



Setting the standard for energy-efficient homes®

Dear Fellow Stockholders:

You are cordially invited to join us for our 2022 Annual Meeting of stockholders on May 19, 2022, at 8:30 a.m. Pacific Time. The meeting will be completely virtual and conducted via live audio webcast to enable our stockholders to participate from any location around the world that is convenient to them. You will be able to attend the meeting by first registering at <https://viewproxy.com/meritage/2022> no later than May 16, 2022 at 11:59 PM Eastern Time. After registering, you will receive a meeting invitation and password by e-mail with your unique link to join the meeting. Stockholders will be able to listen, vote and submit questions during the virtual meeting. Holders of record of our common stock as of March 23, 2022 are entitled to notice of, and to vote at, the 2022 virtual Annual Meeting.

The Notice of Annual Meeting of Stockholders and the proxy statement that follow describe the business to be conducted at the meeting. We may also report on matters of current interest to our stockholders at that meeting.

We are pleased to be furnishing these materials to our stockholders digitally. We believe this approach provides you with the information that you need while expediting your receipt of these materials, lowering our costs of delivery, and reducing the environmental impact of our Annual Meeting. If you would like us to send you printed copies of our proxy statement and accompanying materials, we will be happy to do so at no charge upon your request. For more information, please refer to the Important Notice Regarding the Availability of Proxy Materials that we previously mailed to you on or about April 4, 2022.

You are welcome to attend the virtual Annual Meeting. However, even if you plan to attend, please vote your shares promptly and prior to the meeting to ensure they are represented at the meeting. You may submit your proxy by Internet or telephone, as described in the following materials, or, if you request printed copies of these materials, by completing and signing the proxy or voting instruction card enclosed therein and returning it in the envelope provided.

If your shares are held in the name of a broker, bank, trust or other nominee, you will be asked for proof of ownership of your shares in order to register to attend the virtual meeting.

We thank you for your support.
Sincerely,

Phillippe Lord
Chief Executive Officer

8800 East Raintree Drive • Suite 300 • Scottsdale, Arizona • 85260 • Phone 480-515-8100

Listed on the New York Stock Exchange — MTH



Setting the standard for energy-efficient homes®

Notice of Annual Meeting of Stockholders

Meeting Date: May 19, 2022

Time: 8:30 a.m. Pacific Time

Virtual location: See details below for registration

To Our Stockholders:

You are invited to attend the Meritage Homes Corporation 2022 annual meeting of stockholders, to be held in a virtual-only format via live audio webcast, at which we will conduct the following business:

- 1 Election of six Class I directors, each to hold office until our 2024 annual meeting.
- 2 Ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2022 fiscal year,
- 3 Advisory vote to approve compensation of our Named Executive Officers ("Say on Pay"), and
- 4 The conduct of any other business that may properly come before the meeting or any adjournment or postponement thereof.

These items and information regarding the admission policy and procedures for attending the virtual Annual Meeting are more fully described in the accompanying proxy. Only stockholders of record at the close of business on March 23, 2022 are entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement thereof.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND VIRTUALLY, WE URGE YOU TO VOTE AND SUBMIT YOUR PROXY IN ADVANCE OF THE MEETING BY ONE OF THE METHODS DESCRIBED IN THE PROXY MATERIALS FOR THE ANNUAL MEETING. YOU MAY VOTE YOUR SHARES AND SUBMIT A PROXY OR VOTING INSTRUCTION CARD BY USING THE INTERNET, REGULAR MAIL OR TELEPHONE AS DESCRIBED HEREIN OR ON YOUR PROXY OR VOTING INSTRUCTION CARD.

By Order of the Board of Directors

Hilla Sferruzza, Secretary

Scottsdale, Arizona

March 24, 2022

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 19, 2022:

THIS PROXY STATEMENT AND MERITAGE'S 2021 ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT [INVESTORS.MERITAGEHOMES.COM](https://investors.meritagehomes.com). ADDITIONALLY, AND IN ACCORDANCE WITH SEC RULES, YOU MAY ACCESS THESE MATERIALS ON THE COOKIES-FREE WEBSITE INDICATED IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS THAT YOU HAVE RECEIVED.

Table of Contents

Proxy Summary	2
General Information	2
The Proposals	3
Election of Directors (Proposal No. 1)	6
Ratification of Independent Registered Public Accounting Firm (Proposal No. 2)	7
Advisory Vote to Approve Compensation of our Named Executive Officers (Proposal No. 3)	8
Security Ownership by Management and Principal Stockholders	10
Corporate Governance and Board Matters	12
Compensation Discussion and Analysis	23
Executive Summary	23
Compensation Philosophy and Objectives	27
Compensation Best Practices	29
Independent Compensation Consultant	30
Compensation Program	30
Security Ownership Requirements	31
Equity-Based Awards	31
Employment Agreements in Effect for 2021	33
Discussion of NEO Compensation	36
2022 Developments	38
Executive Compensation Committee Report	39
Compensation of Officers and Directors	40
Potential Payments upon Termination or Change of Control Summary	44
Director Compensation	47
Securities Authorized For Issuance Under Equity Compensation Plans	49
Delinquent Section 16(a) Reports	50
Certain Relationships and Related Transactions	51
Independent Auditors	52
Report of the Audit Committee	53
Stockholder Proposals, Director Nominations and Other Items of Business	54
Forward-Looking Statements	55
Annual Report on Form 10-K and Other Matters	56

MERITAGE HOMES CORPORATION
8800 EAST RAINTREE DRIVE
SUITE 300
SCOTTSDALE, ARIZONA 85260
(480) 515-8100
www.meritagehomes.com

Proxy Summary

This summary highlights selected information contained elsewhere in this proxy statement and is not intended to contain all of the information that you should consider. Please read the entire proxy statement carefully before voting.

General Information

Proxy Statement Purpose

The Board of Directors ("the Board") of Meritage Homes Corporation ("Meritage", "we" or the "Company") is furnishing this Proxy Statement to solicit your proxy for our 2022 Annual Meeting of Stockholders. This Proxy Statement contains information to help you decide how you want your shares to be voted. To understand the proposals fully, you should carefully read this entire proxy statement and the other proxy materials identified in the Important Notice Regarding the Availability of Proxy Materials ("the Notice"). This proxy statement will be available on the Internet, and the Notice will be mailed to stockholders beginning on or about April 4, 2022.

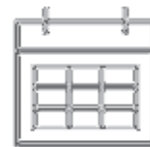
Annual Meeting of Shareholders



May 19, 2022
8:30 a.m. Pacific Time



The meeting will be completely virtual and conducted via live audio webcast. You will be able to attend the meeting by first registering at <https://viewproxy.com/meritage/2022>.



Record Date:
March 23, 2022

Who Can Vote

Stockholders who hold shares of our common stock at the close of business on March 23, 2022, the record date, will be entitled to one vote for each share held regarding each of the matters proposed in this proxy statement. Only holders of record of common stock at the close of business on the record date will be permitted to vote, either prior to the meeting or at the virtual meeting. On the record date, there were 36,695,048 shares of Meritage common stock outstanding. The common stock is our only outstanding class of voting securities.

Voting Information

You can vote electronically at the virtual Annual Meeting or submit a proxy prior to the meeting to have your shares represented without attending the virtual meeting. The shares represented by a properly executed proxy will be voted as you direct. To submit a proxy, you must follow the instructions provided in this proxy statement and in the Notice. You may vote via the Internet, regular mail or by calling the telephone number provided in the Notice, and you will be asked to enter your control number. If you request a printed copy of these materials, you may also vote by filling out and signing the proxy or voting instruction card enclosed therein and returning it by mail in the envelope provided. Please make your request for a copy as instructed in the Notice on or before May 11, 2022 to facilitate timely delivery.

If you submit a signed proxy but do not indicate any voting instructions, your shares will be voted FOR the election of the director nominees named in this proxy statement, FOR the ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal 2022, and FOR the advisory vote to approve the compensation of our named executive officers.

You can revoke your proxy any time before it is voted by written notice delivered to the Company's Secretary, by timely delivery of a later signed proxy (including via the Internet, regular mail, or telephone), or by voting electronically at the virtual meeting. Attendance at the virtual meeting alone is not sufficient to revoke your proxy. You must also vote your shares to revoke your proxy.

Holders of Record and Beneficial Owners

If your shares are registered directly in your name with our transfer agent, you are considered the “holder of record” of those shares.

If your shares are held in a brokerage account or by another nominee, you are considered the “beneficial owner” of shares held in “street name,” and the Notice is being forwarded to you by your broker or nominee (the “record holder”) along with a voting instruction card. As the beneficial owner, you have the right to direct your record holder regarding how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions.

As the holder of record or beneficial owner of shares, you are invited to attend the virtual Annual Meeting. Please note, however, that if you are a beneficial owner, you may not vote your shares electronically at the virtual meeting unless you obtain a “legal proxy” from the record holder that holds your shares. Instructions for requesting the “legal proxy” from the record holder will be mailed to beneficial owners.

Rules of the New York Stock Exchange (the “NYSE”) determine whether proposals presented at stockholder meetings are “routine” or “non-routine.” If a proposal is routine, a broker or other entity holding shares for a beneficial owner in street name may vote on the proposal if you do not provide voting instructions. If a proposal is non-routine, the broker or other entity may vote on the proposal only if the beneficial owner has provided voting instructions. A “broker non-vote” occurs when the broker or other entity is unable to vote on a proposal because the proposal is non-routine and the beneficial owner does not provide instructions. If you are a beneficial owner and do not give instructions to your record holder prior to the meeting, the record holder will be entitled to vote your shares in its discretion only on Proposal 2 (Ratification of Independent Registered Public Accounting Firm) and will not be able to vote your shares on Proposal 1 (Election of Directors) or Proposal 3 (Advisory Vote to Approve Compensation of our Named Executive Officers), and your shares will be treated as a “broker non-vote” on those proposals.

Quorum

The presence virtually or by proxy of stockholders representing a majority of the votes entitled to be cast at the meeting is necessary to constitute a quorum at the meeting. Abstentions and broker non-votes are counted as present for purposes of determining whether a quorum exists.

The Proposals

The following three proposals will be considered at the Annual Meeting:

Proposal	Board Vote Recommendation	Page Number
1 Election of Directors	FOR Each Nominee	6
2 Ratification of Independent Registered Public Accounting Firm	FOR	7
3 Advisory Vote to Approve Compensation of our Named Executive Officers	FOR	8

PROPOSAL 1

Election of Directors

Each Class I director nominee is up for election for a two-year term. Each director nominee was a director during 2021 (except Mr. Caldera who was appointed to the Board on December 10, 2021), and attended at least 75% of the aggregate of all meetings of the Board and of all Board committees on which they serve.

Name	Class	Age	Director Since	Independent	AC	CC	NGC	LC	ES&S
Dana C. Bradford	I	57	2009	Yes	✓	✓		✓	
Louis E. Caldera	I	66	2021	Yes		✓			
Deborah Ann Henretta	I	60	2016	Yes					C
Steven J. Hilton	I	60	1996	No					
P. Kelly Mooney	I	58	2020	Yes		✓	✓		
Raymond Oppel	I	65	1997	Yes		✓		✓	✓

C = Committee Chair
 AC Audit Committee
 NGC Nominating/Governance Committee
 ES&S Environmental, Social and Sustainability Committee
 ✓ = Member
 CC Executive Compensation Committee
 LC Land Committee

PROPOSAL 2

Ratification of Independent Registered Public Accounting Firm

Ratify the selection of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the 2022 fiscal year.

	Summary of Fees	
	2021	2020
Audit fees	\$ 1,172,500	\$ 1,085,000
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total fees	\$ 1,172,500	\$ 1,085,000

PROPOSAL 3

Advisory Vote to Approve Compensation of our Named Executive Officers

Stockholders will be given the opportunity to vote on an advisory resolution to approve the compensation of our Named Executive Officers (“NEOs”) (commonly referred to as “Say on Pay”).

Our executive compensation program is designed to drive and reward superior corporate performance, both annually and over the long-term. The Board believes the Company’s compensation policies and practices are effective in achieving the Company’s goals of paying for performance and aligning the NEO’s long-term interests with those of our stockholders.

Compensation elements for our NEOs include:

Type	Form	Terms
Cash	Base Salary	Competitively market-based.
Cash	Annual Incentive Compensation	Based on achievement of performance goals that align with the Company’s annual objectives.
Cash	Discretionary Bonuses	Based on specific individual achievements beyond those of the performance goals included in the annual incentive compensation program, subject to approval by the Executive Compensation Committee.
Equity	Long-term Incentive Awards	Equity awards include a mix of time-based awards and performance-based awards based on goals aligned with the Company’s long-term strategy and which span over a combination of a three-year cumulative period or three one-year periods.
Other	Limited Perquisites	Primarily the reimbursement of certain life and disability (or equivalent) policies for the benefit of NEOs and their families and auto allowance for certain NEOs.

Other Matters

The management and Board of the Company know of no other matters to be brought before the meeting. If other matters are properly presented to the stockholders for action during the meeting or any adjournments or postponements thereof, it is the intention of the proxy holders named in this proxy to vote in their discretion on all matters on which the shares of common stock represented by such proxy are entitled to vote. The entire cost of this solicitation of proxies will be borne by the Company, including expenses incurred in connection with preparing, assembling and mailing the Notice. The Company may reimburse brokers or persons holding stock in their names or in the names of their nominees for their expenses in sending the proxy materials to beneficial owners who request paper copies. Certain officers, directors and regular employees of the Company, who will receive no extra compensation for their services, may solicit proxies by mail, telephone, facsimile, electronically or personally.

Corporate Governance

Meritage operates within a comprehensive plan of corporate governance for the purpose of defining responsibilities and setting high standards for ethical conduct. Our Board has established the following governance committees:

- Audit Committee
- Executive Compensation Committee ("Compensation Committee")
- Nominating/Governance Committee
- Land Committee
- Environmental, Social and Sustainability Committee ("ES&S Committee")

The charter of each of these committees is available on our website, along with our Lead Director Charter, Code of Ethics, Corporate Governance Principles and Practices, Conflict of Interest Policy, Securities Trading Policy and Human Rights Policy. These items are also available in print, free of charge, to any stockholder who requests them by calling us or by writing to us at our principal executive offices at the address listed previously in this proxy statement, Attention: Secretary.

Election of Directors

(Proposal No. 1)

Our Board currently has eleven members. The directors are divided into two classes serving staggered two-year terms. This year, our Class I directors are up for election. The Board, upon the recommendation of the Nominating/Governance Committee, has nominated for re-election Dana C. Bradford, Deborah Ann Henretta, Steven J. Hilton, P. Kelly Mooney and Raymond Oppel, and has nominated Louis E. Caldera for election (newly appointed in December 2021), all of whom are presently serving as Class I directors. For the recent appointment of Mr. Caldera, the Nominating/Governance Committee retained an executive search firm, Ferguson Partners, to identify candidates and we paid the firm a \$65,000 fee for the search. In connection with the search, Ferguson Partners was charged with sourcing and screening a diverse set of board candidates.

Biographical information for each of our director nominees is set forth beginning on page 14.

All nominees have consented to serve as directors. The Board of Directors has no reason to believe that any of the nominees will be unable to act as a director. However, should a nominee become unable to serve or should a vacancy on the Board occur before the annual meeting, the Board may either reduce its size or designate a substitute nominee. If a substitute nominee is named, your shares will be voted for the election of the substitute nominee designated by the Board. In the vote on the election of the director nominees, stockholders may vote **FOR**, **AGAINST**, or **ABSTAIN** for each director.

Unless you elect to vote differently by so indicating on your signed proxy, your shares will be voted **FOR** the Board's nominees. To be elected a director, a director nominee must receive the affirmative vote of the majority of the votes cast, meaning, that the number of votes cast "for" a director nominee must exceed the number of votes "against" that director nominee. Any nominee for director who is an incumbent director but who is not elected by a majority of the votes cast, and with respect to whom no successor has been elected, will promptly tender his or her offer to resign to the Board of Directors for its consideration. The Nominating/Governance Committee will recommend to the Board of Directors whether to accept or reject the resignation offer, or whether other action should be taken. Broker non-votes and abstentions will not count as either votes for or against the nominee.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE ABOVE-NAMED NOMINEES AS DIRECTORS.

Ratification of Independent Registered Public Accounting Firm

(Proposal No. 2)

The Board seeks an indication from stockholders of their approval or disapproval of the Audit Committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2022.

Deloitte & Touche LLP was appointed our auditor in 2004 and no relationship exists between the Company and Deloitte & Touche LLP other than the usual relationship between auditors and clients.

An affirmative vote of the majority of the votes cast at the annual meeting, at which a quorum is present, is required to ratify the selection of Deloitte & Touche LLP as the Company's independent auditor. Abstentions will not be counted either for or against this proposal. If the appointment of Deloitte & Touche LLP as auditors for 2022 is not approved by stockholders, the adverse vote will be considered a direction to the Audit Committee to consider other auditors for next year. However, because of the difficulty in making any substitution of auditors after the beginning of the current year, the appointment in 2022 will stand, unless the Audit Committee determines there is a reason for making a change. In addition, even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interest of the Company and our stockholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL NO. 2.

Advisory Vote to Approve Compensation of our Named Executive Officers

(Proposal No. 3)

Stockholders will be given the opportunity to vote on the following advisory resolution (commonly referred to as Say on Pay):

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed herein pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED.

Background on Proposal

In accordance with the Dodd-Frank Act and related SEC rules, stockholders are being given the opportunity to vote at the annual meeting on this advisory resolution regarding the compensation of our NEOs.

At our 2021 Annual Meeting of Stockholders, the Company's stockholders approved the compensation of our NEOs (on an advisory basis) by approximately 97% of total votes cast. We believe this high approval rating indicates that our stockholders were in agreement with the direction of our Compensation Committee of setting competitive compensation arrangements based on criterion believed to be both in line with the goals of our stockholders and at levels that are reasonable in relation to the Company's performance and size. At our 2017 Annual Meeting of Stockholders, the Company's stockholders indicated, on an advisory vote basis, that they preferred that we hold Say on Pay votes on an annual basis (a say on frequency vote is required to be held at least once every six years). This Proposal No. 3 represents this year's Say on Pay vote.

For a comprehensive description of our executive compensation program, philosophy and objectives, including the specific elements of executive compensation that comprised the program in 2021, please refer to the Compensation Discussion and Analysis section of this proxy statement. The Summary Compensation Table and other executive compensation tables (and accompanying narrative disclosures) that follow it, beginning on page 40, provide additional information about the compensation that we paid to our NEOs in 2021. As described in the Compensation Discussion and Analysis, our executive compensation program is designed to drive and reward superior performance both annually and over the long term while simultaneously striving to be externally competitive.

