <sup>(4)</sup>	23.34	2/8/2027		
	5,500	22,000 <sup>(5)</sup>	31.93	2/15/2028		

(1) Each of the stock options set forth in this table was granted under the 2009 LTIP and expires ten years after the date of grant in accordance with the terms of the 2009 LTIP.

- (2) 100% of these unexercisable options vest on December 31, 2019.
- (3) 50% of these unexercisable options vest on each of December 31, 2019 and 2020.
- (4) 33.33% of these unexercisable options vest on each of December 31, 2019, 2020 and 2021.
- (5) 25% of these unexercisable options vest on each of December 31, 2019, 2020, 2021 and 2022.
- (6) The amounts shown reflect the aggregate target number of 2017-2019 PSUs and 2018-2020 PSUs awarded to the Named Executive Officer in 2017 and 2018 under the 2009 LTIP. Assuming that we achieve the maximum performance level applicable to the 2017-2019 PSUs and the 2018-2020 PSUs, the amounts shown would increase to: Mr. Schottenstein, 73,791; Mr. Creek, 44,495; and Mr. Mason, 37,043. The actual number of PSUs that will vest and be earned (if any) by each Named Executive Officer will be determined after the applicable performance period (which began on January 1, 2017 and ends on December 31, 2019 for the 2017-2019 PSUs and which began on January 1, 2018 and ends on December 31, 2020 for the 2018-2020 PSUs) based (a) 80% on our cumulative annual Adjusted Pre-Tax Income over the applicable performance period and (b) 20% on our relative total shareholder return compared to our Peer Group over applicable performance period, and on continued employment.

(7) The amounts shown reflect the aggregate market value as of December 31, 2018 of the aggregate target number of 2017-2019 PSUs and 2018-2020 PSUs awarded to the Named Executive Officer in 2017 and 2018, calculated by multiplying the aggregate target number of 2017-2019 PSUs and 2018-2020 PSUs by \$21.02 (the closing price of our Common Shares on the NYSE on December 31, 2018, the last trading day of 2018). Assuming that we achieve the maximum performance level applicable to the 2017-2019 PSUs and 2018-2020 PSUs, the amounts shown would increase to: Mr. Schottenstein, \$1,551,087; Mr. Creek, \$935,285; and Mr. Mason, \$778,644.

### Option Exercises and Stock Vested in 2018

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$) <sup>(1)</sup>	(#)	(\$) <sup>(2)</sup>
Robert H. Schottenstein			41,432	1,144,352
Phillip G. Creek			27,620	762,864
J. Thomas Mason			22,995	635,122

(1) The amounts shown reflect the difference between the exercise price of the option and the market price of the Common Shares at the time of exercise.

(2) The amounts shown reflect the number of Common Shares issued to the Named Executive Officer on February 19, 2019 in settlement of the vesting of the 2016-2018 PSUs multiplied by \$27.62 (the closing price of our Common Shares on the NYSE on February 19, 2019). See Compensation Discussion and Analysis Components of 2018 Executive Compensation Equity-Based Compensation on page 31 of this Proxy Statement for more information concerning the vesting of the 2016-2018 PSUs.

### Nonqualified Deferred Compensation for 2018

Name	Executive	Registrant	Aggregate	Aggregate
	Contributions	Contributions	Earnings	Withdrawals/ Distributions
	in Last Fiscal Year	in Last Fiscal Year	in Last Fiscal Year	in Last Fiscal Year
	(\$) <sup>(1)</sup>	(\$) <sup>(2)</sup>	(\$) <sup>(3)</sup>	(\$) <sup>(4)</sup>
				Aggregate Balance at Last Fiscal Year-End
				(\$) <sup>(5)</sup>
Robert H. Schottenstein				
Phillip G. Creek				
J. Thomas Mason			(48,114)	75,588

- (1) None of the Named Executive Officers made any contributions during the 2018 fiscal year under the Executives Deferred Compensation Plan. For more information concerning the Executives Deferred Compensation Plan, see Compensation Discussion and Analysis Deferred Compensation Plan on page 37 of this Proxy Statement.
- (2) The Company does not make any contributions under the Executives Deferred Compensation Plan on behalf of any of the participants in the plan.
- (3) The amounts shown reflect the notional change in the value of the Named Executive Officers accounts under the Executives Deferred Compensation Plan during the 2018 fiscal year based on the change in value of our Common Shares during the 2018 fiscal year. The Company paid no dividends on its Common Shares during the 2018 fiscal year. None of the amounts reported in this column are reported as compensation in the Summary Compensation Table on page 41 of this Proxy Statement.
- (4) The amounts shown reflect the market value of the Common Shares distributed to the Named Executive Officers during the 2018 fiscal year (based on the closing price of the Common Shares on the NYSE on the date of the distribution) pursuant to the Executives Deferred Compensation Plan.
- (5) The amounts shown reflect the market value as of December 31, 2018 of the Common Shares underlying the whole phantom stock units held in the Named Executive Officers accounts under the Executives Deferred Compensation Plan

based on the closing price of our Common Shares on the NYSE on December 31, 2018. With respect to J. Thomas Mason, \$38,742 of the amount shown has been previously reported as compensation in the Summary Compensation Table for previous years.

### Potential Payments Upon Termination of Employment or Change in Control

As described in Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement, we are a party to a CIC Agreement with each Named Executive Officer that provides certain severance and other enhanced benefits if we experience a change in control and the executive's employment is terminated in connection with that change in control. Other than the benefits that may be payable to the Named Executive Officers under the CIC Agreements, the accelerated vesting under certain circumstances of stock options and PSUs granted to the Named Executive Officers under the 2009 LTIP and certain payments that may be payable to the Named Executive Officers under the 2009 Annual Incentive Plan, we do not currently have employment or severance agreements or other plans or arrangements that provide payments or enhanced benefits to our Named Executive Officers in connection with a termination of employment or change in control.

