



Amendments to KB Home Ethics Policy

The Audit and Compliance Committee of the KB Home Board of Directors approved amendments to KB Home's Ethics Policy that are effective as of January 31, 2017. The Ethics Policy establishes principles, standards, guidelines, and expectations for all Board members and employees, including all senior executive officers, in conducting KB Home's business, including KB Home's relationships with its subcontractors, vendors and service providers.

The Ethics Policy was amended to update certain of its standards of conduct consistent with KB Home's commitment to operate with integrity and the highest ethical standards. This included clarifying conflict of interest standards with respect to employees' outside business interests and personal relationships with coworkers, job applicants, customers and service providers; requiring disclosure of family members' ownership or control interests in KB Home's competitors or business partners; and extending cash gift prohibitions to gift cards/certificates.

The above summary is qualified in its entirety by the actual terms of the amended Ethics Policy, a copy of which is available on KB Home's website at www.kbhome.com.