While the homebuilding industry experienced strong market demand in 2021, supply chain constraints, labor shortages and rising commodities costs, particularly lumber, presented numerous challenges impacting the entire homebuilding sector. Our NEO's and management team successfully navigated these challenges and accordingly, Meritage achieved several operational and financial records in 2021, culminating in our all-time highest annual sales orders and home closings, in both units and value, highest diluted EPS and our lowest ever selling, general and administrative ("SG&A") costs as a percentage of home closing revenue. Meritage generated year-over-year increases in the following key operating metrics (dollars in thousands):

	2021	2020	Change
Home Closing Units	12,801	11,834	8.2%
Home Closing Revenue	\$ 5,094,873	\$ 4,464,389	14.1%
Home Order Units	13,808	13,724	0.6%
Home Order Value	\$ 5,796,813	\$ 5,174,938	12.0%
Backlog Units at period end	5,679	4,672	21.6%
Backlog Value at period end	\$ 2,516,164	\$ 1,812,547	38.8%
Home Closing Gross Margin	27.8 %	22.0 %	580 bps
SG&A (as a percentage of home closing revenue)	9.2 %	10.0 %	(80) bps
Earnings Before Income Taxes	\$ 954,834	\$ 533,566	79.0%
Diluted Earnings per Common Share	\$ 19.29	\$ 11.00	75.4%

The Compensation Committee continually evaluates the compensation packages for our NEOs and adjusts them annually or as conditions warrant, including setting performance targets for both cash and equity awards, some of which have been forfeited in previous years where performance targets were not met. The Compensation Committee engages an external compensation consultant regarding the design of our executive compensation program. The Company has implemented prudent and responsible compensation policies in the stockholders' interest, some of which include:

- A substantial portion of compensation is incentive-based and is "at-risk", as discussed beginning on page 27.
- Incentive compensation is balanced between cash and equity awards, as discussed beginning on page 27.

- The employment agreements for our CEO and our NEOs include a provision for the clawback (or offset) of incentive bonuses to the extent any financial results are misstated as the result of the NEO's willful misconduct or gross negligence.
- NEOs must comply with stock ownership requirements, as discussed on page 31.
- Perquisites are limited to auto allowances and reimbursement of certain life and disability or long-term care insurance premiums, and limited other benefits as discussed on page 35.

Effects of Advisory Vote

Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to our NEOs and will not be binding on the Board of Directors or the Compensation Committee. However, the Compensation Committee will consider the outcome of the vote when making future executive compensation decisions.

An affirmative vote of a majority of the votes cast at the annual meeting, at which a quorum is present, is required to approve this advisory vote. Broker non-votes and abstentions have no effect on the result of the vote.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF THE RESOLUTION SET FORTH ABOVE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Security Ownership by Management and Principal Stockholders

Management. The following table summarizes, as of March 23, 2022, the number and percentage of outstanding shares of our common stock beneficially owned by the following:

- each Meritage director and nominee for director;
- each executive officer named in the summary compensation table; and
- all Meritage directors and executive officers as a group.

Name Of Beneficial Owner ⁽¹⁾	Position With The Company	Number Of Shares Owned	Right To Acquire By May 22, 2022	Total Shares Beneficially Owned ⁽²⁾	Percent Of Outstanding Shares ⁽³⁾
Steven J. Hilton	Director, Executive Chairman	359,567 ⁽⁴⁾	—	359,567	1.0 %
Raymond Oppel	Director	17,000	—	17,000	*
Peter L. Ax	Director	15,029 ⁽⁵⁾	—	15,029	*
Gerald Haddock	Director	7,000	—	7,000	*
Dana C. Bradford	Director	53,500	—	53,500	*
Michael R. Odell	Director	32,000	—	32,000	*
Deborah Ann Henretta	Director	28,667	—	28,667	*
Joseph Keough	Director	10,250	—	10,250	*
P. Kelly Mooney	Director	5,750	—	5,750	*
Louis E. Caldera	Director	—	—	—	*
Phillippe Lord	Director, Chief Executive Officer	77,011 ⁽⁶⁾	—	77,011	*
Hilla Sferruzza	Executive Vice President and Chief Financial Officer	42,975	—	42,975	*
Clinton Szubinski	Executive Vice President and Chief Operating Officer	2,590	—	2,590	*
Javier Feliciano	Executive Vice President and Chief People Officer	16,545	—	16,545	*
C. Timothy White	Former Executive Vice President and General Counsel ⁽⁷⁾	27,402	—	27,402	*
All current directors and executive officers as a group (14 persons)		667,884	—	667,884	1.8 %

* Less than 1%.

- (1) The address for our directors and executive officers is c/o Meritage Homes Corporation, 8800 East Raintree Drive, Suite 300, Scottsdale, Arizona 85260.
- (2) The amounts shown include the shares of common stock actually owned as of March 23, 2022, and the shares that the person or group had the right to acquire within 60 days of that date. The number of shares includes shares of common stock owned by other related individuals and entities over whose shares of common stock such person has custody, voting control or the power of disposition.
- (3) Based on 36,695,048 shares outstanding as of March 23, 2022.
- (4) Shares are held by family trusts except for 17,000 shares held in a charitable trust, which is controlled by Mr. Hilton.
- (5) All shares are held by a living trust.
- (6) 46,660 shares are held in a family limited partnership controlled by Mr. Lord.
- (7) Mr. White retired from the Company effective December 15, 2021.

Certain Other Beneficial Owners. Based on filings made under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of March 23, 2022, the only known beneficial owners of more than 5% of Meritage common stock are shown in the following table:

Name of Other Beneficial Owners	Address Of Beneficial Owner	Shares Beneficially Owned	
		Number	Percent
BlackRock, Inc. (1)	55 East 52nd Street, New York, NY 10055	6,746,041	18.4 %
The Vanguard Group (2)	100 Vanguard Boulevard, Malvern, PA 19355	4,192,515	11.4 %

- (1) Based solely on a Schedule 13G filed with the SEC on January 27, 2022, BlackRock, Inc. and certain affiliated entities have sole voting power with respect to 6,571,225 shares and sole dispositive power with respect to 6,746,041 shares.
- (2) Based solely on a Schedule 13G filed with the SEC on February 10, 2022, The Vanguard Group has shared voting power with respect to 35,313 shares, 4,125,508 shares with sole dispositive power and shared dispositive power with respect to 67,007 shares.

For each of the reporting owners set forth above, the beneficially owned shares are held in various individual funds owned or managed by the reporting owners. The Form 13G filed by BlackRock, Inc. referenced above reports that the interest of iShares Core S&P Small-Cap ETF holds more than five percent of the outstanding stock of the Company.

There are no shareholders with preferential voting or non-voting shares.

Corporate Governance and Board Matters

Role of the Board of Directors

The Board is elected by the stockholders to oversee the stockholders' interests in the operation and overall success of our business. The Board serves as our ultimate decision-making body, except for those matters that require a vote of our stockholders. The Board selects and oversees the members of executive management who are charged by the Board with conducting our business. We have established, and operate in accordance with, a comprehensive plan of corporate governance that defines and sets ethical standards for the conduct of our directors, officers and employees. This plan provides an important framework within which the Board can pursue our strategic objectives and ensure long-term stockholder value.

Corporate Governance Principles and Practices

We have adopted Corporate Governance Principles and Practices that define the key elements of our corporate governance framework and philosophy, including:

- director qualifications,
- independence criteria,
- director responsibilities,
- committee responsibilities and structure,
- officer and director stock ownership requirements,
- director resignation policy,
- director access to officers and employees,
- our philosophy with respect to director compensation,
- Board evaluation process,
- confidentiality requirements,
- director orientation and continuing education, and
- our plans with respect to management succession.

Our Corporate Governance Principles and Practices are available on our website at investors.meritagehomes.com. These principles are reviewed regularly by the Nominating/Governance Committee and changes are made as the Committee deems appropriate.

Director Qualifications and Diversity

Our Board is comprised of a group of individuals whose previous experience, financial and business acumen, personal ethics and dedication and commitment to our Company allow the Board to complete its key task as the overseer and governing body of the Company. The specific experience and qualifications of each of our Board members are set forth below. The Board is committed to a policy of inclusiveness and diversity. The Board believes members should be comprised of persons with diverse backgrounds, skills, expertise, and experiences, including the following:

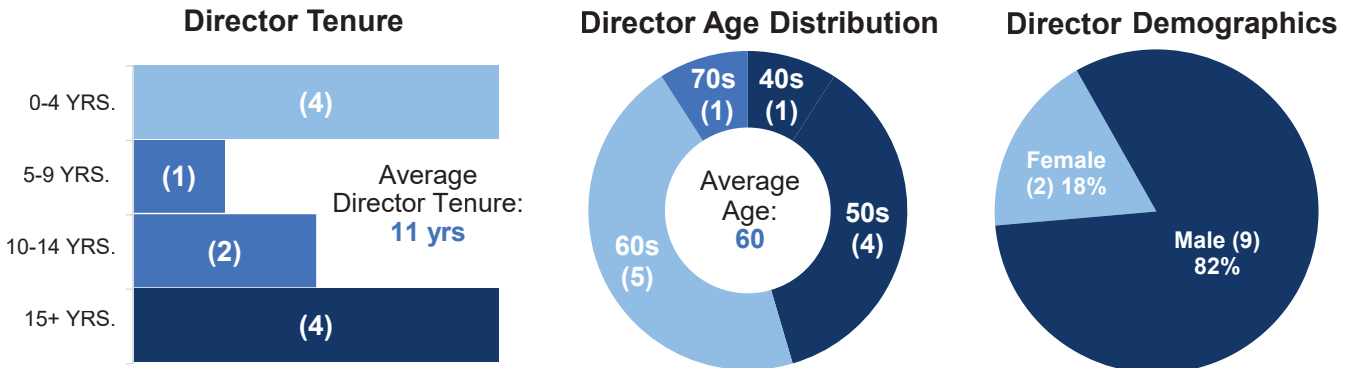
- management or board experience in a wide variety of enterprises and organizations,
- banking, capital markets and finance,
- accounting,
- legal and regulatory,
- real estate, including homebuilding, commercial and land development,
- technology and cyber security,
- sales, marketing and branding, and
- operations.

Our bylaws require a customary majority voting standard for the election of directors. In addition, our Corporate Governance Principles and Practices require that any nominee for director who is an incumbent director but who is not elected by the vote required in the bylaws, and with respect to whom no successor has been elected, promptly tender his or her offer to resign to the Board for its consideration. The Nominating/Governance Committee of the Board will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken. In determining whether to recommend that the Board accept any resignation offer, the Nominating/Governance Committee will be entitled to consider all factors believed relevant by the Nominating/Governance Committee's members. The Board will act on the Nominating/Governance Committee's recommendation within 90 days following certification of the election results and will announce its determination and rationale in a Form 8-K. In deciding whether to accept the resignation offer, the Board will consider the factors considered by the Nominating/Governance Committee and any additional information and factors that the Board believes to be relevant. If the Board accepts a director's resignation offer pursuant to its process, the Nominating/Governance Committee will recommend to the Board and the Board will thereafter determine what action, if any, will be taken with respect to any vacancy created by a resignation. Any

director who tenders his or her resignation pursuant to this policy will not participate in the proceedings of either the Nominating/Governance Committee or the Board with respect to his or her own resignation.

In case of a Board vacancy or if the Board elects to increase its size, determinations regarding the eligibility of director candidates are made by the Nominating/Governance Committee, which considers the candidate’s qualifications as to skills and experience in the context of the needs of the Board and our stockholders. When seeking new Board candidates, the Nominating/Governance Committee is committed to a policy of inclusiveness and will take reasonable steps to ensure that women and minority candidates are considered for the pool of candidates from which the Board nominees are chosen, and will endeavor to include candidates from non-traditional venues.

The following charts and biographies provide summary information about the tenure, demographics, and experience of our directors as of March 24, 2022:



Our Board is comprised of the following members:

Class I Directors

Steven J. Hilton, 60



Mr. Hilton is the Executive Chairman of Meritage Homes and has been a director since 1996. Mr. Hilton led Meritage Homes for 35 years as Chairman and Chief Executive Officer until his retirement as CEO effective January 1, 2021. In 1985, Mr. Hilton cofounded Arizona-based Monterey Homes, the predecessor company to Meritage Homes. Under Mr. Hilton's leadership, Monterey became publicly traded in 1997.

Mr. Hilton received a Bachelor's degree in Accounting from the University of Arizona. He serves as Chairman of the Board for Banner Health Foundation as well as a board member for Western Alliance Bancorporation, (NYSE: WAL) Translational Genomics Research Institute (TGEN) Foundation, and the Boys & Girls Clubs of Greater Scottsdale Foundation. Mr. Hilton brings extensive and intimate knowledge of the Company to the Board as its co-founder and through over 35 years of experience in leading the Company.

Raymond Oppel, 65



Mr. Oppel has been a director since December 1997. Mr. Oppel is a licensed real estate broker and currently is active as a private investor in real estate development. He was the co-founder, Chairman and Chief Executive Officer of The Oppel Jenkins Group, a regional homebuilder in Texas and New Mexico, which was purchased in 1995 by public homebuilder KB Home.

Mr. Oppel has over 30 years of experience in the homebuilding business. Mr. Oppel possesses extensive knowledge about the real estate industry in general and the homebuilding industry in particular.

Dana C. Bradford, 57



Mr. Bradford has been a director since August 2009. In 2012, Mr. Bradford cofounded and was appointed and currently serves as Chairman and Chief Executive Officer of C3 Brands, the parent company to a number of consumer brands. From 2005 to 2012, Mr. Bradford was the President and Managing Partner of McCarthy Capital Corporation, a private equity firm. He also serves as a director on the boards of Southwest Value Partners, a San Diego-based real estate company and Customer Service Profiles, an Omaha-based provider of customer satisfaction data and analytics. Mr. Bradford formerly served as Chairman of the Board of Vornado Air, a Wichita-based consumer brands company and formerly served as a director on the boards of McCarthy Groups, Ballantyne, NRG Media, Guild Mortgage and Gold Circle Films.

Mr. Bradford earned a Bachelor's degree in Business Administration from the University of Arizona and an MBA from Creighton University. Mr. Bradford brings additional perspective to the Board relating to real estate and corporate finance matters.

Deborah Ann Henretta, 60



Ms. Henretta has been a director since March 2016. Ms. Henretta retired from Procter & Gamble, Co. ("P&G") in 2015. Throughout her 30 years at P&G, she held various senior positions throughout several sectors, serving as President of Global e-Business while concurrently serving as President/Senior Executive Officer of Global Beauty; President of Global Baby Care; and Vice President of Fabric Conditioners and Bleach. She has been a director at Corning, Inc. since 2013, at Nisource Inc. since 2015, at American Eagle Outfitters (NYSE:AEO) since 2019 and previously at Staples, Inc. from 2016 to September 2017 when Staples was acquired by Sycamore Partners, a private equity investor. Ms. Henretta is a Partner at Council Advisors (formerly G100 Companies) where she assisted in establishing a New Director Board Excellence Program that includes director education on board oversight and governance, including digital transformation and cyber security.

Ms. Henretta graduated summa cum laude from St. Bonaventure University with a Bachelor of Arts in Communication. She earned her Master of Arts in Advertising from Syracuse University Newhouse School of Public Communications and holds an honorary Doctorate of Humane Letters from St. Bonaventure University. Ms. Henretta brings additional perspective to the Board relating to technology, cyber security and diversity and inclusion.

P. Kelly Mooney, 58



Ms. Mooney has been a director since March 2020. Ms. Mooney is the Founder and CEO of Equipt Women, an inclusive learning community dedicated to empowering and upskilling young professional women. She was previously a co-owner of Resource/Ammirati, a digital marketing and customer experience innovation firm, and held various positions of leadership including Chief Executive Officer from January 2011 to September 2017; President from June 2001 to January 2011; and Chief Experience Officer and Director of Intelligence from March 1995 to May 2001. During that tenure, she advised dozens of Fortune 500 executives on customer growth strategy and digital transformation to increase shareholder value. In 2016, Resource/Ammirati was sold to IBM to become part of IBM iX, one of the world's largest digital consultancies. Ms. Mooney joined IBM iX in September 2017 and served as Chief Experience Officer until June 2018. She advises consumer and technology-focused entrepreneurs on leadership, strategy and innovation.

Ms. Mooney has also served as a board member of Sally Beauty Supply Holdings, Inc. (NYSE:SBH), an international specialty retailer and distributor of professional beauty supplies and J. Jill Inc. (NYSE: JILL), an omnichannel women's apparel brand. She graduated with honors with a Bachelor of Science in Industrial Design from The Ohio State University. Ms. Mooney brings additional perspective on innovation, sustainability, diversity and inclusion.

Class I Directors (continued)

Louis E. Caldera, 66



Mr. Caldera has been a director since December 2021. Mr. Caldera is a private investor and corporate director. He has been serving as a director of DallasNews Corp (formerly Belo Corp) since 2001, where he also chairs the compensation and management development committee, and has been serving as a director of Granite Construction Inc since 2021. Mr. Caldera is also currently serving as a senior advisor to Belay Associates, LLC, a private equity firm, and its affiliate Everest Consolidator Acquisition Corporation (NYSE: MTNT.U). Mr. Caldera has held several leadership positions in education, including Distinguished Adjunct Professor of Law at American University Washington College of Law from September 2018 to June 2021, Professor of Leadership and a Senior Fellow of the George Washington University Cisneros Hispanic Leadership Institute from 2016 to 2018, President of The University of New Mexico from August 2003 to February 2006 and Vice Chancellor of The California State University from 2001 to 2003. He has also served in government as Secretary of the Army in the Clinton Administration and as an Assistant to the President and Director of the White House Military Office in the Obama Administration. Mr. Caldera began his career as an army officer, corporate lawyer, and California state legislator. He is a former director of Career Education Corp. (March 2013 to October 2015), IndyMac Bancorp, Inc. (May 2002 to August 2008) and Southwest Airlines Company (March 2003 to January 2009). He is the co-founder and co-chair of the Presidents' Alliance on Higher Education and Immigration, a nonprofit organization, and serves on the board of the Latino Corporate Directors Association.

Mr. Caldera holds an MBA from Harvard Business School, a Juris Doctor from Harvard Law School and a Bachelor of Science from the United States Military Academy. He has significant knowledge and experience in the leadership of large organizations, corporate governance including environmental, social and sustainability governance, and in legal, regulatory and policy matters.