The following table summarizes the potential payments to our Named Executive Officers upon a termination of employment and/or a change in control of the Company (assuming that the triggering event occurred on December 31, 2018):

Name and Type of Potential Payment	Death (\$)	Disability (\$)	Retirement (\$)	Involuntary Termination (\$)	Change in Control (\$)	Involuntary Not for Cause Termination Followed by a Change in Control <sup>(5)</sup> (\$)	Involuntary Not for Cause Termination or Voluntary Termination for Good Reason After a Change in Control <sup>(6)</sup> (\$)
<b>Robert H. Schottenstein</b>							
Severance Benefits: <sup>(1)</sup>						17,086,681	17,098,558
Accelerated Vesting of Stock Options Under the 2009 LTIP: <sup>(2)</sup>	137,610	137,610	137,610		137,610		137,610
Accelerated Vesting of PSUs Under the 2009 LTIP: <sup>(3)</sup>	1,904,959	1,904,959	1,395,647	1,395,647	1,904,959	1,904,959	1,904,959
	2,284,065	2,284,065	2,284,065	2,284,065	2,173,500	2,284,065	2,173,500

2009 Annual Incentive Plan Payments: (4)								
<b>Total:</b>	4,326,634	4,326,634	3,817,322	3,679,712	4,216,069	21,275,705	21,314,627	
<b>Phillip G. Creek</b>								
Severance Benefits: (1)						4,557,474	4,557,474	
Accelerated Vesting of Stock Options Under the 2009 LTIP: (2)	91,740	91,740	91,740		91,740		91,740	
Accelerated Vesting of PSUs Under the 2009 LTIP: (3)	1,204,110	1,204,110	908,459	908,459	1,204,110	1,204,110	1,204,110	
2009 Annual Incentive Plan Payments: (4)	1,087,650	1,087,650	1,087,650	1,087,650	1,035,000	1,087,650	1,035,000	
<b>Total:</b>	2,383,500	2,383,500	2,087,849	1,996,109	2,330,850	6,849,234	6,888,324	
<b>J. Thomas Mason</b>								
Severance Benefits: (1)						3,131,006	3,131,006	
Accelerated Vesting of Stock Options Under the 2009 LTIP: (2)	45,870	45,870	45,870		45,870		45,870	
Accelerated Vesting of PSUs Under the 2009 LTIP: (3)	1,002,465	1,002,465	756,328	756,328	1,002,465	1,002,465	1,002,465	
2009 Annual Incentive Plan Payments: (4)	725,100	725,100	725,100	725,100	621,000	725,100	621,000	
<b>Total:</b>	1,773,435	1,773,435	1,527,298	1,481,428	1,669,335	4,858,571	4,800,341	

(1) The amounts shown are based on the CIC Agreements with our Named Executive Officers as follows:  
For Robert H. Schottenstein, of the amounts shown: (a) \$9,523,676 represents a lump sum payment equal to the product of (i) 2.99 and (ii) the sum of his base salary at December 31, 2018 and his average annual bonus earned during the 2013-2017 fiscal years; (b) \$2,284,065 represents a lump sum payment for his 2018 annual bonus (which amount is

equal to the amount he earned under the 2009 Annual Incentive Plan with respect to the 2018 fiscal year and is based on the triggering event occurring on December 31, 2018 and the performance period ending on November 30, 2018, in accordance with the terms of his CIC Agreement); (c) \$86,538 represents a lump sum payment for unused vacation; (d) \$43,123 represents the estimated cost to the Company of providing continued coverage (at no cost to Mr. Schottenstein) in our group health plan for 24 months; (e) in the event of an involuntary not for cause termination followed by a change in control, \$5,149,278 represents estimated excise tax payments payable to Mr. Schottenstein under his CIC Agreement; and (f) in the event of an involuntary not for cause termination or voluntary termination for good reason after a change in control, \$5,161,155 represents estimated excise tax payments payable to Mr. Schottenstein under his CIC Agreement.

For Phillip G. Creek, of the amounts shown: (a) \$3,376,358 represents a lump sum payment equal to the product of (i) 2.00 and (ii) the sum of his base salary at December 31, 2018 and his average annual bonus earned during the 2013-2017 fiscal years; (b) \$1,087,650 represents a lump sum payment for his 2018 annual bonus (which amount is equal to the amount he earned under the 2009 Annual Incentive Plan with respect to the 2018 fiscal year and is based on the triggering event occurring on December 31, 2018 and the performance period ending on November 30, 2018, in accordance with the terms of his CIC Agreement); (c) \$57,692 represents a lump sum payment for unused vacation; and (d) \$35,774 represents the estimated cost to the Company of providing continued coverage (at no cost to Mr. Creek) in our group health plan for 24 months. No excise tax payments would have been payable to Mr. Creek under his CIC Agreement.

For J. Thomas Mason, of the amounts shown: (a) \$2,357,829 represents a lump sum payment equal to the product of (i) 2.00 and (ii) the sum of his base salary at December 31, 2018 and his average annual bonus earned during the 2013-2017 fiscal years; (b) \$725,100 represents a lump sum payment for his 2018 annual bonus (which amount is equal to the amount he earned under the 2009 Annual Incentive Plan with respect to the 2018 fiscal year and is based on the triggering event occurring on December 31, 2018 and the performance period ending on November 30, 2018, in accordance with the terms of his CIC Agreement); and (c) \$48,077 represents a lump sum payment for unused vacation. No excise tax payments would have been payable to Mr. Mason under his CIC Agreement.

For more information concerning the CIC Agreements, see Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement.