Class II Directors
Peter L. Ax, 62

Mr. Ax has been a director since September 2000 and is the Company's lead independent director. In 2001 he joined UpscriptHealth, a telemedicine-based software platform which facilitates pharmaceutical manufacturers selling medications direct-to-consumers, where he currently serves as the Chief Executive Officer. He is also the Managing Partner of Phoenix Capital Management, an operationally focused venture capital firm. Mr. Ax was the Chairman and Chief Executive Officer of SpinCycle, Inc., a public reporting consolidator and developer of coin-operated laundromats. Previously, Mr. Ax served as head of the Private Equity Placement Division and Senior Vice President of Lehman Brothers in New York and has served in various operating roles for enterprises operated by Phoenix Capital Management. Mr. Ax also served on the board of directors of iGO, Inc. (formerly, NASDAQ: IGO) from 2007 to January 2022.

Mr. Ax holds an MBA from the Wharton School at the University of Pennsylvania, a Juris Doctorate from the University of Arizona, and a Bachelor of Science in Business Administration from the University of Arizona, and has been a Certified Public Accountant. Mr. Ax possesses extensive skills and experience relating to, among other things, capital markets and corporate finance.

Gerald Haddock, 74

Mr. Haddock has been a director since January 2005. Mr. Haddock is the founder of Haddock Enterprises, LLC and formerly served as President and CEO of Crescent Real Estate Equities, a diversified real estate investment trust. Mr. Haddock previously served for over 30 years as a director of Valaris plc (formerly ENSCO International, Plc.), a leading global offshore oil and gas drilling service company. As a director for Valaris, he served as its co-lead director and Chairperson of the Audit Committee and was also a member of the Nominating & Governance Committee. Mr. Haddock is also a director of Union Acquisition Corp II, a special purpose acquisition corporation, and has served in this capacity since December 2018. Further, Mr. Haddock serves as a Director of Hartman Income REIT, a non-traded SEC reporting real estate investment trust, and has served in this capacity since mid-2020. As a director for Hartman, Mr. Haddock serves as the Chairman of the Nominating & Governance Committee and as a member of the Audit Committee. From December 2004 to October 2008, Mr. Haddock served as a board member of Cano Petroleum, Inc. He also serves on the board of the CEELI Institute. Mr. Haddock has previously served on the Board of Trustees of Baylor College of Medicine, as a member of the Executive Investment Committee at Baylor University, and on the M.D. Anderson Proton Therapy Education and Research Foundation.

Mr. Haddock received his Bachelor of Business Administration and Juris Doctorate degrees from Baylor University. He also received a Masters of Law in Taxation degree from New York University and an MBA from Dallas Baptist University. Mr. Haddock has extensive experience in real estate, legal and regulatory compliance.

Michael R. Odell, 58

Mr. Odell has been a director since December 2011. Since 2017, he has been President and CEO of Marubeni Automotive Aftermarket Holdings LLC, a holding company for investments in the automotive aftermarket. He also currently serves as President and Chief Executive Officer of XL Parts LLC, and as Chief Executive Officer of The Parts House, both automotive parts distributors. From 2015 through 2016, he served as President of Eastern Auto Parts Warehouse, an automotive parts distributor. From 2008 through 2014, he served as President, Chief Executive Officer and board member of The Pep Boys - Manny, Moe & Jack, a NYSE-listed company. Mr. Odell joined Pep Boys in 2007 as Chief Operating Officer. Previously, he served as Executive Vice President and General Manager of Sears Retail & Specialty Stores, a \$26 billion division of Sears Holdings Corporation.

Mr. Odell started his career as a CPA with Deloitte & Touche LLP. Mr. Odell holds an MBA from Northwestern University's Kellogg School of Management, and a Bachelor of Science in Accounting from the University of Denver's Daniels College of Business. Mr. Odell has deep service, retail and distribution experience, with a broad background in strategic planning, leadership, sales, operations and finance.

Joseph Keough, 52

Mr. Keough has been a director since June 2019. He currently serves as Chairman and CEO of Wood Partners, one of the nation's largest multifamily real estate companies. Before joining Wood Partners, Mr. Keough was Chief Operating Officer of Fuqua Capital, the office for the Atlanta-based Fuqua family. Mr. Keough had also been a Senior Vice President in the office and multifamily division of Cousins Properties, a publicly traded REIT, as well as a Principal at The Boston Consulting Group. Mr. Keough is also on the board of directors of Interface, Inc. (NASDAQ: IFSIA).

Mr. Keough earned his MBA from Harvard Business School and received his Bachelor degree in Finance and Economics from Babson College. Mr. Keough brings a 23-year track record of strong business leadership, deep understanding of real estate and first-hand experience driving organizational transformation.

Phillippe Lord, 48

Mr. Lord became the CEO of Meritage Homes on January 1, 2021. He previously served as Chief Operating Officer of Meritage Homes from 2015 to 2020. From 2012 to 2015, Mr. Lord was President of the West Region at Meritage Homes. Mr. Lord began his Meritage Homes career in 2008 by creating the Company's strategic operations and market research department, which analyzes land acquisitions, product and pricing.

Prior to joining Meritage Homes, Mr. Lord held leadership positions with Acacia Capital, Centex Homes and Pinnacle West Capital. Mr. Lord received a Bachelor's degree in Economics and Business from Colorado State University and completed his master's coursework in Economics at the University of Arizona. As CEO of the Company, Mr. Lord is uniquely qualified to serve as a member on our Board.

Director Independence

The Nominating/Governance Committee evaluates and reports to the Board regarding the independence of each Board candidate. Consistent with the rules and regulations of the NYSE, at least a majority of the Board must be independent. No director will be deemed to be independent unless the Board affirmatively determines that the director has no material relationship with the Company, either directly or as an officer, shareholder, member, partner or trustee of an organization that has a relationship with the Company. The Board observes all criteria established by the NYSE and other governing laws and regulations. In its review of director independence, the Board considers all commercial, banking, consulting, legal, accounting, charitable and other business relationships the director may have with the Company.

As a result of its review, the Board has determined that all of our current Board members are independent directors, with the exception of Messrs. Hilton and Lord. Messrs. Hilton and Lord are not considered independent because they are executive officers of the Company. In making this determination, the Board evaluated whether any relationships exist between these individuals and Meritage and determined that no relationship exists between Meritage and any independent director.

There are no familial relationships between members of the Board.

The Board has determined that all committees of the Board should be comprised entirely of independent directors and therefore Messrs. Hilton and Lord do not serve on any Board committees. The Board limits its independent members from serving on more than three other public company boards, limits the Executive Chairman to serving on two additional public company boards, and limits the CEO to serving on one additional public company board.

Board Leadership Structure

Steven J. Hilton, the Company's co-founder, serves as the Executive Chairman of the Board. We believe Mr. Hilton's unique industry experience and continuing involvement in the strategic operations of the Company make him highly qualified to serve as Executive Chairman. Mr. Hilton co-founded Meritage Homes and is thus intimately familiar with its history, culture and operations. Mr. Hilton possesses in-depth knowledge and expertise in the homebuilding industry as a whole and Meritage Homes in particular and is the Company's largest non-institutional stockholder. The Board has concluded that this puts Mr. Hilton in a unique position and makes it compelling for him to serve as Executive Chairman of the Board to effectively represent the stockholders' interest.

Mr. Ax, our Audit Committee Chair, serves as the Board's lead independent director. Mr. Ax has extensive knowledge of capital markets and corporate finance and has previously served as CEO of a publicly traded corporation. We believe that Mr. Ax's role as our lead independent director serves as a counterbalance to and complements Mr. Hilton's position as Executive Chairman and provides the appropriate level of independent director oversight. Additionally, our lead independent director collaborates with Mr. Hilton in establishing agendas for Board meetings, presides over all independent director meetings and can call special meetings of the independent directors as he deems necessary to address any matters the lead independent director feels should be addressed by the majority of our directors at any time. To more formalize the role, duties and qualifications of the lead independent director, the Board has adopted a Lead Director Charter. This Charter is available on our website at investors.meritagehomes.com.

CEO and Management Succession; Board Composition and Refreshment

Under the charter of the Nominating/Governance Committee, it is the role of the Nominating/Governance Committee to review and recommend to the Board changes as needed to the Company's Corporate Governance Principles and Practices, including items such as management succession, policies and principles for CEO selection and performance review, policies regarding succession in the event of an emergency or departure of the CEO, and Board diversity, tenure and refreshment. Our Corporate Governance Principles and Practices provide, among other things, that our Compensation Committee is to conduct an annual review of the performance of the CEO.

The Board considers management evaluation and CEO succession planning an important responsibility of the Board. Under our Corporate Governance Principles and Practices, the Board is responsible for approving a succession plan for our CEO and other senior officers and for defining the respective responsibilities of the Executive Chairman and CEO. Issues relating to CEO succession planning are addressed regularly (at least annually) by the Board.

During 2021 the Board refreshed its composition through the appointment of two new directors, Messrs. Lord and Caldera, which increased the number of members and expanded the breadth of experience and diversity of our board.

Risk Oversight

Our Board has overall responsibility for the oversight of risk management. As part of this oversight, on a regular basis, our Board receives reports from various members of management and is actively involved in monitoring and approving key decisions relating to our operations and strategy. Additionally, the management teams at our divisions must obtain approvals from our corporate executive team prior to engaging in certain activities or committing prescribed amounts of the Company's financial and operational resources. As a result, senior management, who report directly to executive management, cannot authorize transactions that exceed prescribed thresholds that, while they may result in short-term benefits for their divisions, may expose the Company to unwarranted risks. Similarly, our executive management (including our NEOs) cannot engage in certain transactions without approval from our Board. For example, management must obtain approval from the Board, acting through the Land Committee, before proceeding with any land acquisition above a pre-established threshold. In addition, our legal department regularly reports to the Board information concerning ongoing litigation and possible legal, regulatory and other risks that might expose the Company to liability or loss. The Board also annually reviews the Company's insurance programs.

Management operates the business within parameters established by an annual budget that is reviewed and approved by the Board. At each regular Board meeting, management provides the Board a status report with respect to the budget and addresses any material variances. We believe our budgeting process provides a useful mechanism for identifying risks and the related rewards and provides a quantitative method for evaluating those risks and rewards. The Board also provides oversight of risk through its standing committees. For example:

- Our Audit Committee is responsible for reviewing and analyzing significant financial and operational risks and how management is managing and mitigating such risks through its internal controls and financial risk management processes. Our VP of Internal Audit reports directly to the Audit Committee and provides routine updates on the progress and findings of the department's on-going internal audit reviews. Our external auditors also have at least quarterly discussions with our Audit Committee, and meet both with and without Company management present, to highlight what they perceive as our key financial risks. Our Audit Committee plays an important role in overseeing our internal controls monitoring and is regularly engaged in discussions with management regarding business risks, operational risks, transactional risks, cyber-security and financial risks.
- Our Compensation Committee oversees risks relating to the compensation and incentives provided to our executive officers. The Compensation Committee negotiates and approves all of the employment agreements of our NEOs and the Compensation Committee approves all grants of equity awards to all of our eligible employees. The Compensation Committee has the sole authority to hire outside compensation advisors and consultants and to determine the terms, scope and fees of such engagements.
- Our ES&S Committee is responsible to the Board and reports regularly to the Board and provides updates on the support, development, strategy, prioritization, integration and reporting of the Company's ongoing commitment to environmental, safety, corporate social responsibility, sustainability and other related trends, issues and concerns. The ES&S Committee regularly engages in discussions with management regarding our processes for identifying, assessing, monitoring and managing the principal environmental and social risks most relevant to our Company.

The Board and Board Committees

We currently have eleven incumbent directors and the following committees:

- Audit Committee
- Compensation Committee
- Nominating/Governance Committee
- Land Committee
- ES&S Committee

Our Board typically meets on a quarterly basis, with additional meetings held as required. During 2021, the Board held five meetings. Throughout 2021, each of our current directors attended at least 75% of the aggregate of the Board and committee meetings of which they were a member. Our Land Committee does not have regularly scheduled meetings but rather meets when significant land transactions require the Land Committee's consideration. Directors are expected to attend our annual meetings of stockholders. All directors (except Mr. Caldera who was appointed to the board in December 2021), including the five that are up for re-election, attended our 2021 annual meeting held on May 27, 2021.

The following table identifies the current members of our Board and Board Committees and the number of meetings held during 2021:

Board of Directors	Audit Committee	Compensation Committee	Nominating/ Governance Committee	Land Committee	ES&S Committee
Steven J. Hilton*					
Peter L. Ax +	C		✓	✓	
Raymond Oppel		✓		✓	✓
Gerald Haddock			C	✓	
Dana C. Bradford	✓	✓		✓	
Michael R. Odell		C			
Deborah Ann Henretta					C
Joseph Keough	✓				✓
P. Kelly Mooney		✓	✓		
Phillippe Lord					
Louis E. Caldera ⁽¹⁾		✓			
Number of Meetings	7	7	4	37	3

* = Executive Chairman of the Board

✓ = Member

C = Committee Chair

+ = Lead Independent Director

(1) Mr. Caldera was appointed to the Executive Compensation Committee in March 2022.

Audit Committee

The Board has established an Audit Committee in accordance with Section 3(a)(58)(A) of the Exchange Act, and the rules and regulations of the NYSE. The Audit Committee assists the Board in:

- fulfilling its oversight of the integrity of our financial statements,
- overseeing our compliance with legal and regulatory requirements,
- determining our independent registered public accounting firm's qualifications and independence,
- evaluating our financial, operational, and information security risks and overseeing our efforts to mitigate these risks, which include among other things, annual cyber and risk trainings for all employees,
- evaluating the performance of our internal audit function and independent registered public accounting firm, and
- reviewing and approving any related party transaction between the Company and senior executive officers or directors.

The Audit Committee has the sole authority to appoint and replace our independent registered public accounting firm and approves all audit engagement fees and terms of all significant non-audit engagements with the independent registered public accounting firm in accordance with the pre-approval policies set forth in our Audit Committee charter. The Audit Committee has the authority to obtain advice and assistance from, and receives appropriate funding from us for, outside legal, accounting and other advisors as it deems necessary to carry out its duties. The Audit Committee also receives briefings from our executive management team at least twice a year, addressing audit, compliance, and information security matters, among other topics.

The Audit Committee operates under a written charter established by the Board. The charter is available on our website at investors.meritagehomes.com. Each member of the Audit Committee meets the independence requirements of the NYSE and the Exchange Act, and is financially literate, knowledgeable and qualified to review our financial statements. In addition, each member of the Audit Committee has accounting or related financial management expertise. The Board has determined that Peter L. Ax, the Chair of our Audit Committee and each of our other two directors who serve as audit committee members are independent directors as defined by the NYSE's listing standards, and each is an "audit committee financial expert." Information about past business and educational experience of Mr. Ax and other members of the Audit Committee is included in their biographies in this proxy statement in the section "—Director Qualifications and Diversity".

The report of the Audit Committee is included in this proxy statement in the section "Report of the Audit Committee."

Compensation Committee

The Board has established a Compensation Committee in accordance with the NYSE's rules and regulations. The Compensation Committee regularly reports to the Board and its responsibilities include, but are not limited to:

- reviewing and approving goals and objectives relative to the compensation of our NEOs, evaluating our NEOs' performance in light of these goals and approving the compensation of our NEOs,
- reviewing and considering input from stockholders with respect to compensation agreements with our NEOs,
- overseeing all equity-based award grants,
- making recommendations to the Board with regard to non-NEO equity-based awards, and
- producing a report on executive compensation to be included in our annual proxy statement.

The Compensation Committee is currently comprised of four members of the Board, each of whom is independent under the independence standards of the NYSE and a "non-employee director" under Section 16 of the Exchange Act. Generally, the Compensation Committee Chair is in charge of setting the schedule for the Compensation Committee's meetings as well as the agenda of each meeting.

The Compensation Committee operates under a written charter, which is available on our website at investors.meritagehomes.com.

The Compensation Committee has the sole authority to hire outside compensation advisors and consultants and to determine the terms, scope, fees and costs of such engagements. Since 2018, the Compensation Committee has engaged Pearl Meyer as its independent executive compensation consultant to provide an update on current compensation trends and to provide recommendations on the compensation packages of our NEOs.

The Compensation Committee determines executive compensation with respect to our NEOs independent of management. The Compensation Committee approves all grants of equity-based awards. For the NEOs, the number and type of equity award grants are determined or based on an employment agreement between the Company and the NEO, which may be periodically re-negotiated and revised, as approved by the Compensation Committee. For non-NEOs, management is responsible for recommending to the Compensation Committee the persons to receive grants of equity based awards and the nature and size of the proposed awards. Because management is responsible for the day-to-day operation of the Company, the Compensation Committee believes that management is in the best position to make this recommendation.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee is, or has been, an employee of Meritage or any of its subsidiaries. There are no interlocking relationships between Meritage and other entities that might affect the determination of the compensation of Meritage's executive officers.

Nominating/Governance Committee

The Board has established a Nominating/Governance Committee, which directly reports to the Board and is responsible for:

- developing director qualifications and determining whether newly elected directors or prospective director candidates meet those qualifications,
- identifying individuals qualified to become Board members and recommending director nominees for the next annual meeting of stockholders,
- considering recommendations for director nominations received from stockholders,
- reviewing and recommending changes as needed to the Company's Corporate Governance Principles and Practices and other corporate governance documents,
- addressing such items as management succession, including policies and principles for our CEO selection and performance review and succession in the event of an emergency or departure of the CEO,
- establishing and implementing director qualification standards, including policies regarding director tenure, retirement and succession,
- reviewing the charters of the Compensation Committee, Audit Committee, Nominating/Governance Committee, ES&S Committee, Land Committee and any other committees, as well as the lead director charter,
- assessing and monitoring, with Board involvement, the Board's performance and the contributions and performance of individual directors,
- recommending nominees for the Compensation Committee, Audit Committee, Nominating/Governance Committee, ES&S Committee, and Land Committee,
- monitoring compliance with Corporate Governance Principles and Practices, including stockholding requirements for directors and NEOs, and

- promoting adherence to a high standard of corporate governance, ethics, and Company values.

The Nominating/Governance Committee has the sole authority to retain and terminate any search firm used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms. The Nominating/Governance Committee operates under a written charter, which is available on our website at investors.meritagehomes.com. Each member of the Nominating/Governance Committee meets the independence requirements of the NYSE.