For purposes of each CIC Agreement, *cause* means: (a) any act of fraud, intentional misrepresentation, embezzlement or misappropriation or conversion of our assets or business opportunities; (b) conviction of a felony; (c) willful refusal to substantially perform his assigned duties; (d) willful engagement in gross misconduct materially injurious to the Company; or (e) breach of any material term of the CIC Agreement. However, *cause* will not arise due to any event that constitutes *good reason* under the CIC Agreement.

For purposes of each CIC Agreement, *change in control* means: (a) the acquisition by any person or group of the ownership of our stock that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of our stock; (b) the acquisition by any person or group, within any twelve month period, of the ownership of our stock possessing 30% or more of the total voting power of our stock; (c) the date a majority of the members of the Board is replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (d) the acquisition by any person or group, within any twelve month period, of our assets that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of our assets immediately before such acquisition. The definition of *change in control* will be interpreted in a manner that is consistent with the definition of *change in control event* under Section 409A of the Code and the Treasury Regulations promulgated thereunder.



For purposes of each CIC Agreement, "good reason" means the occurrence of any of the following events during the 24 consecutive calendar months beginning after a change in control occurring during the term of the CIC Agreement to which the executive has not consented in writing: (a) any breach of the CIC Agreement of any nature whatsoever by or on behalf of the Company; (b) a reduction in his title, duties or responsibilities, as compared to either his title, duties or responsibilities immediately before the change in control or any enhanced or increased title, duties or responsibilities assigned to him after the change in control; (c) the permanent assignment to him of duties that are inconsistent with his office immediately before the change in control or any more senior office to which he is promoted after the change in control; (d) a reduction in his base salary; (e) a reduction in the annual cash bonus that he is eligible to receive or a

change in the manner in which such annual cash bonus is calculated; (f) a material reduction in the aggregate value of his other annual compensation and/or fringe benefits; (g) a requirement that he relocate to a principal office or worksite (or accept indefinite assignment) to a location more than 30 miles from the principal office or worksite to which he was assigned immediately before the change in control or any location to which he agreed, in writing, to be assigned after the change in control; or (h) we attempt to amend or terminate the CIC Agreement except in accordance with the procedures described therein.

(2) Pursuant to the terms of the 2009 LTIP, if a participant's employment is terminated as a result of death, disability or retirement, all of the participant's unvested stock options will immediately vest and become exercisable. In the event of a change in control, the Compensation Committee may take such actions, if any, as it deems necessary or desirable with respect to any outstanding stock options, including (a) the acceleration of the vesting and exercisability of options, (b) the payment of cash in exchange for the cancellation of any options and/or (c) the issuance of substitute awards that preserve the value, rights and benefits of any options affected by the change in control. The table assumes that all unvested stock options under the 2009 LTIP will immediately vest and become exercisable upon a change in control. The amounts shown represent the value of the accelerated stock options as of December 31, 2018, calculated by multiplying the number of accelerated stock options by the difference between the exercise price and the closing price of our Common Shares on the NYSE on December 31, 2018. For more information concerning a participant's rights upon termination of employment or a change in control under the 2009 LTIP, see Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement.

For purposes of the 2009 LTIP, disability means: with respect to any award (other than an incentive stock option), unless otherwise provided in the related award agreement, (a) the participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months, (b) the participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the participant's employer, or (c) the participant is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

For purposes of the 2009 LTIP, retirement means a participant's termination of employment (other than for cause) on or after the date on which the sum of the participant's years of service with the Company and its affiliates plus the participant's age is equal to or greater than 70, provided that the participant has attained the age of 55.

For purposes of the 2009 LTIP, change in control means: (a) the members of the Board on the effective date of the 2009 LTIP (including individuals whose election or nomination for election was approved by a majority of such directors) cease for any reason other than death to constitute at least a majority of the members of the Board; (b) the acquisition by any person or group, other than the Company, any subsidiary of the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary of the Company, of beneficial ownership, directly or indirectly, of 30% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors of the Company; (c) the merger, consolidation or other business combination of the Company with or into another entity, or the acquisition by the Company of assets or shares or equity interests of another entity, as a result of which the shareholders of the Company immediately prior to such merger, consolidation, other business combination or acquisition, do not, immediately thereafter, beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from such merger, consolidation or other business combination of the Company; (d) the sale or other disposition of all or substantially all of the assets of the Company; or (e) the liquidation or dissolution of the Company. Notwithstanding the foregoing, with respect to the payment, exercise or settlement of any award that is subject to Section 409A of the

Code, a change in control will not be deemed to have occurred unless the events or circumstances constituting a change in control also constitute a change in control event within the meaning of Section 409A of the Code and the Treasury Regulations promulgated thereunder.

- (3) Pursuant to the terms of the 2009 LTIP, if, during a performance period, a participant's employment is terminated:
- (a) as a result of death or disability, then all of the PSUs that would have vested had the participant remained employed through the end of the performance period (based on our actual performance as of the end of the performance period) will vest at the end of the performance period; or
  - (b) involuntarily without cause or as a result of the participant's retirement, a prorated portion (based on the full number of months that the participant was employed by us during the performance

period) of the PSUs that would have vested had the participant remained employed through the end of the performance period (based on our actual performance as of the end of the performance period) will vest at the end of the performance period. For purposes of these termination events, the table reflects actual performance with respect to the 2016-2018 PSUs and assumes that the performance goals applicable to the 2017-2019 PSUs and the 2018-2020 PSUs will be achieved at the target level.

In the event of a change in control, the Compensation Committee may take such actions, if any as it deems necessary or desirable with respect to any outstanding PSUs, including (a) the acceleration of the vesting and settlement of any PSUs, (b) the payment of cash in exchange for the cancellation of any PSUs and/or (c) the issuance of substitute awards that preserve the value, rights and benefits of any PSUs affected by the change in control. The table reflects actual performance with respect to the 2016-2018 PSUs and assumes all 2017-2019 PSUs and 2018-2020 PSUs will immediately vest at the target level upon a change in control.