Land Committee

The Board has established a Land Committee, which directly reports to the Board. The Land Committee is responsible for reviewing and approving/denying land acquisition transactions recommended by management in excess of a predetermined monetary threshold. The Committee is intended to function as an additional approval mechanism for executive management's land acquisition approval policies and procedures.

The Land Committee is transactional in nature; accordingly, the frequency of meetings is not predetermined, but rather meetings only occur when significant land transactions arise that require Land Committee consideration. Currently, no compensation is paid to any director for service on the Land Committee, and there is not a Land Committee chair. Each member of the Land Committee meets the independence requirements of the NYSE.

ES&S Committee

The ES&S Committee reports directly to the Board and is responsible for:

- assisting in setting the Company's general strategy with respect to ES&S matters, and consider and recommend policies, practices and disclosures that conform with the strategy,
- reviewing and collaborating with the Nominating/Governance Committee regarding the Company's environmental, social, and governance ("ESG") reports and scores from relevant internal and external stakeholders, as available, and provide guidance on areas of opportunity with respect to ES&S matters,
- in coordination with the Nominating/Governance Committee, authoring and publishing the Company's Human Rights Policy, which can be found on our website;
- overseeing management's monitoring and enforcement of policies to protect the health and safety of employees, contractors, customers and the public and, as applicable, the environment, and review with management the quality of the Company's procedures for identifying, assessing, monitoring and managing the principal environmental and social risks to the Company,
- overseeing the Company's policies and practices promoting diversity and inclusion in collaboration with the Chief People Officer,
- reviewing and advising the board on sustainability targets and long-term ES&S objectives,
- monitoring environmental, social and political trends as well as major global legislative and regulatory developments or other public policy issues and make recommendations to the board, as appropriate, on adjustment of Company policies and practices to address such trends and issues,
- overseeing the reporting and disclosure with respect to ES&S matters, including data collection and compliance with any applicable laws, and
- consulting with the Compensation Committee on matters related to compensation targets that may be linked to ES&S objectives and metrics.

The ES&S Committee operates under a written charter, which is available on our website at investors.meritagehomes.com. Each member of the ES&S Committee meets the independence requirements of the NYSE.

Director Nomination Process

Director Qualifications. The Nominating/Governance Committee will evaluate prospective nominees using the standards and qualifications set forth in our Corporate Governance Principles and Practices and in our criteria for new directors. Prospective nominees must meet these qualification requirements and should have the highest professional and personal ethics and values, as well as broad experience at the policy-making level in business, government, education or public interest. Prospective nominees must be committed to enhancing stockholder value and must have sufficient time to devote to carrying out their duties and to provide insight based upon experience, talent, skill and expertise appropriate for the Board. Each prospective nominee must be willing and able to represent the interests of our stockholders.

Identifying and Evaluating Nominees for Directors. The Nominating/Governance Committee utilizes a variety of methods for identifying and evaluating nominees to serve as directors. The Nominating/Governance Committee assesses the current composition of the Board, the balance of management and independent directors and the need for Audit Committee and other expertise in its evaluation of prospective nominees. In the event that vacancies are anticipated, or otherwise arise, the Nominating/Governance Committee may seek recommendations from current Board members, professional search firms, outside legal, accounting and other advisors, or stockholders in order to locate qualified nominees. The Nominating/Governance

Committee also evaluates each candidate in the context of maintaining and creating a diverse Board, as previously discussed. After completing its evaluation, the Nominating/Governance Committee will make a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board will determine the nominees after considering such recommendations.

Stockholder Recommendations. The policy of the Nominating/Governance Committee is to consider properly-submitted stockholder recommendations for candidates for membership on the Board as described below. In evaluating such proposals, the Nominating/Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board and to address the membership qualifications and criteria described above. Any stockholder recommendations proposed for consideration by the Nominating/Governance Committee must include the nominee's name and qualifications for Board membership and should be submitted to:

Meritage Homes Corporation
8800 East Raintree Drive
Suite 300
Scottsdale, Arizona 85260
Attn: Secretary

The Secretary will forward all recommendations to the Nominating/Governance Committee.

Stockholder Nominations. Our bylaws also permit stockholders to nominate directors for election at an annual stockholder meeting. For a description of the process for submitting such nominations for consideration at next year's annual meeting, please see "Stockholder Proposals, Director Nominations and Other Items of Business" on page 54 of this proxy statement.

Proxy Access. Our bylaws permit an eligible stockholder, or a group of up to 20 stockholders, that has continuously owned at least three percent of the Company's outstanding shares of common stock for three years to include in the Company's proxy materials director nominations of up to 20% (rounded to the nearest whole number) of the number of Directors constituting the class up for election at any annual meeting. For a description of the process and deadlines for submitting such nominations for consideration at next year's annual meeting, please see "Stockholder Proposals, Director Nominations and Other Items of Business" on page 54 of this proxy statement.

Director Orientation and Continuing Education

It is the policy of the Board that all new directors should participate in an orientation program sponsored by the Company. This orientation is designed to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics, its principal officers, its internal audit function, and its independent registered public accounting firm. In addition, the Board encourages each director to attend prominent continuing education programs. The Company will pay for the director's tuition and reasonable and customary travel expenses to attend continuing education programs.

Executive Sessions of Independent Directors

Our Corporate Governance Principles and Practices dictate that the non-management members of the Board will meet in executive session at least quarterly outside the presence of directors that are employees or officers of the Company. The non-management directors met in executive session four times during 2021. Peter L. Ax is our Lead Independent Director and presides over these executive session meetings.

Code of Ethics

We are committed to conducting business consistent with the highest ethical and legal standards. The Board has adopted a Code of Ethics, which is applicable to all employees, including our senior and executive management and our directors. The Code is available on our website at investors.meritagehomes.com.

Meritage Stock Pledging Policy

In 2013, the Nominating/Governance Committee approved a modification to the Company's securities trading policy prohibiting all future pledging of the Company's equity securities by our employees, NEOs and directors. None of the Company's NEOs or directors currently have any pledges of Company stock.

Anti-Hedging Policy

We have a Securities Trading Policy that sets forth guidelines and restrictions on transactions involving our stock, which are applicable to all employees, including our NEOs and directors. Among other things, our policy prohibits all types of hedging transactions, including, but not limited to, purchases of stock on margin, short sales, buying or selling puts or calls and similar transactions involving any derivative securities. If allowed, these types of transactions could enable employees to own Company

stock without the full risks and rewards of ownership. When that occurs, employees may no longer have the same objectives as the Company's other stockholders and therefore such transactions involving Meritage stock are prohibited.

Communications with the Board of Directors

Interested persons may communicate with the Board by writing to our Lead Independent Director at the address set forth on page 2. The Lead Independent Director will disseminate the information to the rest of the Board at his discretion.

Compensation Discussion and Analysis

The following discussion and analysis should be read in conjunction with the "Summary Compensation Table" and related tables that are presented immediately following this discussion.

The purpose of this compensation discussion and analysis ("CD&A") is to provide information about each material element of compensation that we pay or award to, or that is earned by, our NEOs. For our 2021 fiscal year, our NEOs were:

- Phillippe Lord, Chief Executive Officer ("CEO")
- Hilla Sferruzza, Executive Vice President, Chief Financial Officer ("CFO")⁽¹⁾
- Steven J. Hilton, Executive Chairman ("EC")
- Clint Szubinski, Executive Vice President, Chief Operating Officer ("COO")
- C. Timothy White, Former Executive Vice President, General Counsel and Secretary ("GC")⁽²⁾
- Javier Feliciano, Executive Vice President, Chief People Officer ("CPO")

(1) As of December 16, 2021, Ms. Sferruzza was named Secretary upon Mr. White's retirement.

(2) Mr. White retired from the Company on December 15, 2021.

This CD&A addresses and explains the numerical and related information contained in the summary compensation tables and includes actions regarding executive compensation that occurred during 2021, including the award of bonuses related to 2021 performance, and the adoption of any new, or the modification of any existing, compensation programs, if applicable.

Executive Summary

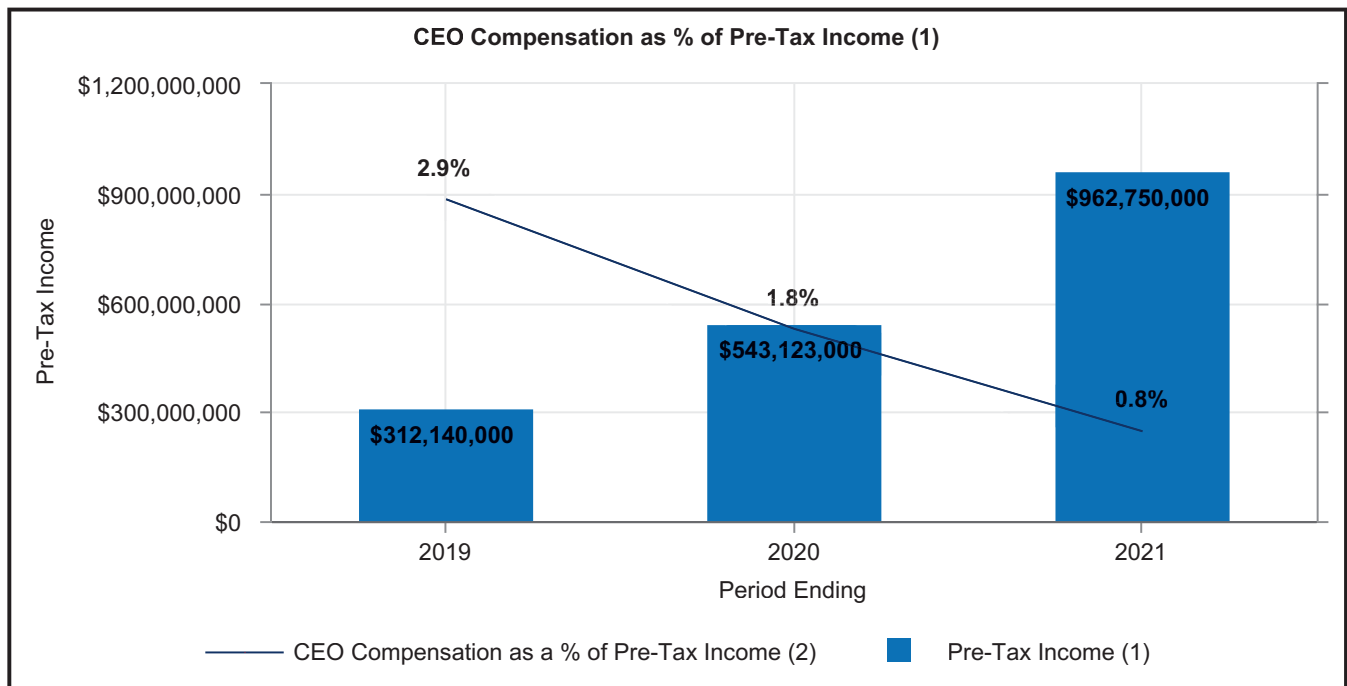
Meritage Homes is committed to building long-term stockholder value. Accordingly, our NEO compensation program is designed to be largely performance driven. At our 2021 Annual Meeting of Stockholders, the Company's stockholders approved the compensation of our NEOs (on an advisory basis) by approximately 97% of total votes cast, indicating that our stockholders were in agreement with our Compensation Committee and its direction of setting compensation arrangements based on performance metrics that are in line with the goals of our stockholders. A summary of our compensation packages is discussed further in this proxy in the section titled "Compensation Program."

2021 Business Highlights

The homebuilding market experienced sustained elevated market demand throughout 2021, driven by low interest rates, a solid economy and a desire for healthier, safer homes. The strong demand combined with supply chain constraints and labor shortages caused by the COVID-19 pandemic and other factors created a limited supply of homes available for sale in 2021. We were able to capitalize on these market conditions by providing affordable new homes in desirable locations for quick move-ins which resulted in a second consecutive year of record-breaking results. Below is a summary of some of the significant accomplishments achieved in 2021:

- Achieved Company-high diluted earnings per share of \$19.29 per share, a 75% increase over 2020.
- Generated 79% year-over-year growth in earnings before income taxes.
- Improved home closing gross margin to 27.8%, a 580 basis point improvement year-over-year, a Company record.
- Achieved the Company's lowest ever SG&A as a percentage of revenue of 9.2%.
- Grew total home closing revenue to \$5.1 billion in 2021, up 14% over 2020, on a 6% higher average sales price on closings.
- Finished the year with 5,679 units in backlog valued at \$2.5 billion, increases of 22% and 39% from December 31, 2020, respectively.
- Maintained a strong balance sheet with debt-to-capital and net debt-to-capital ratios of 27.6% and 15.1% at December 31, 2021, compared to 30.3% and 10.5% at December 31, 2020.

Our executive compensation program is designed to be driven with a strong focus on pay-for-performance. In 2021, more than half of the compensation program for our NEOs was based on various performance metrics that are tied to Meritage's financial and operational goals. The following graph illustrates CEO compensation as it relates to the performance of the Company over the last three years.



(1) Before deduction of CEO total compensation (as reflected in the Summary Compensation Table).

(2) 2019 and 2020 CEO compensation reflects Mr. Hilton, who served as CEO during those years; 2021 reflects compensation for Mr. Lord.

2021 Environmental, Social, and Sustainability Highlights

Meritage is committed to sustainability through the homes we build, the communities in which we live and work, and the ways we conduct ourselves every day. We strive to integrate an environmental focus into all aspects of our business—from land acquisition and development to the design and construction of homes to our financial services offerings, which include title and escrow, mortgage and insurance services. At Meritage, we also believe corporate social responsibility is important for the long-term sustainability of the business. We believe that fostering a culture that champions diversity, equity and inclusion ("DE&I") allows us to be an employer of choice to our people and a builder of choice to our customers and trade partners. We take pride in being an organization driven by ethics and living by our core values and our promise to deliver a Life.Built.Better.® We promote the long-term interests of stakeholders and customers and focus on the transparency and accountability of Meritage's Board of Directors, executive management, our employees and trade partners.

Philanthropy

One of our core values is "Start With Heart" and we do so through various initiatives. Since 2013, Meritage has partnered with Operation Homefront to provide newly-built mortgage-free homes to military families through its *Homes on the Homefront* program and we built and donated our 14th home through this program in 2021. In addition, in 2021 we donated over \$1.0 million through the *Meritage Cares Foundation* to non-profit organizations that support Afghan refugees, sustainable forestry and DE&I initiatives, just to name a few, and made corporate contributions of \$1.6 million to fund education initiatives. Our employees also donate their time to support local organizations, and we are proud to offer a benefits program that provides paid time off for volunteering with charitable organizations.

Diversity, Equity and Inclusion

Meritage Homes is committed to cultivating a diverse team, fostering an inclusive culture and creating a workplace environment where our team members can reach their full potential in support of organizational goals. We seek to increase and retain the demographic and skill diversity of our workforce at all levels, develop meaningful relationships and collaborate effectively with diverse customers, trade partners, and the communities we serve. We have a robust talent recognition and succession planning model designed to help identify and develop talent and provide a roadmap for promotion of identified employees. Our culture is guided by our core values through which every employee is strongly encouraged to embrace opportunities to develop and grow their careers.

OUR CORE VALUES



At December 31, 2021, we had 1,773 full-time employees. Of our entire employee population at December 31, 2021, approximately 40% were female and 25% were minorities. While we are proud of our current diversity, we are working to expand the diversity of our employee base across the Company over the coming years through the combination of targeted recruiting, education and talent development. We strive and continue to foster an inclusive culture and we launched a formal DE&I program in 2020 to solidify our commitment to integrating a DE&I focus throughout the entire organization. The candidates we recruit, the relationships we form and the inclusion of underrepresented groups in our leadership structure are just a few of the areas in which we demonstrate our DE&I promise. In 2021 our DE&I program included the following efforts:

- Formed an internal DE&I council comprised of both field and corporate leaders to support our DE&I efforts and serve as collaborative partners to the NEOs as we plan, communicate and execute our DE&I initiatives.
- Building upon our legacy of charitable giving, we donated to multiple nonprofit organizations with strong DE&I missions, including INROADS, a non-profit organization focused on career development of underrepresented talent, the Building Talent Foundation, a non-profit organization whose mission is to advance the education, training and career progression of young people and people from underrepresented groups in residential construction, the United Negro College Fund, the North Carolina Agricultural and Technical State University's College of Science and Technology, the National Association of Women in Construction and the Society of Women Engineers.
- Enhancing recruiting programs in an effort to attract diverse talent. We are leveraging relationships with INROADS and WayUp, an organization that matches candidates with employers based on the candidate's interests, experience, and skills, to broaden our recruitment activities to capture a wider based of female, minority, and underrepresented groups.
- Adopted a Human Rights Policy which applies to all employees and our Board of Directors, as well as contractors, subcontractors, vendors, suppliers and partners. The Human Rights Policy defines our responsibilities to adhere to the Universal Declaration of Human Rights.

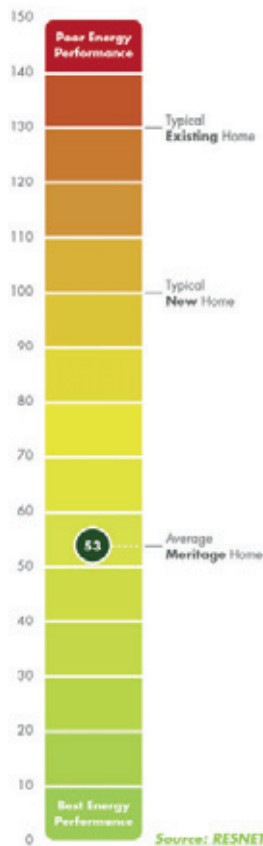
- Conducted a company-wide culture survey to assess our strengths, identify areas of opportunity and gain an understanding of our readiness to expand in the work of DE&I.
- Provided several educational and engagement opportunities for our leaders and employees focused on a culture of inclusion and building DE&I skills and capabilities.

We are committed to ongoing and intentional work to continue to expand our DE&I efforts.

Environmental, Social and Sustainability Practices

Energy Efficiency. Meritage Homes has been a leader in incorporating innovation in every home we build, employing industry-leading techniques and technologies aimed at setting the standard for sustainable and energy-efficient homebuilding. At a minimum, every home we construct meets or exceeds ENERGY STAR® standards, comes standard with spray foam insulation, the MERV-13 air filter, one of the most advanced air filtration systems offered today for residential construction, and water saving features such as water efficient faucets and Flow-Smart showerheads that reduce water usage by up to 50%. In 2021, we introduced a multispeed heating, ventilation and air conditioning ("HVAC") system as a standard feature in newly-constructed homes. These standard offerings provide our customers with homes that utilize, on average, half of the energy of a typical U.S. home of the same size. We are committed to sustainability through the homes we build, the communities in which we live and work, and the ways we conduct ourselves every day, and we believe responsible corporate governance and social responsibility is important for the long-term sustainability of the business.