The amounts shown represent the value of the PSUs that have been earned or are assumed will be earned or accelerated as described in the foregoing paragraphs of this footnote (3) as of December 31, 2018, calculated by multiplying the number of such PSUs by the closing price of our Common Shares on the NYSE on December 31, 2018. For more information concerning a participant's rights upon termination of employment or a change in control under the 2009 LTIP, see Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement.

(4) Pursuant to the terms of the 2009 Annual Incentive Plan, if, during a performance period, a participant's employment is terminated involuntarily without cause or as a result of the participant's death, disability or retirement, the participant will receive a prorated portion (based on the number of whole calendar months that the participant was employed by us during the performance period) of the compensation that would have been payable under the 2009 Annual Incentive Plan if the participant had remained employed for the full performance period. The amounts shown with respect to death, disability, retirement and involuntary not for cause termination represent a lump sum payment equal to the amounts earned by the Named Executive Officers under the 2009 Annual Incentive Plan with respect to the 2018 fiscal year. Pursuant to the terms of the 2009 Annual Incentive Plan, if a change in control occurs during a performance period, each outstanding award thereunder will be considered earned and payable at its target level. With respect to the 2018 fiscal year awards granted under the 2009 Annual Incentive Plan, the Compensation Committee established threshold and maximum levels of performance for each of the Named Executive Officers, but did not establish target levels of performance. The amounts shown with respect to a change in control represent a lump sum payment equal to an estimated target level under the 2009 Annual Incentive Plan for the 2018 fiscal year awards based on the Company's projected levels of performance with respect to the 2018 performance goals. For more information concerning a participant's rights upon termination of employment or a change in control under the 2009 Annual Incentive Plan, see Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement.

For purposes of the 2009 Annual Incentive Plan, disability means: (a) the participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months; (b) the participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the participant's employer; or (c) the participant is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

For purposes of the 2009 Annual Incentive Plan, retirement and change in control have substantially the same definitions as described in footnote (3) above with respect to the 2009 LTIP.

- (5) For purposes of this column, we have assumed that, on December 31, 2018, the Named Executive Officer incurred an involuntary not for cause termination, which was followed by a change in control. For more information concerning a participant's rights upon termination of employment or a change in control, see Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement.
- (6) For purposes of this column, we have assumed that, on December 31, 2018 a change in control occurred, which was followed by the Named Executive Officer's involuntary not for cause termination or voluntary termination for good

reason. For more information concerning a participant's rights upon termination of employment or a change in control, see Compensation Discussion and Analysis Payments in Connection with Termination of Employment or Change in Control on page 35 of this Proxy Statement.

In addition to the amounts shown in the table, pursuant to the terms of the Executives' Deferred Compensation Plan, the phantom stock units held by each Named Executive Officer will be distributed in the form of whole Common Shares within 60 days of the earlier of the date specified by such Named Executive Officer in his deferral notice for the applicable plan year or the date his employment terminates for any reason other than disability or retirement (in which case, the date set forth in his deferral notice applies), except that, in the event of a change in control of the Company, the phantom stock units will be distributed in whole Common Shares within 60 days of the date of the change in control if such Named Executive Officer has so elected in his deferral notice. On December 31, 2018, the market value of the accounts of each of Robert H. Schottenstein, Phillip G. Creek and J. Thomas Mason under the Executives' Deferred Compensation Plan was \$0, \$0 and \$75,588, respectively. For more information concerning the Named Executive Officers' rights under the Executives' Deferred Compensation Plan, see Compensation Discussion and Analysis Deferred Compensation Plan on page 37 of this Proxy Statement.

### 2018 CEO PAY RATIO

Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K require the Company to disclose the following information for the year ended December 31, 2018:

the annual total compensation of our Chief Executive Officer, Robert H. Schottenstein, was \$5,252,080;

the annual total compensation of our median employee was \$71,570; and

the ratio of the annual total compensation of our Chief Executive Officer to the annual total compensation of our median employee was 73.4 to 1.

To identify the median of the annual total compensation of all of our 1,343 active employees as of December 31, 2018, including any full-time, part-time, temporary or seasonal employees but excluding our Chief Executive Officer, we used total wages from our payroll records as reported to the Internal Revenue Service on Form W-2 for 2018. In making this determination, we did not annualize compensation for any full-time or part-time permanent employees who were employed on December 31, 2018 but did not work for us for the entire year or make any full-time equivalent adjustments for part-time employees. We consistently applied this compensation measure and methodology to all of our employees included in the calculation.

After identifying our median employee, we determined the median employee's annual total compensation in the same manner that we determine the total compensation of our named executive officers for purposes of the Summary Compensation Table. With respect to the annual total compensation of our Chief Executive Officer, we used the amount for 2018 reported in the Total column of the Summary Compensation Table set forth on page 41 of this Proxy Statement.

This information is being provided for compliance purposes. Neither the Compensation Committee nor management of the Company used the pay ratio measure in making compensation decisions.



---

## COMPENSATION OF DIRECTORS

The Board annually reviews and determines the compensation for our non-employee directors taking into account the recommendations of the Compensation Committee. In connection with this review and determination, the Board and the Compensation Committee consider the compensation paid to the non-employee directors of companies within our Peer Group, the current facts and circumstances relating to our business and our past practices. The Board believes that (1) non-employee director compensation should be generally competitive with companies in our Peer Group to ensure that we attract and retain qualified non-employee directors and (2) the compensation of our non-employee directors should include a combination of cash and equity-based compensation to align the interests of our non-employee directors and our shareholders. The Board does not have a pre-established policy or target for the allocation between cash and equity-based compensation and, instead, determines the mix of compensation based on what it believes is most appropriate under the circumstances. The Compensation Committee approves all equity-based compensation granted to the non-employee directors.

For the 2018 fiscal year, each non-employee director (other than the Lead Independent Director and Chairman of the Compensation Committee, the Chairman of the Audit Committee and the Chairman of the Nominating and Governance Committee) received an annual retainer of \$75,000 (an increase of \$5,000 from the 2017 fiscal year) as payment for his or her service on the Board and any of its committees. The Chairman of the Audit Committee, the Chairman of the Compensation Committee and the Chairman of the Nominating and Governance Committee received an annual retainer of \$110,000, \$95,000 and \$90,000, respectively (in each case an increase of \$10,000 from the 2017 fiscal year), and the Lead Independent Director (who also serves as the Chairman of the Compensation Committee) received an additional \$20,000 (an increase of \$5,000 from the 2017 fiscal year). All retainers are paid in equal quarterly installments after each quarterly Board meeting. Non-employee directors may defer payment of their retainer fees pursuant to the Director Deferred Compensation Plan. See footnote (1) to the Director Compensation Table below for a description of this plan. For 2018, each non-employee director also received a grant of 3,500 director stock units (an increase of 500 from the 2017 fiscal year) under the 2018 LTIP. Pursuant to the 2018 LTIP, all director stock units will be settled in Common Shares upon the director's separation of service from the Company. Any dividends paid with respect to our Common Shares after the grant date of director stock units will accrue and be added to the director stock units and will be paid in Common Shares upon separation of service. The Board made the foregoing changes to the 2018 non-employee director compensation program upon the recommendation of the Compensation Committee. In making its recommendation, the Compensation Committee reviewed and considered competitive data provided by Pearl Meyer regarding the non-employee director compensation for companies in our Peer Group. Such competitive data indicated that our non-employee director cash compensation ranked in the 26<sup>th</sup> percentile of our Peer Group and our non-employee director equity compensation ranked in the 11<sup>th</sup> percentile of our Peer Group. The Compensation Committee also considered the input of Pearl Meyer.

For the 2019 fiscal year, we currently intend for the compensation program for our non-employee directors to be the same as the compensation program for our non-employee directors for the 2018 fiscal year, except that we intend for each non-employee director to receive a grant of 4,000 director stock units (an increase of 500 from the 2018 fiscal year) under the 2018 LTIP. The Board made the foregoing change upon the recommendation of the Compensation Committee. In making its recommendation, the Compensation Committee reviewed and considered competitive data provided by Pearl Meyer regarding the non-employee director compensation for companies in our Peer Group. The Compensation Committee also considered the input of Pearl Meyer. The Compensation Committee generally awards all grants of director stock units at its meeting held immediately following the Company's annual meeting of shareholders, and we do not have any program, plan or practice to time the grant of equity-based awards with the release of material non-public information.

### Director Compensation Table for 2018



The following table summarizes the total compensation for the fiscal year ended December 31, 2018 for each of the Company's non-employee directors. Robert H. Schottenstein, Phillip G. Creek and J. Thomas Mason

are not included in this table because they were employees of the Company during the 2018 fiscal year and received no additional compensation for their services as directors. The compensation received by Messrs. Schottenstein, Creek and Mason as employees of the Company is shown in the Summary Compensation Table on page 41 of this Proxy Statement.

Name	Fees Earned or	Stock	Total
	Paid in Cash	Awards	
	(\$) <sup>(1)</sup>	(\$) <sup>(2)</sup>	(\$)
Friedrich K.M. Böhm	115,000	108,465	223,465
William H. Carter	110,000	108,465	218,465
Michael P. Glimcher	75,000	108,465	183,465
Nancy J. Kramer	75,000	108,465	183,465
Norman L. Traeger	90,000	108,465	198,465
Sharen Jester Turney <sup>(3)</sup>	75,000	108,465	183,465

- (1) The amounts shown reflect the annual retainers earned by our non-employee directors for the 2018 fiscal year. Pursuant to the Director Deferred Compensation Plan, each of our non-employee directors may elect to defer to a later date the payment of all or any portion of the retainer fees received for serving as a director. The deferred fees are credited to the non-employee director's deferred compensation account on the date of payment, where the fees are converted into that number of whole phantom stock units determined by dividing the amount of the deferred fees by the closing price of our Common Shares on the NYSE on such date. Each non-employee director's deferred compensation account is credited in an amount equal to any cash dividends paid on our Common Shares based on the phantom stock units held by the non-employee director at the time the cash dividends are declared. The amount so credited for dividends is also converted into phantom stock units. The phantom stock units held by a non-employee director are distributed in the form of whole Common Shares within 60 days of the earlier of the date specified by the non-employee director in his or her deferral notice or the date the non-employee director no longer serves as a director. The Board believes that, by encouraging ownership of our Common Shares, the Director Deferred Compensation Plan aligns the interests of our non-employee directors with the interests of our shareholders. For more information concerning the Director Deferred Compensation Plan, including the number of Common Shares held by our non-employee directors pursuant to the Director Deferred Compensation Plan, see Principal Shareholders on page 20 of this Proxy Statement.
- (2) The amounts shown reflect the aggregate grant date fair value of the director stock unit awards granted to our non-employee directors under the 2018 LTIP during the 2018 fiscal year computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 2 to the Company's audited consolidated financial statements for the fiscal year ended December 31, 2018, included in the Company's 2018 Form 10-K. The 3,500 director stock units granted to each of the non-employee directors on May 8, 2018 (which were the only equity awards granted to the non-employee directors during the 2018 fiscal year) had a grant date fair value of \$30.99 per unit (based on the closing price of our Common Shares on the NYSE on the date of grant). For the 2006, 2007 and 2008 fiscal years, we granted annual director stock unit awards to the non-employee directors under the 2006 Director Plan. In connection with our shareholders' approval of the adoption of the 2009 LTIP, we terminated the 2006 Director Plan (although outstanding awards under the 2006 Director Plan remain in effect in accordance with their respective terms). For the 2009 through 2017 fiscal years, we granted annual director stock unit awards to the non-employee directors under the 2009 LTIP. In connection with our shareholders'