HERS Score



Our energy efficient features are designed to make our homes healthier, reduce the cost of home ownership for our buyers, decrease demand on environmental resources, and reduce waste. Year after year, the homes we design and build help deliver energy savings to our homeowners and to reduce their impact on the environment. As a result, we have earned various national and regional awards, including:

- 2021 ENERGY STAR® Partner of the Year for Sustained Excellence for the eighth year, awarded by the EPA;
- 2021 Indoor airPLUS Leader Award;
- 2013 - 2020 ENERGY STAR® Leadership in Housing;
- 2020 Builder of the Year for Green Home Builder; and
- 2018 U.S. Department of Energy Housing Innovation Award

In addition to the ENERGY STAR® standard, the Home Energy Rating System (HERS) is another industry standard by which a home's energy efficiency is measured. HERS is the nationally recognized system for inspecting and calculating a home's energy performance, according to the Residential Energy Services Network ("RESNET"). Third-party RESNET-certified companies assess and rate the energy efficiency of every Meritage Home. The index graph to the left depicts HERS ratings of typical existing homes and the average Meritage home. A home with a lower HERS score is more energy efficient and can provide the homeowner with lower energy bills.

We design and build our homes to maximize energy efficiency, as evidenced by our industry-leading low HERS score. We are leading the way in health-conscious homebuilding.

Responsible Supply Chain. Responsible sourcing and the use of sustainable materials are important to our operations. Our raw materials consist primarily of lumber, concrete, drywall, roofing materials and similar construction materials, and are frequently purchased on a national or regional level. However, because such materials are substantially comprised of natural resource commodities, Meritage expects responsible management of social and environmental risks in our supply chain. We work with our partners to ensure they understand our needs and our Company culture and conduct. Our contracts require that our suppliers comply with all laws, environmental regulations and safety and labor practices pertaining to their products and work as well as follow our Code of Ethics and we monitor our suppliers' compliance with zoning, building and safety codes. Where possible, we use recycled building materials and use sustainably-sourced products. Certain of our building materials are sourced locally to reduce transportation and the related green-house gas emissions.

As a major purchaser of lumber, we are committed to sustainable forestry. Responsible forest management is important in order to maintain sustainable natural resources. Proper selection of trees to harvest can help with forest regeneration. We work with our suppliers to specify wood products which are primarily from new and high-growth forests or from specific tree farms used by the building industry. Our wood varieties most often come from inland areas of the western US and Canada rather than coastal areas with endangered wood varieties.

We specify that quality durable materials be used in the construction of our homes to ensure the home carries enduring value for our customers. Spray foam insulation and vinyl windows create a tight long-lasting housing envelope, which help ensure long-lasting value. We seek to minimize the use of wood products in our homes, such as replacing wood flooring with engineered vinyl panels.

Meritage participates in regional and national-scale councils, partnerships and projects to advance sustainable homebuilding in the US, including the Policy Advisory Board of the Harvard Joint Center for Housing Studies, the Internal Chamber of Commerce's Carbon Policy Council, RESNET Standards Management Board, Leading Builders of America's Environmental Subcommittee and various federal government roundtable discussions and collaboration projects.

We provide a more comprehensive analysis of our DE&I and ES&S efforts, including the standards and metrics by which they are measured, in our ESG report, which is located within the Investor Relations area of our website.

Compensation Philosophy and Objectives

Our executive compensation program is designed to drive and reward superior corporate performance both annually and over the long-term while simultaneously striving to be externally competitive amongst our peer group. We continually review our executive compensation program to ensure it reflects good governance practices and is in the best interests of stockholders. Since 2018 the Compensation Committee has engaged Pearl Meyer as its independent external compensation consultant. Pearl Meyer evaluates and makes recommendations regarding the terms of our NEO and Board compensation programs as they relate to creating stockholder value as well as remaining competitive in the marketplace with the changing trends and levels in NEO compensation, while meeting the below core objectives. We do not engage Pearl Meyer for any other advisory services.

Pay for Performance

A substantial portion of the total potential compensation for our NEOs is intended to be variable/at risk on a pay-for-performance basis. The terms of the performance-based compensation contemplated in each respective NEO's employment agreement was based upon an assessment performed by Pearl Meyer of external market data to ensure that the compensation formula is competitive relative to the compensation paid by companies with which we compete for executive talent. This compensation is based on (i) the performance of the Company as a whole, as measured against our peer group and (ii) the NEOs role in the attainment of the Company's performance goals.

Stock Ownership

We are committed to utilizing our compensation program to increase executive stock ownership over time. We believe that equity ownership directly aligns the interests of our NEOs with those of our stockholders and helps to focus our executives on long-term stockholder value creation. We award restricted stock units and performance share awards to our NEOs, as we believe such awards provide our NEOs with an incentive to continue to increase long-term stockholder value, even during periods of declining stock prices. We believe the granting of equity awards is an important retention tool and is widely used in our industry.

Recruiting and Retention

Due to the competitive nature of our industry, we are committed to providing total compensation opportunities that are competitive with, though not identical to, the practices of other public homebuilders within our peer group. We intend for our compensation program to be sufficiently aligned with industry practices so that we can continue to attract and retain outstanding executives who are motivated to help us achieve our mission.

Compensation Peer Group

As a member of the homebuilding industry, we predominantly compete for executive talent and have historically compared ourselves to other companies in our industry. There are a limited number of homebuilders that have revenue and market capitalization similar to ours. Therefore, the Compensation Committee, with the assistance of Pearl Meyer, has established a peer group of comparably sized companies selected from the homebuilding industry, with organizational structures similar to ours such as being a publicly traded company, operations limited to the United States, and building single family housing as their core business.

COMPENSATION DISCUSSION AND ANALYSIS

The peer group companies that were used in 2021 for executive compensation benchmarking and performance benchmarking are set forth below. We believe that this peer group provides an appropriate benchmark comparison for our Company.

- Beazer Homes USA, Inc.
- Century Communities, Inc.
- D.R. Horton, Inc.
- Hovnanian Enterprises, Inc.
- KB Home
- Lennar Corporation
- LGI Homes, Inc.
- M.D.C. Holdings, Inc.
- M/I Homes, Inc.
- NVR, Inc.
- Pulte Group, Inc.
- Taylor Morrison Home Corporation
- Toll Brothers, Inc.
- TRI Point Group, Inc.

In addition to the peer group listed above being used for executive compensation benchmarking, the Compensation Committee also used this same peer group for the total shareholder return ("TSR") portion of performance-based long-term incentive awards in 2021.

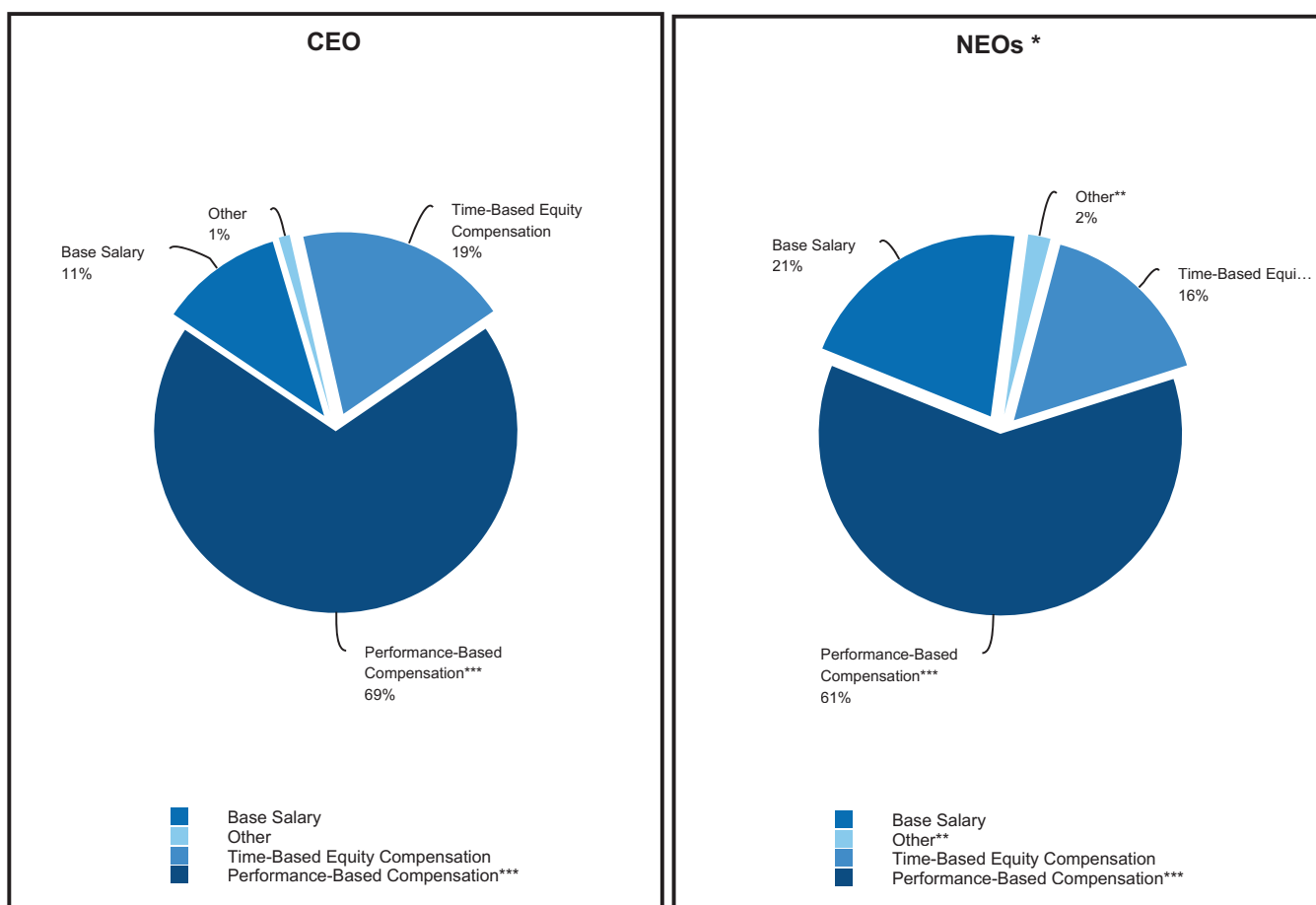
While market data is an important factor utilized by the Compensation Committee when setting compensation, it is only one of multiple factors considered, and the amount paid to each NEO may be more or less than the composite market value based on the performance of the Company and the NEO, the roles, experience level and responsibilities of the NEO, internal equity and other factors that the Compensation Committee deems important.

Compensation Best Practices

The best practices evidenced by our NEO compensation programs and processes include:

WE DO	WE DO NOT
✓ Pay for performance by requiring a significant portion of the total compensation of our NEOs be determined based on performance tied to strategic objectives.	✗ Provide perquisites for our NEOs other than those limited to auto allowance, reimbursement of certain insurance premiums and other limited benefits.
✓ Have executive stock ownership requirements in place set at a multiplier of base salary.	✗ Reprice or replace stock options and other equity awards.
✓ Have a clawback policy for our NEOs requiring the recoupment of incentive bonuses in the event of a restatement of financial results resulting from willful misconduct or gross negligence of the applicable NEO.	✗ Allow hedging.
✓ Engage an independent compensation consultant that reports directly to the Compensation Committee to provide an update on current compensation trends and to provide recommendations on our NEOs' current compensation packages.	✗ Allow pledging.
✓ Have double trigger cash severance based upon a change of control of the Company.	✗ Provide tax gross-ups for change of control and severance payments.

Our executive compensation policies and practices are designed to align our NEOs' long-term interests with those of our stockholders via a pay-for-performance model. The charts below depict the 2021 percentage of compensation for our CEO and other NEOs that is fixed versus performance-based from the summary compensation table on page 40:



* Represents average for NEOs for the year ended December 31, 2021, other than the CEO.

** Excludes Mr. White, as he retired on December 15, 2021 and accordingly received one time lump sum payments in 2021 in accordance with the retirement provisions provided in his employment agreement that are not indicative of typical annual compensation paid to our NEOs.

***Includes fair value of performance share awards granted (at target level) and actual non-equity incentive plan compensation paid.

Independent Compensation Consultant

In accordance with its charter, the Compensation Committee has the sole authority to obtain advice and assistance from consultants, legal counsel, accounting and other advisers as appropriate. The Compensation Committee has the sole authority to retain and terminate any compensation consultant, counsel or adviser and to determine and approve the terms, costs and fees for such engagements. Since 2018, the Compensation Committee has engaged Pearl Meyer to serve as its independent executive compensation consultant. When engaging an executive compensation consultant the Compensation Committee takes into consideration the independence of and other factors pertaining to the consultant as required by the New York Stock Exchange (NYSE), the Securities and Exchange Commission (SEC) and other applicable rules and regulations. Upon consideration of these factors, the Compensation Committee has concluded that the engagement of Pearl Meyer does not present any conflicts of interest.

Pearl Meyer is a leader in the executive compensation consulting industry and provides information and advice regarding compensation philosophy and strategy; recommended peer group selection criteria as well as recommended potential peer companies; and consulted with the Compensation Committee on both long-term and short-term incentive compensation.

Compensation Program

The key components of our executive compensation program are base salary, annual incentive cash compensation and long-term equity incentive compensation. In addition, our NEOs have the opportunity to participate in our company-wide 401(k) plan, a non-qualified deferred compensation plan, and to receive limited certain personal benefits, as described on the next page. The employment agreements of our CEO and other NEOs are further described in this proxy under the section “—Employment Agreements in Effect for 2021.”

Our executive compensation program is designed based on the following strategic principles:

- Alignment with key outcomes of our business strategies;
- Appropriate balance of short- and long-term incentive award opportunity;
- Market-competitive total compensation opportunity within our peer group;
- Appropriate alignment with our stockholders by delivering a significant percentage of total compensation opportunity through equity and including goals that are measured by total shareholder return;
- Setting a total compensation package where a significant percentage of total compensation is at risk;
- Transparency in the communication of plan design and performance goals to enhance understanding; and
- Adherence to sound governance practices, including the prudent management of compensation risk.

Based on the results of the analysis, the components of our NEO compensation program are as outlined below.

Base Salary

The purpose of the base salary is to provide a fixed amount of cash compensation that is not variable and is competitive with market practices. Consistent with industry practice and our pay-for-performance objective, the base salary for each of our NEOs is designed to account for only a portion of their overall total target compensation. We target our NEO base salaries to be competitive with our compensation peer group. We believe the NEO base salaries are appropriate based on the officers' roles, responsibilities, experience and contributions to the Company, as well as compared to market data.

Annual Cash Incentive Compensation ("Non-Equity Incentive Plan")

We believe our Non-Equity Incentive Plan focuses our NEOs on the most important short-term measures of our business, establishes a clear connection between performance and earned compensation, and provides transparency to our stockholders as to the operation of our Non-Equity Incentive Plan. Each goal represents a fixed percentage of total potential non-equity incentive compensation with each goal assessed separately from the others.

The specific details of each NEO's 2021 incentive compensation are further described under the section “—Employment Agreements in Effect for 2021”.

Discretionary Bonuses

Discretionary bonuses may be awarded based on specific achievements of an individual beyond those of the performance measurements included in the Non-Equity Incentive Plan calculations, subject to approval by the Compensation Committee. Although contemplated within the compensation program for our NEO's, the use of discretionary bonuses has been and is expected to continue to be very limited.

Long-Term Equity Incentive Awards

Long-term equity incentive awards are intended to provide compensation opportunities based on the creation of stockholder value and an increase in our stock price. The employment agreements in effect for 2021 allow for grants of performance-based restricted stock units ("performance share awards") and time-based restricted stock units, both of which have a three-year cliff vesting schedule.

In connection with our equity awards, we have also adopted stock ownership requirements as further discussed below in the section "—Security Ownership Requirements."

The Compensation Committee believes that equity awards provide a strong long-term incentive for our NEOs (and other officers and employees) that, along with their stock ownership, helps to align the interests of management with our stockholders. The Compensation Committee believes that these equity-based awards provide the opportunity for our executives to benefit from strong equity performance and, particularly in the case of the restricted stock unit awards, the NEOs focus on balancing stability and preservation of stock value against being incentivized to potentially take on an imprudent level of additional risk to drive stock appreciation with more contingent equity awards such as stock options. The Company and the Compensation Committee also believe that an appropriate mix of cash compensation and non-cash compensation in the form of equity awards is necessary and appropriate because, among other reasons, equity-based awards do not require the use of our working capital. The Compensation Committee is mindful of the fact that equity awards represent an expense under generally accepted accounting principles and a cost to the Company and its stockholders in the form of dilution. Accordingly, the Company seeks to achieve an appropriate balance between cash and non-cash compensation such that the NEOs are appropriately incentivized, our working capital and financial results are minimally affected, and our stockholders do not experience undue dilution.

Other Compensation

The Compensation Committee does not believe in the extensive use of perquisites as a component of executive compensation. The Compensation Committee believes that the perquisites provided to our NEOs (above those received by all employees or officers in general) are limited but help maintain the competitiveness of our compensation package as compared to our peer group companies. The types of perquisites we provide to our NEOs generally consist of car allowances, and enhanced life and disability or long-term care insurance.

Security Ownership Requirements

We maintain security ownership requirements for our directors and NEOs. The Board believes that these guidelines align the interests of our directors and executive officers with those of stockholders. Our directors and executive officers are required to comply with ownership guidelines. The requirements for our directors and NEOs are outlined below:

- Directors, five times annual board retainer fees (exclusive of committee or lead director fees),
- Executive Chairman and CEO, six times base salary;
- COO and CFO, three times base salary; and
- GC and CPO, two times base salary.

In the case of the appointment of a new executive officer or director, the new officer or director shall not be required to purchase stock in the open market in order to become compliant. Until such compliance is achieved they may not sell or otherwise transfer any stock or stock equivalents related to equity awarded by the Company; provided, however, they may sell stock as necessary to pay any required income tax withholdings in connection with the vesting of any equity grants. Once their income tax withholdings are fulfilled, they may not sell more than 50% of the remaining equity grants or awards that vest in a fiscal year and must hold the balance of their shares until their ownership requirements are met. In order to enable our directors and executive officers to prudently manage their personal financial affairs, our policy provides that once compliance is obtained, subsequent changes in stock price will not affect their compliance with the guidelines provided the officer or director continues to hold at least the number of shares that were necessary to comply with the stock ownership requirements but for a decrease in stock price.