approval of the adoption of the 2018 LTIP, we terminated the 2009 LTIP (although outstanding awards under the 2009 LTIP remain in effect in accordance with their respective terms). The outstanding director stock units under the 2018 LTIP, the 2009 LTIP and the 2006 Director Plan contain substantially the same terms. As of December 31, 2018, Friedrich K.M. Böhm, William H. Carter, Michael P. Glimcher, Nancy J. Kramer, Norman L. Traeger and Sharen Jester Turney held 23,527, 16,500, 15,500, 9,000, 23,527 and 17,500 director stock units pursuant to the 2018 LTIP, the 2009 LTIP and/or the 2006 Director Plan, respectively.

- (3) Ms. Turney served as a director of the Company until her retirement as a director effective February 8, 2019. Elizabeth K. Ingram was appointed to the Board, effective February 8, 2019, to fill the vacancy created by the retirement of Ms. Turney.

---

## AUDIT COMMITTEE MATTERS

### Audit Committee Report

*Purpose.* The primary purpose of the Audit Committee is to assist the Board in its oversight of: (1) the integrity of the Company's consolidated financial statements and internal control over financial reporting; (2) the Company's compliance with legal and regulatory requirements; (3) the Company's independent registered public accounting firm's qualifications, independence and performance; and (4) the performance of the Company's internal audit function. The specific duties of the Audit Committee are set forth in its charter.

*Responsibility.* Management is responsible for the Company's internal controls, preparing the Company's consolidated financial statements and a report on management's assessment of the effectiveness of internal control over financial reporting. The Company's independent registered public accounting firm is responsible for performing an independent audit of the consolidated financial statements and issuing a report thereon, as well as for auditing the effectiveness of internal control over financial reporting. The independent registered public accounting firm's audits are performed in accordance with the standards of the Public Company Accounting Oversight Board (the PCAOB). The Audit Committee is responsible for overseeing the conduct of these activities and appointing the Company's independent registered public accounting firm. In performing its oversight function, the Audit Committee relies, without independent verification, on the information provided to it and representations made by management and the independent registered public accounting firm.

*Meetings.* During the 2018 fiscal year, the Audit Committee met eight times with the Company's senior financial management, including the internal auditors, and Deloitte & Touche LLP (D&T), the Company's independent registered public accounting firm, and discussed the Company's interim and fiscal year financial information prior to public release.

*Auditor Independence.* In fulfilling its oversight responsibility as to the audit process, the Audit Committee: (1) obtained from D&T a formal written statement describing all relationships between D&T and the Company that might bear on D&T's independence consistent with PCAOB Rules 3520 & 3526; (2) discussed with D&T any relationships that may impact D&T's objectivity and independence; and (3) satisfied itself as to D&T's independence.

*Auditor Required Communications.* The Audit Committee reviewed and discussed with management, the internal auditors and D&T the quality and adequacy of the Company's internal control over financial reporting. In addition, the Audit Committee reviewed and discussed with D&T all communications required by generally accepted auditing standards, including those matters described in Auditing Standard 1301, Communication with Audit Committees, and Generally Accepted Auditing Standards, as adopted by the PCAOB in Rule 3100. The Audit Committee discussed and reviewed the results of D&T's audit of the consolidated financial statements with and without management present. The Audit Committee also reviewed and discussed the results of the Company's internal audits conducted throughout the year.

*Annual Financial Statements and Internal Controls.* The Audit Committee reviewed and discussed the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2018 with management and D&T. Management has represented to the Audit Committee that the audited consolidated financial statements were prepared in accordance with generally accepted accounting principles, consistently applied. The Audit Committee also reviewed, and discussed with management and D&T, management's report and D&T's report and attestation on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002.

*Conclusion.* Based on the Audit Committee's reviews and discussions with management and D&T noted above, the Audit Committee recommended to the Board (and the Board approved) that the Company's audited



consolidated financial statements be included in the Company's 2018 Form 10-K that was filed with the SEC on February 22, 2019.

**Audit Committee:**

*William H. Carter (Chairman)*

*Friedrich K.M. Böhm*

*Norman L. Traeger*

## Independent Registered Public Accounting Firm Fees

The following table sets forth the aggregate fees billed to the Company by its independent registered public accounting firm for the fiscal years ended December 31, 2018 and December 31, 2017:

	<b>Year Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
Audit Fees	\$ 806,000	\$ 785,000
Audit-Related Fees	371,300	236,000
Tax Fees	43,250	47,250
All Other Fees		
<b>Total</b>	<b>\$ 1,220,550</b>	<b>\$ 1,068,250</b>

*Audit Fees* for the fiscal years ended December 31, 2018 and 2017 consisted of fees for professional services rendered for the audits of the annual consolidated financial statements of the Company and quarterly reviews of the condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q. In addition, the fees included \$180,000 in 2018 and \$175,000 in 2017 for the performance of audits of the Company's assessment of internal control over financial reporting.

*Audit-Related Fees* for the fiscal years ended December 31, 2018 and 2017 consisted of fees for annual audits of M/I Financial as well as assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and review of the Company's conclusions with respect to various accounting matters and fees related to our 2018 acquisition of the homebuilding assets and operations of Pinnacle Homes and our 2017 debt issuance.

*Tax Fees* for the fiscal years ended December 31, 2018 and 2017 consisted of fees for the review of our federal and state tax returns. In addition, the fees for the years ended December 31, 2018 and 2017 included fees for a special tax-related study.

### Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

The Audit Committee has adopted the following policy with respect to engagement of the Company's independent registered public accounting firm to perform services for the Company:

Annually, the independent registered public accounting firm will provide the Audit Committee with an engagement letter outlining the scope of the audit and permissible non-audit services proposed to be performed during the fiscal year, together with a schedule of fees for such services, for approval.

In addition to reviewing and approving the engagement letter, the Audit Committee will annually pre-approve a list of audit services (not covered by the audit engagement letter) and permissible audit-related services, tax services and other services as well as a range of fees for those services. Any services rendered by the independent registered public accounting firm during that fiscal year will be considered pre-approved by the Audit Committee provided that the services rendered fall within the list of pre-approved services and the fees do not exceed the pre-approved fees. To ensure prompt handling of unexpected matters, the Audit Committee has delegated to its Chairman the authority to amend or modify the list of pre-approved permissible audit and non-audit services and fees. The Chairman will report any action taken to the Audit Committee at its next meeting. The Audit Committee is regularly kept informed by management of the services provided by the independent registered public accounting firm.

During the 2018 and 2017 fiscal years, all services provided by D&T were pre-approved in accordance with the terms of the Audit Committee's pre-approval policy.



---

## **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16 of the Exchange Act requires the Company's directors and officers and any person who beneficially owns more than ten percent of our Common Shares to file reports of ownership and changes in ownership of the Common Shares with the SEC. Based solely on a review of the reports filed on behalf of these persons and written representations from our officers and directors that no additional reports were required to be filed, the Company believes that, during the 2018 fiscal year, its officers, directors and greater than ten percent beneficial owners complied with such filing requirements.

## **SHAREHOLDER PROPOSALS FOR 2020 ANNUAL MEETING**

Any proposals from shareholders which are intended to be presented at the 2020 Annual Meeting of Shareholders must be received by the Company by December 4, 2019 to be eligible for inclusion in next year's proxy statement and form of proxy. Such proposals may be included in next year's proxy statement and form of proxy if they comply with certain SEC Rules. In addition, if a shareholder intends to present a proposal at the 2020 Annual Meeting of Shareholders without the inclusion of that proposal in the proxy statement relating to the 2020 Annual Meeting of Shareholders and written notice of the proposal is not received by the Company on or before February 17, 2020, or if the Company meets other requirements of applicable SEC Rules, proxies solicited by the Board for the 2020 Annual Meeting of Shareholders will confer discretionary authority to vote on the proposal at the meeting. In each case, written notice must be given to M/I Homes, Inc., 3 Easton Oval, Suite 500, Columbus, Ohio 43219, c/o Chief Legal Officer and Secretary.

Pursuant to the advance notice provision in our Regulations relating to the nomination of one or more persons for election as a director at an annual meeting of shareholders, shareholders who wish to nominate one or more persons for election as a director at the 2020 Annual Meeting of Shareholders may do so only if they comply with the nomination procedures set forth in our Regulations. The advance notice provision requires that a shareholder give written notice of such shareholder's intent to make such nomination(s) by personal delivery or by United States Mail, postage pre-paid, to the Secretary of the Company not later than March 8, 2020 nor earlier than February 7, 2020. See Information Regarding the Board, its Committees and Corporate Governance Nomination of Directors beginning on page 14 of this Proxy Statement for information regarding our director nomination process.

## **EXPENSES OF SOLICITATION**

The entire expense of preparing, assembling, printing and mailing this Proxy Statement, the accompanying proxy card and any other related materials, as well as other costs incurred in connection with the solicitation of proxies on behalf of the Board, will be paid by the Company, except for any Internet access fees and telephone service fees incurred by shareholders who elect to vote electronically via the Internet or telephonically. Proxies may be solicited personally or by telephone, mail, electronic mail, facsimile or telegraph. Officers or employees of the Company may assist with solicitations and will receive no additional compensation for their services. The Company will reimburse brokers, banks and other nominees for their reasonable expenses in forwarding proxy materials to beneficial owners of our Common Shares.

## **OTHER MATTERS**

As of the date of this Proxy Statement, the Board knows of no other matters to be presented at the Annual Meeting. If any other matter requiring a vote of the shareholders is properly brought before the Annual Meeting, the persons named in the accompanying proxy card will vote and act according to their best judgments in light of the conditions then prevailing, to the extent permitted under applicable law.

Edgar Filing: M I HOMES INC - Form DEF 14A

You are urged to complete, sign, date and return the enclosed proxy card in the envelope provided or, alternatively, vote your proxy electronically via the Internet or telephonically. No postage is required if the

envelope provided is mailed from within the United States. If you subsequently decide to attend the Annual Meeting and wish to vote your Common Shares in person, you may do so. Your cooperation in giving this matter your prompt attention is appreciated.

By Order of the Board of Directors,

J. Thomas Mason  
Secretary



**Your vote matters here s how to vote!**

You may vote online or by phone instead of mailing this card.

**Votes submitted electronically must be received by 1:00 a.m., (Local Time), on May 7, 2019.**

**Online**

Go to [www.envisionreports.com/MHO](http://www.envisionreports.com/MHO) or scan the QR code login details are located in the shaded bar below.

**Phone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories and Canada

Using a **black ink** pen, mark your votes with an X as shown in this example **Save paper, time and money!**

Please do not write outside the designated areas.