For purposes of the stock ownership requirements, stock is deemed "owned" for both directors and officers in the case of (a) shares owned outright and (b) beneficially-owned shares. As of December 31, 2021, all officers and directors were in compliance with their respective security ownership requirements or transitional requirements.

Equity-Based Awards

Meritage has traditionally granted equity-based awards to directors, senior executive officers and other employees to provide a means for incentive compensation and to align the interests of management with the interest of Meritage's stockholders. Since 2009, all equity awards to employees and directors have been comprised of restricted stock or restricted stock units and for NEOs have been comprised of a combination of restricted stock units and performance share awards as a means of providing sufficient long-term incentive compensation to align with market competitiveness.

COMPENSATION DISCUSSION AND ANALYSIS

We have comprehensive policies relating to the granting of equity-based awards. Following is a summary of key aspects of our policies:

- All equity-based awards must be approved at formal meetings (including telephonic) of the Compensation Committee.
- The grant date of such awards will be the date of the meeting (or a specified date shortly after the meeting).
- The customary annual equity-based grant shall be approved at a regularly scheduled meeting of the Compensation Committee during the first part of the year, but generally after the annual earnings release. We believe that coordinating the main annual award grant after our annual earnings release will generally result in this grant being made at a time when the public is in possession of all material information about us.
- The Company shall not intentionally grant equity-based awards before the anticipated announcement of materially favorable news or delay the grant of equity-based awards until after the announcement of materially unfavorable news.
- The Compensation Committee will approve equity-based grants only for persons specifically identified at the meeting by management.

Employment Agreements in Effect for 2021

The Compensation Committee annually reviews each NEO's total compensation relative to the market data while considering the responsibilities of their position, their individual performance and their tenure. In January 2021, we entered into new employment agreements with all of our NEOs, other than Mr. White. The employment agreement for Mr. Hilton ends on December 31, 2023. The employment agreements for Mr. Lord, Ms. Sferruzza, and Messrs. Szubinski and Feliciano have an initial term of one year ending on December 31, 2021 and include automatic extension renewal provisions. These renewal provisions extend the terms of the arrangements for one year unless the executive or the Company notifies the other that it wishes to terminate the agreement within sixty days prior to the expiration date of any renewal term. In August 2021 we entered into an amended employment agreement with Mr. Szubinski limited to modification of certain provisions regarding relocation and related relocation benefits. In September 2021, in conjunction with his notification of retirement effective December 15, 2021, we entered into an amended employment agreement with Mr. White to amend certain retirement provisions. Following is a description of the key provisions between the Company and each of the NEOs of their respective employment agreements in effect for 2021.

Base Salary

	Named Executive Officer					
	Phillippe Lord	Hilla Sferruzza	Steven J. Hilton	Clinton Szubinski	C. Timothy White	Javier Feliciano
Base Salary	\$ 850,000	\$ 675,000	\$ 1,000,000	\$ 600,000	\$ 560,000	\$ 400,000

Non-Equity Incentive Plan

In 2021, our NEOs were each entitled to an annual cash incentive bonus based upon the achievement of certain performance goals established by the Compensation Committee. The amount of the target bonus and payout ranges for each NEO is set forth below. The amount of the bonus to be paid is contingent upon the achievement of the performance criteria established by the Compensation Committee. Where the actual performance falls below the threshold level, no incentive bonus will be paid with respect to that performance goal, unless the Compensation Committee approves a discretionary amount.

The Non-Equity Incentive Plan has three performance measures, weighted 60%, 30% and 10%, respectively:

1. EBITDA as adjusted for specific and predetermined items (adjusted EBITDA);
2. Number of home closings; and
3. Customer satisfaction rating as determined by a third-party rating agency.

We believe these metrics focus our NEOs on the most important short-term measures of our business, establish a clear connection between the Company's strategy, performance and the NEO's earned compensation, and provide transparency to our stockholders as to the operation of our Non-Equity Incentive Plan. Each goal represents a fixed percentage of total potential compensation with each goal assessed separately from the others.

For each of the three performance measures noted above, our Compensation Committee has specified:

- A threshold level of achievement below which no incentives will be paid;
- A target range level of achievement (e.g. between the threshold and maximum) associated with a market-competitive incentive award; and
- A maximum level of achievement above which incentives paid will not increase (payout ceiling).

The relationship between the level of performance and associated payout with each level for each of the performance metrics is reflected in the following tables. Where actual results fell between the performance levels set forth above, payments were calculated based on linear interpolation.

Adjusted EBITDA	Performance as % of Target	Payout as % of Target Payout (1) (2)	Number of Home Closings	Performance as % of Target	Payout as % of Target Payout (1) (2)	Customer Satisfaction Rating	Performance as % of Target	Payout as % of Target Payout (1) (2)
Maximum	115.0 %	200 %	Maximum	110.0 %	200 %	Maximum	103.4 %	200 %
Target	100.0 %	100 %	Target	100.0 %	100 %	Target	100.0 %	100 %
Threshold	90.0 %	50 %	Threshold	90.0 %	50 %	Threshold	97.8 %	50 %
Below Threshold	<90.0%	0 %	Below Threshold	<90.0%	0 %	Below Threshold	<97.8%	0 %

(1) Target payouts for Mr. Lord, Ms. Sferruzza, and Messrs. Hilton, Szubinski, White and Feliciano were \$2,125,000, \$843,750, \$1,000,000, \$1,200,000, \$610,909 and \$300,000, respectively, and are based on the achievement of target performance level, as indicated in the preceding tables.

COMPENSATION DISCUSSION AND ANALYSIS

(2) As outlined in his employment agreement, Mr. Hilton's maximum payout cannot exceed target, which is 100%. The below target thresholds are applicable as indicated in the tables above.

For purposes of determining the executives' formula bonuses, "Adjusted EBITDA" means earnings before interest expense and interest amortized to cost of sales, income taxes, depreciation and amortization ("EBITDA") adjusted to exclude non-routine charges that the Compensation Committee determines in its sole discretion at the time the incentive bonus plan is established as appropriate to exclude.

Annual Discretionary Bonus

Based on specific achievements of each individual beyond those of the performance measurements included in the Non-Equity Incentive Plan calculations, our NEOs may be awarded discretionary cash bonuses subject to approval by the Compensation Committee. There were no such bonuses awarded in 2021.

Long-Term (Equity-Based) Incentive Awards

In 2021, our NEOs were entitled to long-term equity incentive awards where 50% was provided through performance share awards based on criteria with interpolated potential payout levels and 50% was provided through time-based restricted stock units.

Performance Share Awards. In 2021, our NEOs were entitled to performance share awards as part of their overall compensation. The performance-based portion of the long-term incentive awards have two metrics, which in 2021 were weighted 70% and 30%, respectively:

1. Achievement of a targeted return on asset ("ROA") goal, and
2. Three-year total shareholder return ("TSR") relative to our TSR peer group (as defined in the section "—Compensation Philosophies and Objectives — Compensation Peer Group").

The Compensation Committee selected these two measures for the NEO long-term incentive awards as they believe they best align with our current stockholder interests of strong returns, and increased efficiency in generating profits from assets.

For each of the two performance-based plan measures, our Compensation Committee has specified:

- A threshold level of achievement below which no awards will be paid;
- A target range level of achievement (e.g. between the threshold and maximum) associated with a market-competitive incentive award; and
- A maximum level of achievement above which awards will not increase (payout maximum).

Each metric is assessed separately from the others, and each may be adjusted for specific and pre-determined items established by the Compensation Committee. The ROA goals are measured annually and on a standalone basis, although the vesting of the shares will occur at the end of a three-year performance period. The TSR goal is a cumulative three-year metric. The relationship between the level of performance and the shares awarded with each level is reflected in the table below. Where actual results fall between the performance levels set forth in the following charts, payments will be calculated based on linear interpolation.

ROA	Performance as % of Target	Shares Awarded as % of Target Payout (1)
Maximum	133.3 %	150 %
Target	100.0 %	100 %
Threshold	66.7 %	50 %
Below Threshold	<66.7%	0 %

Relative TSR	Peer Group Percentile	Shares Awarded as % of Target Payout (1)
Maximum	75.0 %	150 %
Target	50.0 %	100 %
Threshold	25.0 %	50 %
Below Threshold	<25.0%	0 %

(1) For 2021, the target award payout value was equal to approximately \$1,487,500, \$675,000, \$500,000, \$600,000, \$432,727 and \$250,000 for Mr. Lord, Ms. Sferruzza, and Messrs. Hilton, Szubinski, White and Feliciano, respectively. This 100% payout achievement is based on target performance level as indicated in the table above. Mr. Hilton is not eligible for payout above 100%.

Restricted Stock Unit Awards. In 2021, our NEOs were entitled to an annual grant of restricted stock units that cliff vest on the third anniversary of the date of grant. The number of restricted stock units to be granted to each executive officer will be equal to the dollar value specified for each executive officer divided by the closing price of the Company's stock on the grant date. The value of restricted stock units granted in 2021 to Mr. Lord, Ms. Sferruzza, and Messrs. Hilton, Szubinski, White and Feliciano were \$1,487,500, \$675,000, \$500,000, \$600,000, \$432,727 and \$250,000, respectively

Other Benefits

In 2021, our NEOs were also entitled to certain specified other benefits. With respect to Mr. Lord, he is entitled to receive payments annually to purchase life insurance coverage in the policy amount of up to \$5,000,000; disability and/or long-term care insurance with monthly benefits of up to \$20,000; and the use of a company car. With respect to Ms. Sferruzza and Messrs. Szubinski, White and Feliciano, they were entitled to receive payments annually to purchase life insurance in the coverage amount of up to \$3,000,000 and disability and/or long-term care insurance with monthly benefits of up to \$20,000. Messrs. White and Szubinski were also entitled to an auto allowance.

Termination Provisions

Our NEOs employment agreements provide them with severance benefits under the Company's Severance Plan in certain situations upon termination of employment, which may include change of control, voluntary resignation by the officer with or without good reason, termination by the Company, with and without cause, death or disability, and retirement. A summary of the key termination provisions of the Severance Plan in effect for 2021 is outlined beginning on page 44.

Discussion of NEO Compensation

Following is a discussion of the compensation paid, awarded or earned in 2021 to the Company's CEO and NEOs.

Our NEOs were compensated in 2021 pursuant to the terms of their respective employment agreements in effect during 2021, which provided for a base salary, a Non-Equity Incentive Plan award based on Company performance, equity grants and other customary executive benefits.

Under these agreements, a substantial portion of our NEOs potential compensation was performance-based to align their goals and efforts with the interests of our stockholders.

Salary. In accordance with the terms of their respective employment agreements, each NEO was paid a base salary as outlined in "— Employment Agreements in Effect for 2021."

Non-Equity Incentive Plan. For 2021, our NEOs earned cash performance-based bonuses pursuant to the terms set forth in their respective employment agreements as outlined beginning on page 33 of this proxy statement and according to the metrics set forth below. These cash bonuses were paid in February 2022, with the exception of Mr. White who received a portion of the cash bonus on December 15, 2021 in accordance with the retirement provisions of his employment agreement and the remaining balance was paid in February 2022. In addition, a component of Mr. Szubinski's payment was deferred until the latter part of 2022 in accordance with the provisions in his employment agreement specifically related to his 2021 annual incentive compensation.

ACTUAL RESULTS FOR 2021 ANNUAL INCENTIVE COMPENSATION:

Actual Results	Named Executive Officer					
	Phillippe Lord	Hilla Sferruzza	Steven J. Hilton	Clinton Szubinski	C. Timothy White	Javier Feliciano
Adjusted EBITDA (60%)						
Actual Results (in thousands)	\$ 1,066,838	\$ 1,066,838	\$ 1,066,838	\$ 1,066,838	\$ 1,066,838	\$ 1,066,838
Target Performance Level (in thousands) ≥	\$ 702,158	\$ 702,158	\$ 702,158	\$ 702,158	\$ 702,158	\$ 702,158
Target Bonus \$	\$ 1,275,000	\$ 506,250	\$ 600,000	\$ 720,000	\$ 366,545	\$ 180,000
NEO Payout % ⁽¹⁾	200.0 %	200.0 %	100.0 %	200.0 %	200.0 %	200.0 %
NEO Payout \$	\$ 2,550,000	\$ 1,012,500	\$ 600,000	\$ 1,440,000	\$ 733,090	\$ 360,000
Number of Home Closings (30%)						
Actual Results	12,801	12,801	12,801	12,801	12,801	12,801
Target Performance Level ≥	11,981	11,981	11,981	11,981	11,981	11,981
Target Bonus \$	\$ 637,500	\$ 253,125	\$ 300,000	\$ 360,000	\$ 183,273	\$ 90,000
NEO Payout % ⁽¹⁾	168.4 %	168.4 %	100.0 %	168.4 %	168.4 %	168.4 %
NEO Payout \$	\$ 1,073,816	\$ 426,368	\$ 300,000	\$ 606,390	\$ 308,708	\$ 151,598
Customer Satisfaction Rating (10%)						
Actual Results	92.1 %	92.1 %	92.1 %	92.1 %	92.1 %	92.1 %
Target Performance Level ≥	89.0 %	89.0 %	89.0 %	89.0 %	89.0 %	89.0 %
Target Bonus \$	\$ 212,500	\$ 84,375	\$ 100,000	\$ 120,000	\$ 61,091	\$ 30,000
NEO Payout % ⁽¹⁾	200.0 %	200.0 %	100.0 %	200.0 %	200.0 %	200.0 %
NEO Payout \$	\$ 425,000	\$ 168,750	\$ 100,000	\$ 240,000	\$ 122,182	\$ 60,000
Total NEO Payout \$	\$ 4,048,816	\$ 1,607,618	\$ 1,000,000	\$ 2,286,390	\$ 1,163,980	\$ 571,598

(1) See the table provided on page 33 of this proxy statement for additional information related to the payout percentages as they relate to the targets.

Equity Awards. In 2021, Mr. Lord, Ms. Sferruzza, and Messrs. Hilton, Szubinski, White and Feliciano were granted 17,568, 7,972, 5,905, 7,086, 5,110 and 2,952 performance share awards (target level), respectively, related to the ROA and TSR performance metrics. Additionally, they were granted an equal amount of time-based shares that cliff vest in 2024. The performance share awards related to ROA and TSR vest on the third anniversary of the date of grant, subject to the achievement of the individual performance measures. The table below illustrates the potential performance share awards for 2021 at threshold, target and maximum performance levels for each NEO based on the established performance metrics. For discussion of the restricted stock units and performance share awards that vested in 2021, see the "2021 Stock Awards Vested" table on page 43.

PERFORMANCE BASED AWARDS - ROA and TSR METRICS:

Name	Approximate Award Fair Value (at Target level) (\$)	Below Threshold (Shares) (#)	Threshold (Shares) (#)	Target (Shares) (#) ⁽¹⁾	Maximum (Shares) (#)
Phillippe Lord	\$ 1,487,500	—	8,784	17,568	26,352
Hilla Sferruzza	\$ 675,000	—	3,986	7,972	11,958
Steven J. Hilton	\$ 500,000	—	2,953	5,905	5,905
Clinton Szubinski	\$ 600,000	—	3,543	7,086	10,629
C. Timothy White	\$ 432,727	—	2,555	5,110	7,665
Javier Feliciano	\$ 250,000	—	1,476	2,952	4,428

(1) Number of shares based on a grant price of \$84.67, the closing stock price on the date of grant for our NEOs.

Other Benefits. The Company also provided other benefits consistent with our NEOs' employment agreements. These benefits are detailed in footnote (6) to the "Summary Compensation Table" included in this proxy statement.

2022 Developments

Base Salary Compensation

The base salaries for each of Messrs. Lord and Szubinski, Ms. Sferruzza and Mr. Feliciano were increased effective January 1, 2022. As stated previously, the Compensation Committee annually reviews each NEO's total compensation relative to market data while considering the responsibilities of their position, their individual performance and tenure. The compensation changes made were tied to both the external market data and the individual considerations for each NEO of their responsibilities, performance and tenure.

Executive Officer	Revised Base Salary
Phillippe Lord	\$900,000
Hilla Sferruzza	\$725,000
Clinton Szubinski	\$650,000
Javier Feliciano	\$430,000

Performance-Based Compensation

In addition, the target annual Non-Equity Incentive Plan bonus and the target value of performance-based equity compensation (non-cash) were increased for each of Messrs. Lord and Szubinski, Ms. Sferruzza and Mr. Feliciano, as noted below.

Executive Officer	2022 Annual Target Cash Incentive Compensation ⁽¹⁾	2022 Annual Target Equity Based Compensation ⁽²⁾
Phillippe Lord	\$2,250,000	\$3,600,000
Hilla Sferruzza	\$906,250	\$1,450,000
Clinton Szubinski	\$1,300,000	\$1,300,000
Javier Feliciano	\$322,500	\$537,500

(1) Actual payout for cash incentive compensation can range from 0% to 200% contingent upon the achievement of performance goals.

(2) 50% of the award value is to be comprised of time-based restricted stock units and 50% of the award value is to be comprised of performance share awards. The performance share awards will vest based upon the achievement of established performance targets over three years with a payout range between 0% and 150% of target.

The following Executive Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference to any Company filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except to the extent the Company specifically incorporates this report.

Executive Compensation Committee Report

The Executive Compensation Committee of the Board of the Company 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 Executive Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into our 2021 Annual Report on Form 10-K.

THE EXECUTIVE COMPENSATION COMMITTEE

Michael R. Odell—Chair
Dana C. Bradford
Louis E. Caldera
P. Kelly Mooney
Raymond Oppel

Compensation of Officers and Directors

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽⁵⁾	Stock Awards (\$) ⁽⁶⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁷⁾	All Other Compensation (\$) ⁽⁸⁾	Total (\$)
Phillippe Lord, CEO ⁽¹⁾	2021	850,000	—	2,956,519	4,048,816	60,268	7,915,603
	2020	700,000	—	2,108,124	2,800,000	57,940	5,666,064
	2019	650,000	—	1,980,406	2,380,913	63,154	5,074,473
Hilla Sferruzza, EVP and CFO	2021	675,000	—	1,341,608	1,607,618	48,402	3,672,628
	2020	625,000	—	1,254,814	1,562,500	49,737	3,492,051
	2019	575,000	—	1,167,910	1,316,370	53,040	3,112,320
Steven J. Hilton, Executive Chairman ⁽²⁾	2021	1,000,000	—	993,752	1,000,000	29,581	3,023,333
	2020	1,000,000	—	3,513,685	5,000,000	43,705	9,557,390
	2019	1,000,000	—	3,554,610	4,578,678	62,303	9,195,591
Clint Szubinski, EVP and COO ⁽³⁾	2021	600,000	—	1,192,503	2,286,390	146,615	4,225,508
C. Timothy White, Former EVP, GC and Secretary ⁽⁴⁾	2021	536,667	—	859,962	1,163,980	3,822,904	6,383,513
	2020	560,000	—	868,763	1,221,818	49,266	2,699,847
	2019	550,000	100,000	863,213	1,098,883	48,114	2,660,210
Javier Feliciano, EVP and CPO	2021	400,000	—	496,792	571,598	53,631	1,522,021
	2020	350,000	—	439,119	437,500	49,728	1,276,347
	2019	340,000	—	431,604	389,188	50,089	1,210,881

- (1) Effective January 1, 2021, Mr. Lord was appointed Chief Executive Officer. He previously served as Chief Operating Officer. Mr. Lord did not receive any separate compensation for his services as a director in 2021.
- (2) All compensation is for Mr. Hilton's services in his capacity as the Executive Chairman in 2021 and as the Chief Executive Officer of the Company in 2020 and 2019. Mr. Hilton did not receive any separate compensation for his services as a director. Effective January 1, 2021, Mr. Hilton retired as Chief Executive Officer and assumed the role of Executive Chairman.
- (3) Effective January 1, 2021, Mr. Szubinski was appointed Chief Operating Officer.
- (4) Effective December 15, 2021, Mr. White retired from the Company.
- (5) Amount in 2019 represents a discretionary bonus awarded to Mr. White.
- (6) The non-vested share (performance share awards and restricted stock units) grants have a fair value equal to the closing price of our stock on the date of the grant, in accordance with the requirements of Accounting Standards Codification Subtopic ("ASC") 718. For the TSR portion of performance award shares, fair value is equal to the valuation from the third-party Monte Carlo analysis prepared in conjunction with the grants. Balance includes all performance share awards and restricted stock unit awards granted in the year to our NEOs and not the prorated share of all unvested grants in prior years that vested in the current year. See Note 11 "Stock Based and Deferred Compensation" of our Consolidated Financial Statements included in our 2021 Annual Report on Form 10-K for discussion of assumptions used for computing the fair value of awards granted. The amounts included in this column represent the grant-date fair value assuming all performance measures are achieved at the target level of performance (i.e., ROA, TSR), which is considered the probable outcome. The grant date fair value at the maximum performance level for the performance share awards in 2021 is \$2,203,553, \$999,926, \$493,776, \$888,796, \$640,946 and \$370,267 for Mr. Lord, Ms. Sferruzza and Messrs. Hilton, Szubinski, White and Feliciano, respectively. Additional detail is also provided in the "Grant of Plan-Based Awards" table.
- (7) Non-equity plan compensation earned for all years presented was paid subsequent to each respective year-end.
- (8) See the following table for more detail.

All Other Compensation Table

Year Ended December 31, 2021

Name	Health and Insurance Premiums (\$) ⁽¹⁾	401(k) Match (\$)	Car Allowance (\$)	Other (\$)	Total All Other Compensation (\$)
Phillippe Lord	50,767	8,700	—	801	60,268
Hilla Sferruzza	39,702	8,700	—	—	48,402
Steven J. Hilton	20,881	8,700	—	—	29,581
Clinton Szubinski ⁽²⁾	43,566	8,649	14,400	80,000	146,615
C. Timothy White ⁽³⁾	109,346	8,700	14,400	3,690,458	3,822,904
Javier Feliciano	44,931	8,700	—	—	53,631

- (1) Includes: (i) employer portion of benefits provided to all employees and (ii) life and disability insurance premiums as contemplated in each NEO's employment agreement if such elections were made.
- (2) Amount reported in 'Other' represents reimbursement of relocation expenses.
- (3) Amounts reported in 'Health and Insurance Premiums' include one-time lump sum payments of \$30,000 for reimbursement of long-term care insurance and \$52,857 for 150% of monthly COBRA premiums for 18 months pursuant to the retirement provisions of Mr. White's employment agreement. Amounts reported in 'Other' include a \$3,600,000 one-time lump sum payment and \$90,458 of accrued but unused paid time off, pursuant to the retirement provisions of his employment agreement.

2021 Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽²⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽³⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Phillippe Lord	3/1/2021							17,568	1,487,483
	3/1/2021				8,784	17,568	26,352		1,469,036
	N/A	1,062,500	2,125,000	4,250,000					
Hilla Sferruzza	3/1/2021							7,972	674,989
	3/1/2021				3,986	7,972	11,958		666,619
	N/A	421,875	843,750	1,687,500					
Steven J. Hilton	3/1/2021							5,905	499,976
	3/1/2021				2,953	5,905	5,905		493,776
	N/A	500,000	1,000,000	1,000,000					
Clinton Szubinski	3/1/2021							7,086	599,972
	3/1/2021				3,543	7,086	10,629		592,531
	N/A	600,000	1,200,000	2,400,000					
C. Timothy White	3/1/2021							5,110	432,664
	3/1/2021				2,555	5,110	7,665		427,298
	N/A	305,455	610,909	1,221,818					
Javier Feliciano	3/1/2021							2,952	249,946
	3/1/2021				1,476	2,952	4,428		246,846
	N/A	150,000	300,000	600,000					

- (1) Actual non-equity incentive plan payouts for 2021 are discussed in the section —"Discussion of NEO Compensation".
- (2) Equity awards granted in 2021 have a three-year cliff vest, subject in the case of performance share awards to achievement of established performance metrics.
- (3) The grant-date fair value amounts relating to the performance share awards represent the grant-date fair value assuming the performance measures are achieved at the target level of performance, which is considered the probable outcome. Grant date fair value for the TSR portion of awards is based on a Monte-Carlo model to assess fair value as of the date of grant. Grant date fair value for the ROA awards is calculated as of the closing stock price on the date of grant.

Outstanding Equity Awards at 2021 Fiscal Year-End

Name	Stock Awards			
	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares of Units of Stock that Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards	
			Number of Unearned Shares, Units or Other Rights that Have Not Vested (#) ⁽⁸⁾	Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$) ⁽¹⁾
Phillippe Lord	104,539 ^{(2) (8)}	\$ 12,760,030	21,181	\$ 2,585,353
Hilla Sferruzza	58,563 ^{(3) (8)}	\$ 7,148,200	10,702	\$ 1,306,286
Steven J. Hilton	149,200 ^{(4) (8)}	\$ 18,211,352	17,380	\$ 2,121,403
Clinton Szubinski	17,822 ^{(5) (8)}	\$ 2,175,353	5,433	\$ 663,152
C. Timothy White	11,816 ^{(6) (8)}	\$ 1,442,261	7,096	\$ 866,138
Javier Feliciano	21,363 ^{(7) (8)}	\$ 2,607,568	3,869	\$ 472,250

- (1) Computed as the number of shares or units of stock that have not yet vested multiplied by the closing price of the Company's stock on December 31, 2021 of \$122.06.
- (2) Remaining unvested time-based shares vest: 23,314 in March 2022, 14,460 in February 2023 and 17,568 in March 2024. See also Note (8) below.
- (3) Remaining unvested time-based shares vest: 13,749 in March 2022, 8,607 in February 2023 and 7,972 in March 2024. See also Note (8) below.
- (4) Remaining unvested time-based shares vest: 41,846 in March 2022, 24,101 in February 2023, and 5,905 in March 2024. See also Note (8) below.
- (5) Remaining unvested time-based shares vest: 2,883 in February 2022, 2,882 in February 2023, 1,801 in February 2024, 7,086 in March 2024 and 690 in February 2025. See also Note (8) below.
- (6) All time-based shares vested on December 15, 2021 in connection with Mr. White's retirement. See also Note (8) below.
- (7) Remaining unvested time-based shares vest: 5,081 in March 2022, 3,012 in February 2023 and 2,952 in March 2024. See also Note (8) below.
- (8) Includes performance award shares that satisfied performance criteria as of December 31, 2021 and will vest according to the table below:

Name	Vested in March 2022 (#)	Vesting in February 2023 (#)	Vesting in March 2024 (#)	Vested Performance Share Awards as of December 31, 2021 (#)
Phillippe Lord	32,926	10,122	6,149	49,197
Hilla Sferruzza	19,417	6,028	2,790	28,235
Steven J. Hilton	59,098	16,872	1,378	77,348
Clinton Szubinski	—	—	2,480	2,480
C. Timothy White	7,940	2,087	1,789	11,816
Javier Feliciano	7,175	2,110	1,033	10,318

- (9) Represents performance award shares that vest (at target value) as follows:

Name	Vesting in February 2023 (#)	Vesting in March 2024 (#)	Total Unearned and Unvested as of December 31, 2021 (#)
Phillippe Lord	7,712	13,469	21,181
Hilla Sferruzza	4,590	6,112	10,702
Steven J. Hilton	12,853	4,527	17,380
Clinton Szubinski	—	5,433	5,433
C. Timothy White	3,178	3,918	7,096
Javier Feliciano	1,606	2,263	3,869

2021 Stock Awards Vested

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$)
Phillippe Lord	52,560	\$ 4,450,255
Hilla Sferruzza	30,999	\$ 2,624,685
Steven J. Hilton	93,726	\$ 7,935,780
Clinton Szubinski ⁽²⁾	2,884	\$ 246,761
C. Timothy White ⁽³⁾	52,642	\$ 5,484,667
Javier Feliciano	11,458	\$ 970,149

- (1) In connection with the 2018 grant, Mr. Hilton was granted 16,593 restricted stock units, which vested in March 2021. In addition, performance share awards vested in March 2021 as a result of the achievement of performance goals are summarized in the table below. Home Closing Gross Margin, EPS and ROA performance metrics and achievement were set and calculated annually, whereas the customer satisfaction rating ("CS") and relative TSR performance metrics were set and measured with a cumulative three year performance period.
- (2) All 2,884 shares vested were granted to Mr. Szubinski prior to his appointment as COO.
- (3) Amount reported includes 21,231 of time-based restricted stock awards and 8,499 performance share awards that were accelerated and vested on December 15, 2021 in accordance with the retirement provisions of his employment agreement. Of the 8,499 performance share awards, 6,412 were awarded in 2019 and include the achievement of performance goals for the 2019 and 2020 performance periods, and 2,087 were awarded in 2020 and include the achievement of performance goals for the 2020 performance period.

Name	Performance Measurement Year	Shares Vested ⁽¹⁾					Total
		Home Closing Gross Margin	CS	EPS ⁽²⁾	ROA ⁽²⁾	TSR ⁽²⁾	
Phillippe Lord	2020	—	21,571 ⁽⁴⁾	4,314 ⁽⁵⁾	3,237 ⁽⁵⁾	9,707 ⁽⁶⁾	38,829
	2019	—	—	4,314 ⁽⁵⁾	3,236 ⁽⁵⁾	—	7,550
	2018	—	—	3,716 ⁽⁵⁾	2,465 ⁽⁵⁾	—	6,181
	Total	—	21,571	12,344	8,938	9,707	52,560
Hilla Sferruzza	2020	—	12,722 ⁽⁴⁾	2,546 ⁽⁵⁾	1,908 ⁽⁵⁾	5,726 ⁽⁶⁾	22,902
	2019	—	—	2,544 ⁽⁵⁾	1,908 ⁽⁵⁾	—	4,452
	2018	—	—	2,191 ⁽⁵⁾	1,454 ⁽⁵⁾	—	3,645
	Total	—	12,722	7,281	5,270	5,726	30,999
Steven J. Hilton	2020	8,297 ⁽³⁾	22,124 ⁽⁴⁾	4,425 ⁽⁵⁾	3,320 ⁽⁵⁾	9,956 ⁽⁶⁾	48,122
	2019	8,236 ⁽³⁾	—	4,425 ⁽⁵⁾	3,318 ⁽⁵⁾	—	15,979
	2018	6,693 ⁽³⁾	—	3,811 ⁽⁵⁾	2,528 ⁽⁵⁾	—	13,032
	Total	23,226	22,124	12,661	9,166	9,956	77,133
C. Timothy White	2020	—	9,403 ⁽⁴⁾	1,880 ⁽⁵⁾	1,412 ⁽⁵⁾	4,232 ⁽⁶⁾	16,927
	2019	—	—	1,881 ⁽⁵⁾	1,410 ⁽⁵⁾	—	3,291
	2018	—	—	1,620 ⁽⁵⁾	1,074 ⁽⁵⁾	—	2,694
	Total	—	9,403	5,381	3,896	4,232	22,912
Javier Feliciano	2020	—	4,702 ⁽⁴⁾	941 ⁽⁵⁾	705 ⁽⁵⁾	2,117 ⁽⁶⁾	8,465
	2019	—	—	941 ⁽⁵⁾	705 ⁽⁵⁾	—	1,646
	2018	—	—	810 ⁽⁵⁾	537 ⁽⁵⁾	—	1,347
	Total	—	4,702	2,692	1,947	2,117	11,458

- (1) Where actual results fell between the performance levels, shares vested were calculated based on linear interpolation.
- (2) Half of the 2018 performance share awards granted to all NEOs had three metrics, EPS, ROA, and TSR, which were weighted 40%, 30%, and 30% respectively. The target and actual results for EPS and TSR are shown in the table in footnote (5), and the target and actual results for TSR are discussed in footnote (6).
- (3) In 2018, Mr. Hilton was awarded an additional long-term equity incentive where 50% of the award was provided through a performance share award based on a single metric of gross profit margin. Target values were 17.6%, 17.4% and 19.4% for 2018, 2019 and 2020, respectively, and actual results achieved were 18.2%, 19.0% and 22.0% for 2018, 2019 and 2020, respectively.

COMPENSATION OF OFFICERS AND DIRECTORS

- (4) Half of the 2018 performance share awards granted to all NEOs were based on a single performance metric of a three-year cumulative average CSR. The target value was 80.0% and the actual average CSR at the end of the three-year period was 92.3%.
- (5) Target values and actual results achieved are shown in the following table.

Year	EPS		ROA	
	Target	Actual	Target	Actual
2020	\$ 6.72	\$ 11.57	7.00 %	14.41 %
2019	\$ 4.42	\$ 6.42	5.42 %	8.12 %
2018	\$ 4.70	\$ 5.11	5.95 %	6.20 %

- (6) The 2018 TSR awards were based on a cumulative three-year TSR goal. The actual cumulative TSR at the end of the three year period was 88% and the target TSR was 50%.

Nonqualified Deferred Compensation Plans

We offer a non-qualified deferred compensation plan ("deferred compensation plan") to our NEOs as well as other highly compensated employees in order to allow them additional pre-tax income deferrals above and beyond the limited caps that qualified plans, such as 401(k) plans, impose on highly compensated employees. The deferred compensation plan allows eligible participants to defer up to 75% of their base salary and up to 100% of their qualifying bonus and performance-based compensation. The deferred compensation plan also allows for discretionary employer contributions, although to date all contributions to the plan have been funded by the employees and we do not currently offer a contribution match. Employee deferrals are deemed 100% vested upon contribution. Distributions from the Plan will be made upon retirement, either in a lump sum or annual installments for up to fifteen years commencing upon normal retirement (upon reaching age 55 and completing ten years of service). Distributions may also be made upon death, separation of service, in-service distribution after 5 years or upon the occurrence of an unforeseeable emergency.

Participants in the deferred compensation plan are entitled to select from a wide variety of investments available under the plan and will be allocated gains or losses based upon the performance of the investments selected by the participant. All gains or losses are allocated fully to plan participants and the Company does not guarantee a rate of return on deferred balances. The below table reflects activity for our NEOs in the deferred compensation plan during 2021.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$) ⁽¹⁾	Aggregate Earnings in Last FY (\$) ⁽²⁾	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$) ⁽³⁾
Hilla Sferruzza	726,250	—	140,419	—	1,008,265
Clinton Szubinski	96,000	—	28,212	—	204,673
C. Timothy White	—	—	115,627	—	1,481,866

- (1) Meritage does not provide matching contributions.
- (2) These amounts do not include any above-market or preferential earnings. Accordingly, these amounts are not reported in the Summary Compensation Table.
- (3) All amounts in this column that represent executive contributions from prior years were reported as compensation to the named executive officer in the Summary Compensation Table in prior years, other than Clinton Szubinski who was not an NEO prior to 2021.

Potential Payments upon Termination or Change of Control Summary

During 2021, we entered into new employment agreements and a new Executive Severance Plan ("the Severance Plan") with our NEOs. Under the Severance Plan agreement, our NEOs are entitled to severance payments and other benefits in the event of certain types of terminations. These benefits can include cash payments, continuation of insurance benefits and the acceleration of outstanding stock options, restricted stock units and performance share awards.

Following is a summary of the severance and change of control provisions that were in effect on December 31, 2021.

	Voluntary Resignation by Officer Without Good Reason or Termination by the Company With Cause	Voluntary Resignation by Officer With Good Reason or Termination by the Company Without Cause (1)	Death or Disability	Retirement (2)	In Connection with Change In Control (6)
Base salary and paid time off through date of termination	X	X	X	X	X
Pro-rata annual cash incentive bonus for period in which termination occurs based on actual performance achieved		X		X	
Target annual cash incentive bonus for the performance period in which the termination occurs			X		
Pro-rata target annual cash incentive bonus for the performance period in which the termination occurs					X
Service based (time based) awards and restricted stock units that are outstanding shall immediately vest and become unrestricted			X	X	X
100% of performance share awards (or restricted stock units) shall immediately vest and become unrestricted (7)					X
Previously granted performance share awards that have not vested will immediately vest and become unrestricted following the end of the applicable performance period based on actual performance achieved			X	X	
Any outstanding and vested stock options will remain exercisable as provided by in the original equity awards (3) (4)	X	X	X		
Any outstanding and unvested stock options will immediately vest and will remain exercisable for the 12 months following the termination date. (8)			X	X	X
Payment for health coverage equal to 100% of monthly COBRA premium for 24 months		X			X
Severance payment equal to a multiplier based on the respective role at time of termination times the executive officer's base salary plus a multiplier based on the respective role at time of termination times the target bonus in the year of termination (5)		X			X

- (1) If the executive whose employment is being terminated by the Company without cause satisfies the service requirements for Retirement as described in Note (2) below, the executive may elect to receive Retirement benefits.
- (2) In order to qualify for the above retirement termination benefits, in addition to any time restrictions as contemplated in each individual employment agreement, executive must complete 15 cumulative years as an executive officer (as defined by the Severance Plan) or member of the board. As of this date of this proxy filing, only Mr. Hilton has satisfied the service requirements to be eligible for retirement termination benefits. As indicated below, Mr. White retired from the Company on December 15, 2021 and received retirement termination benefits.
- (3) Upon termination for cause, any outstanding and vested stock options shall be cancelled as of the termination date.
- (4) In the event of death or disability, stock options will remain exercisable until the 12 month anniversary of the termination date, provided, however, that the post-termination exercise period for any individual stock option will not extend beyond the earlier of its original maximum term or the tenth anniversary of the original date of grant.
- (5) Severance payments for Ms. Sferruzza and Mr. Feliciano in a non change-in-control have minimum payments of \$2,000,000 and \$1,137,500, respectively.
- (6) Voluntary resignation with good reason must take place within the time period as defined in the severance plan with respect to a change-in-control.