**Sign up for electronic delivery at [www.envisionreports.com/MHO](http://www.envisionreports.com/MHO)**

q **IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

**A** **Proposals** The Board of Directors recommends a vote **FOR** all the nominees listed and **FOR** Proposals 2 **3.**

+

1. Election of Directors:

**For Withhold**

**For Withhold**

**For Withhold**

01 - Friedrich  
K.M.  
Böhm

02 - William H. Carter

03 - Robert H.  
Schottenstein

**For Against Abstain**

**For Against Abstain**

2. A non-binding, advisory resolution to approve the compensation of the named executive officers of M/I Homes, Inc.

3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2019 fiscal year

**B Authorized Signatures** This section must be completed for your vote to count. Please date and sign below. Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date  
(mm/dd/yyyy)  
Please print  
date below.  
/ /

Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

**2019 Annual Meeting Admission Ticket**

**2019 Annual Meeting of Shareholders of M/I Homes, Inc.**

**Tuesday, May 7, 2019, 9:00 a.m., Local Time**

**M/I Homes, Inc.**

**3 Easton Oval**

**Columbus, Ohio 43219**

**Upon arrival, please present this admission ticket and photo identification at the registration desk.**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders.**

**The Notice of Annual Meeting of Shareholders, Proxy Statement, form of proxy and 2018 Annual Report to Shareholders is available at: [www.envisionreports.com/mho](http://www.envisionreports.com/mho)**

**Small steps make an impact.**

Help the environment by consenting to receive electronic

delivery, sign up at [www.envisionreports.com/MHO](http://www.envisionreports.com/MHO)

**IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**Proxy M/I Homes, Inc.**

**+**

**This Proxy is solicited on behalf of the Board of Directors of M/I Homes, Inc. for the Annual Meeting of Shareholders to be held on May 7, 2019.**

The undersigned hereby appoints Robert H. Schottenstein and J. Thomas Mason, and each of them, as proxies for the undersigned, with full power of substitution, to attend the Annual Meeting of Shareholders to be held at the offices of M/I Homes, Inc., 3 Easton Oval, Columbus, Ohio 43219, on Tuesday, May 7, 2019, at 9:00 a.m., local time, or any adjournment thereof, with all powers the undersigned would possess if personally present.

**This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned shareholder. If no directive is made and if permitted by applicable law, the Common Shares represented by this Proxy will be voted FOR the election of the director nominees identified in Proposal No. 1, FOR the approval of the compensation of the named executive officers of M/I Homes, Inc. (Proposal No. 2), and FOR the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019 (Proposal No. 3). If any other matters are properly brought before the Annual Meeting or any adjournment thereof, or if a nominee for election as director named in Proposal No. 1 is unable to serve or for good cause will not serve, the Common Shares represented by this Proxy will be voted in the discretion of the proxies on such matters or for such substitute nominees as the Board of Directors may recommend.**

**The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Shareholders, dated April 2, 2019, the Proxy Statement furnished therewith, and the M/I Homes, Inc. 2018 Annual Report to Shareholders, which includes the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Any proxy previously given to vote the Common Shares which the undersigned is entitled to vote at the 2019 Annual Meeting of Shareholders is hereby revoked.**

**C Non-Voting Items**

**Change of Address** Please print new address below.

**Comments** Please print your comments below.

+



Using a **black ink** pen, mark your votes with an X as shown in this example.

Please do not write outside the designated areas.

¶ IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ¶

**A** Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2 and 3.

+

1. Election of Directors:

**For Withhold**

**For Withhold**

**For Withhold**

01 - Friedrich  
K.M.  
Böhm

02 - William H. Carter

03 - Robert H.  
Schottenstein

**For Against Abstain**

**For Against Abstain**

2. A non-binding, advisory resolution to approve the compensation of the named executive officers of M/I Homes, Inc.

3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2019 fiscal year

**B** Authorized Signatures This section must be completed for your vote to count. Please date and sign below.

Edgar Filing: M I HOMES INC - Form DEF 14A

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date  
(mm/dd/yyyy)  
- Please print  
date below.  
/ /

Signature 1 - Please keep signature within the box.      Signature 2 - Please keep signature within the box.

030PYD

1 U P X      4 1 3 6 9 1

---

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders.**

**The Notice of Annual Meeting of Shareholders, Proxy Statement, form of proxy and 2018 Annual Report to Shareholders is available at: [www.edocumentview.com/MHO](http://www.edocumentview.com/MHO)**

**q IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.q**

Proxy M/I Homes, Inc.

+

**This Proxy is solicited on behalf of the Board of Directors of M/I Homes, Inc. for the Annual Meeting of Shareholders to be held on May 7, 2019.**

The undersigned hereby appoints Robert H. Schottenstein and J. Thomas Mason, and each of them, as proxies for the undersigned, with full power of substitution, to attend the Annual Meeting of Shareholders to be held at the offices of M/I Homes, Inc., 3 Easton Oval, Columbus, Ohio 43219, on Tuesday, May 7, 2019, at 9:00 a.m., local time, or any adjournment thereof, with all powers the undersigned would possess if personally present.

**This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned shareholder. If no directive is made and if permitted by applicable law, the Common Shares represented by this Proxy will be voted FOR the election of the director nominees identified in Proposal No. 1, FOR the approval of the compensation of the named executive officers of M/I Homes, Inc. (Proposal No. 2), and FOR the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019 (Proposal No. 3). If any other matters are properly brought before the Annual Meeting or any adjournment thereof, or if a nominee for election as director named in Proposal No. 1 is unable to serve or for good cause will not serve, the Common Shares represented by this Proxy will be voted in the discretion of the proxies on such matters or for such substitute nominees as the Board of Directors may recommend.**

**The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of Shareholders, dated April 2, 2019, the Proxy Statement furnished therewith, and the M/I Homes, Inc. 2018 Annual Report to Shareholders, which includes the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Any proxy previously given to vote the Common Shares which the undersigned is entitled to vote at the 2019 Annual Meeting of Shareholders is hereby revoked.**