COMPENSATION OF OFFICERS AND DIRECTORS

- (7) In the event the performance share awards are to vest based on achievement of future performance, vesting calculation is to assume target levels had been achieved for the performance criteria.
- (8) In the event of retirement, any outstanding and unvested stock options will immediately vest and will remain exercisable for the remainder of the original term, but not later than the tenth anniversary of original date of grant.

Other Matters Regarding the Employment Agreements and Severance Plan

The term "Cause" is defined in the employment agreements and the Severance Plan. The terms "Good Reason" and "Change in Control" are defined in the Severance Plan.

All severance payments under the employment agreements and Severance Plan are conditioned upon the delivery and non-revocation of a customary release by the executive in favor of the Company.

Each of the NEO's employment agreements and the Severance Plan are structured so that the executive is entitled to the greater benefit under the two agreements but is not entitled to duplicative benefits.

Each of the employment agreements and the Severance Plan include customary provisions concerning the timing, limitation and alteration of payments to comply with Section 409A of the Internal Revenue Code.

Consistent with the SEC's rules and regulations concerning executive compensation disclosure, the potential value of each executive's benefits assumes that the termination occurred on December 31, 2021, and accordingly, the value of the acceleration of stock vestings is computed based on the closing stock price of \$122.06 on the last business day of 2021. Total termination benefits represent payments for severance, non-compete and non-disclosure covenants. The potential values set forth below do not include the value of the balances under the deferred compensation plan discussed in the section "Nonqualified Deferred Compensation Plans." This summary reflects the terms of the NEOs' employment agreements and the Severance Plan that were in effect on December 31, 2021.

Executive Officer	Voluntary Resignation by Officer Without Good Reason or Termination by the Company With Cause	Voluntary Resignation by Officer With Good Reason or Termination by the Company Without Cause ⁽²⁾	Death or Disability	Retirement	In Connection with Change In Control
Phillippe Lord	\$ —	\$ 10,032,537	\$ 17,470,322	\$ 19,394,138	\$ 26,429,043
Hilla Sferruzza	\$ —	\$ 3,638,939	\$ 9,298,176	\$ 10,062,044	\$ 12,366,997
Steven J. Hilton	\$ —	\$ 3,033,720	\$ 21,332,755	\$ 21,322,755	\$ 27,366,475
Clinton Szubinski	\$ —	\$ 4,570,111	\$ 4,038,444	\$ 5,124,834	\$ 7,672,165
C. Timothy White ⁽³⁾	\$ —	\$ —	\$ —	\$ 10,735,422	\$ —
Javier Feliciano	\$ —	\$ 1,742,818	\$ 3,379,820	\$ 3,651,418	\$ 4,813,541

- (1) The actual expense that would be recognized by the Company in the event of a severance event may differ materially from the numbers presented in the table above as a result of the required computation in accordance with generally accepted accounting principles for stock compensation expense.
- (2) The amounts presented include cash bonuses earned for fiscal 2021, but not paid as of December 31, 2021. In addition to the table above, the amount of bonuses earned and not paid are presented separately as 2021 compensation in the Summary Compensation table on page 40.
- (3) On December 15, 2021, Mr. White retired from the Company. Pursuant to Mr. White's employment agreement, he received the following payments and benefits in connection with his retirement on that date: (i) a one-time payment of \$3,600,000, (ii) pro-rata annual cash incentive bonus for the full year 2021 performance period, (iii) accelerated vesting of time-based restricted stock units, (iv) accelerated vesting of performance share awards that were previously earned but not vested, (v) continued vesting, subject to the achievement of defined performance targets, of outstanding performance share awards, (vi) accrued but unused paid time off, (vii) 150% of monthly COBRA premiums for 18 months, and (viii) reimbursement of long-term care insurance. The amount reported in the preceding table includes actual benefits paid on his retirement date of: \$3,600,000 one-time payment, \$1,041,452 related to his cash incentive bonus, \$2,530,735 associated with the accelerated vesting of 21,231 time-based restricted stock units, \$1,013,081 associated with the accelerated vesting of 8,499 performance based shares that were previously earned but not vested, \$90,458 accrued but unused paid time off, \$52,857 COBRA premiums, and \$30,000 for reimbursement of long-term care insurance. Also included in the amount reported is benefits he is entitled to receive after his retirement date, including \$122,528 related to his cash incentive bonus (which was paid in February 2022) and \$2,254,310 associated with the estimated vesting of 18,912 shares of outstanding performance share awards valued at the closing price of the Company's stock on December 15, 2021. Of the 18,912 shares, 7,940 shares vested on March 1, 2022, 5,265 are scheduled to vest on February 21, 2023 and 5,707 are scheduled to vest on March 1, 2024, subject to the achievement of defined performance targets. The total annual cash incentive bonus paid to Mr. White is included in the Summary Compensation Table in the column titled "Non-Equity Incentive Plan Compensation" and the payments of the one-time lump sum, COBRA premiums, long-term care insurance, and paid time off balance are included in the column titled "Other Compensation." The restricted stock units and performance share awards were reported as compensation to Mr. White in the Summary Compensation Table in prior periods.

Pay Ratio Disclosure

In August 2015, pursuant to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), the Securities and Exchange Commission adopted a rule requiring annual disclosure of the ratio of the annual total compensation of the individual identified as the median paid employee (other than the CEO) to the annual total compensation of the CEO. Our pay ratio disclosure is presented below:

Median Employee annual total compensation (other than the CEO)	\$120,350
CEO annual total compensation	\$7,915,603
Ratio of CEO to Median Employee Compensation	66:1

In 2020 we selected a new median employee. To identify the new median employee, a listing was prepared of all employees (excluding the CEO) and their annual cash compensation as of December 31, 2020 inclusive of base salary and bonus. Wages and salaries and bonuses were annualized for those permanent employees that were not employed for the full year of 2020. As allowed by Dodd-Frank, we are using the same median employee for the fiscal year ended December 31, 2021. For the fiscal year ended December 31, 2021, we calculated the median employee's total compensation using the same methodology that we used to calculate the total compensation for our CEO in the Summary Compensation table on page 40 of this Proxy Statement.

Director Compensation

When establishing and reviewing our director's compensation, we consider the level of work and involvement the directors have with our business. We also consider compensation paid to directors in the marketplace generally and at our peer group companies and consider advice from our independent compensation consultant.

We believe that non-employee director compensation paid primarily in the form of equity awards highly aligns the board members with the interests of the stockholders of the Company. In 2021, 75% of the compensation paid to non-employee directors in the aggregate was in the form of equity awards. Cash compensation paid to directors as a percentage of total compensation has been relatively flat for more than five years.

In 2021, our non-employee directors received the following cash compensation:

Board Retainer	\$	50,000
Committee Chair Retainer (All Committees Except the Land Committee)	\$	20,000
Committee Member Retainer (All Committees Except the Land Committee)	\$	10,000
Lead Director Retainer	\$	40,000

In addition, during 2021, each of our directors received a grant of 2,750 shares of restricted stock units. These shares cliff vest on the third anniversary of the grant date, except for Mr. Keough and Ms. Mooney whose vest on the first anniversary of the grant date. Board members appointed after 2019 receive annual equity award grants with a one-year vesting period.

The 2021 non-employee director compensation is set forth below. Messrs. Hilton and Lord compensation are represented in the Summary Compensation Table. They received no additional compensation for their duties as a member of the Board.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Total (\$)
Raymond Oppel	70,000	230,808	300,808
Peter L. Ax	120,000	230,808	350,808
Gerald Haddock	70,000	230,808	300,808
Dana C. Bradford	70,000	230,808	300,808
Michael R. Odell	70,000	230,808	300,808
Deborah Ann Henretta	72,500	230,808	303,308
Joseph Keough	70,000	230,808	300,808
P. Kelly Mooney	67,500	230,808	298,308

(1) Committee and chair fees are paid to directors on a quarterly basis.

(2) See Note 11 "Stock Based and Deferred Compensation" of our Consolidated Financial Statements included in our 2021 Annual Report on Form 10-K for discussion of the assumptions used for computing the fair value of awards granted. As required, the calculation is equal to the fair value of the award on the date of grant multiplied by the total number of awards granted in 2021, not the proportionate share of all existing unvested awards that vested in the current year.

COMPENSATION OF OFFICERS AND DIRECTORS

We reimburse directors for out-of-pocket expenses incurred in attending Board and committee meetings and we also reimburse certain directors for charter aircraft service or other travel and lodging-related expenses. During 2021, we made reimbursements of approximately \$2,900, \$1,700, \$1,600, \$3,700, \$1,400, \$1,600 and \$3,100 to Mss. Henretta, Mooney and Messrs. Haddock, Oppel, Bradford, Odell and Keough respectively.

At December 31, 2021, Messrs. Oppel, Ax, Haddock, Bradford, and Odell, and Ms. Henretta each had 10,250 outstanding unvested equity awards, and Mr. Keough and Ms. Mooney had 2,750 outstanding unvested equity awards.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes our equity compensation under all of our equity compensation plans as of December 31, 2021:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ⁽²⁾	(c) Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders	883,280	N/A	1,047,626
Equity compensation plans not approved by stockholders	—	N/A	—
Total	883,280	N/A	1,047,626

(1) Balance includes 692,529 time-based restricted stock awards and units, and 190,751 performance share awards (at target level).

(2) The outstanding equity awards are time based restricted stock awards and units and performance share awards which don't have an exercise price.

Delinquent Section 16(a) Reports

Executive officers, directors and “beneficial owners” of more than ten percent of our common stock must file initial reports of ownership and changes in ownership with the SEC under Section 16(a) of the Exchange Act. SEC regulations require these reporting persons to furnish us with copies of all Forms 3, 4 and 5, and amendments thereto, that they file with the SEC. Based solely on our review of the copies of such forms furnished to us, or representations that no forms were required, we believe that during 2021 all of our officers, directors and greater than ten percent beneficial owners complied with all filing requirements of Section 16(a) of the Exchange Act, with the exception of a Form 4 filed by Mr. Szubinski on March 4, 2021 reporting one transaction that was due on March 1, 2021 but was filed late due to administrative delays.

Certain Relationships and Related Transactions

Meritage maintains a written policy concerning conflict of interest transactions that generally applies, among other things, to transactions between the Company and related persons, including employees, officers and directors and applies to direct and indirect relationships and transactions. Because of the nature of our business, which involves the ownership, development, construction and sale of real estate and single family homes, our policy was carefully constructed to capture transactions and relationships between the Company or its competitors, and related persons and relationships between employees, directors, suppliers, vendors, subcontractors (“trades”) and others. At the same time, we are mindful to not inadvertently create the potential for conflicts relating to transactions that are primarily of a personal nature and do not involve the Company, or conflict with its business (for example, the construction of a vacation home or the purchase of a home from the Company pursuant to our home purchase policy that is available to most employees).

For transactions not exempted from the policy, Meritage’s policy requires that designated members of senior management must review and approve any transaction between a covered person (e.g., employees, officers and directors) and the Company, or between a covered person and a trade contractor. The policy provides that the Company’s legal and internal audit departments are to be involved in the review and approval process. For transactions involving directors or senior executive officers (including the officers named in this proxy statement), the proposed transaction must be approved in advance by the Audit Committee of the Board. Real estate transactions between the Company and related persons are subject to strict scrutiny.

The transactions listed below were approved by the Audit Committee of the Board pursuant to the policy.

We currently charter aircraft services from companies that use Mr. Hilton's private plane. Payments made to these companies are at arms-length transaction prices and were as follows (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Air Charter Services	\$ 535	\$ 408	\$ 466

Independent Auditors

Deloitte & Touche LLP has served as our principal independent registered public accounting firm since 2004. We expect representatives of Deloitte & Touche LLP to be present at our Annual Meeting of Stockholders to respond to appropriate questions, and they will be given an opportunity to make a statement if they desire to do so.

The following table presents fees for professional accounting services rendered by our principal accountant for the audit of our annual financial statements for 2021 and 2020, and fees billed for other services rendered.

	2021	2020
Audit fees (1)	\$ 1,172,500	\$ 1,085,000
Audit-related fees	—	—
Audit and audit-related fees	\$ 1,172,500	\$ 1,085,000
Tax fees	—	—
All other fees (2)	—	—
Total fees	\$ 1,172,500	\$ 1,085,000

(1) Audit fees consisted principally of fees for audit and review services and approximately \$47,500 in 2021 for services related to various SEC comfort letters provided in connection with debt refinancing and expert consents provided in connection with SEC filings.

Each year, the Audit Committee approves the annual audit engagement in advance. The Audit Committee also has established procedures to pre-approve all non-audit services provided by the principal independent registered public accounting firm.

The following report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any Company filing under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates this report.

Report of the Audit Committee

We have reviewed Meritage's audited consolidated financial statements and met with both management and Deloitte & Touche LLP, the Company's independent registered public accounting firm, to discuss those consolidated financial statements. Management has represented to us that the consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. We have also reviewed, and discussed with management and Deloitte & Touche LLP, management's report and Deloitte & Touche LLP's report and attestation on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. We have received from, and discussed with, Deloitte & Touche LLP the written disclosure and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding independence. These items related to that firm's independence from Meritage. We also discussed with Deloitte & Touche LLP those matters required to be discussed by Statement on Auditing Standards No. 114, as amended, "The Auditor's Communication With Those Charged With Governance" and Rule 2-07 of Regulation S-X "Communication with Audit Committees." Based on these reviews and discussions, we recommended to the Board that Meritage's audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

THE AUDIT COMMITTEE

Peter L. Ax—Chair
Dana C. Bradford
Joseph Keough

Stockholder Proposals, Director Nominations and Other Items of Business

If any stockholder would like to make a proposal at our 2023 annual meeting pursuant to Rule 14a-8 of the Exchange Act, we must receive it no later than December 5, 2022 in order that it may be considered for inclusion in the proxy statement and form of proxy relating to that meeting.

As discussed in the section “Corporate Governance and Board Matters-The Board and Board Committees-Director Nomination Process-Proxy Access,” our bylaws permit an eligible stockholder, or a group of up to 20 stockholders, that has continuously owned at least three percent of the Company’s outstanding shares of common stock for three years to include in the Company’s proxy materials director nominations of up to 20% (rounded to the nearest whole number) of the number of directors constituting the class up for election at any annual meeting. Notice of proxy access director nominees must be submitted timely and include the information required under our bylaws. To be timely, a proxy access nomination must be delivered to or mailed and received by the Secretary at the principal executive offices of the Company, not earlier than the 150th day nor later than the 120th day prior to the first anniversary date of mailing of this proxy statement, which is expected to occur on or about April 4, 2022; provided, however, that in the event that the date of the 2023 Annual Meeting is advanced or delayed by more than 30 days from the first anniversary of the date of this year’s annual meeting, which is to be held on May 19, 2022, notice by the stockholder must be delivered not earlier than the 150th day prior to the date of such annual meeting and not later than the later of the 120th day prior to the date of such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made.

Proposals to be presented at the 2023 Annual Meeting that are not intended for inclusion in our proxy statement, including director nominations not made pursuant to the proxy access provisions in the Company’s bylaws, must be submitted in accordance with our bylaws. To be timely, a stockholder’s notice of such a proposal must be delivered to or mailed and received by the Secretary at the principal executive offices of the Company, not earlier than the 150th day nor later than the 120th day prior to the first anniversary date of mailing of this proxy statement, which is expected to occur on or about April 4, 2022. Provided, however, that in the event that the date of the 2023 Annual Meeting is advanced or delayed by more than 30 days from the first anniversary of the date of this year’s annual meeting, which is to be held on May 19, 2022, notice by the stockholder must be delivered not earlier than the 150th day prior to the date of such annual meeting and not later than the later of the 120th day prior to the date of such annual meeting or the tenth day following the date on which public announcement of the date of such meeting is first made. In addition, to comply with the universal proxy rules (once effective), stockholders who intend to solicit proxies in support of director nominees other than Company nominees must provide notice to the Company that sets forth the information required by Rule 14a-19 under the Exchange Act no later than March 19, 2023.

A nomination or other proposal will be disregarded if it does not comply with the above procedures.

Stockholder proposals and director nominations and other items of business should be submitted to:

Meritage Homes Corporation
8800 East Raintree Drive Suite 300
Scottsdale, Arizona 85260
Attn: Secretary

Forward-Looking Statements

This proxy statement contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and involve substantial risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include, but are not limited to, statements made concerning our strategies, plans and anticipated benefits from our DE&I and ES&S initiatives; statements made in the CD&A section of this proxy statement regarding the benefits of our strategy and trends in the homebuilding industry; future compensation actions or events; our strategy and opportunities and the anticipated effects of our compensation structure and programs. Meritage undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect Meritage’s business, particularly those mentioned under the heading “Risk Factors” in Meritage’s Annual Report on Form 10-K, and in the periodic reports that Meritage files with the SEC on Form 10-Q.

Annual Report on Form 10-K and Other Matters

The Board is not aware of any other matters to be presented at the meeting. If any other business should properly come before the meeting, the proxy holders will vote according to their best judgment.

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 may be viewed and downloaded from investors.meritagehomes.com, may be requested via email through such website or may be requested telephonically at 480-515-8100. The Annual Report is not considered to be proxy solicitation material.

Upon request, the Company will provide by first class mail, to each stockholder of record on the record date, without charge, a copy of this proxy statement and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, including the required financial statements and financial statement schedules. Written requests for this information should be directed to: Corporate Secretary, Meritage Homes Corporation, 8800 East Raintree Drive, Suite 300, Scottsdale, AZ 85260.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

