

**AMENDED AND RESTATED
CORPORATE GOVERNANCE GUIDELINES AND PRINCIPLES**

(Effective April 8, 2015)

These Corporate Governance Guidelines and Principles, adopted by the Board of Directors (the “Board”) of AV Homes, Inc. (the “Company”), are intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company.

I. DIRECTOR RESPONSIBILITIES

The role of the Board is to direct the affairs of the Company, in the interests of the shareholders, including their interest in optimizing the value of the Company over the long term.

A. Board Role

The Board fulfills its role (directly or by delegating certain responsibilities to its committees) by:

1. providing advice and counsel to the Chief Executive Officer and principal senior executives;
2. selecting, evaluating, fixing the compensation of, and, where appropriate, replacing the Chief Executive Officer;
3. overseeing the conduct of the Company’s business and strategic plans to evaluate whether the business is being properly managed;
4. reviewing and approving the Company’s financial objectives and major corporate plans and actions;
5. reviewing and approving major changes in the appropriate auditing and accounting principles and practices;
6. providing oversight of internal and external audit processes and financial reporting;
7. providing oversight of risk assessment and protection processes and processes designed to promote legal compliance; and
8. performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

B. Care, Candor and Avoidance of Conflicts

The Company’s directors recognize their obligation individually and collectively as the Board to pay careful attention and be properly informed. This requires regular attendance at Board meetings and preparation for Board meetings, including the advance review of circulated materials. The directors also recognize that candor and the avoidance of conflicts in fact and in perception are hallmarks of the accountability owed to the shareholders. Directors have a personal obligation to disclose a potential conflict of interest to the Chairman of the Board, or if at a meeting, the Chairman of the meeting, prior to any Board decision related to the matter and, if the Chairman in consultation with

legal counsel determines a conflict exists or the perception of a conflict is likely to be significant, to recuse themselves from any discussion or vote related to the matter.

II. EXECUTIVE SESSIONS

The independent directors meet regularly without members of management or other directors present in executive session, no less frequently than twice a year, and as otherwise determined by such directors.

The executive sessions have such agendas and procedures as determined by the independent directors. The authority in such sessions to act on behalf of the Company or the Board on any matters requires an express delegation of authority by the Board.

III. FORMAL EVALUATION OF THE CHIEF EXECUTIVE OFFICER

The Board has delegated to the Compensation Committee the task of evaluating the Chief Executive Officer and reporting its recommendations to the Board. The Chairman of the Compensation Committee (together with the Chairman of the Board if the Chairman is an independent director) communicates the Board's conclusions to the Chief Executive Officer.

The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and development of management. The evaluation is used by the Compensation Committee in determining the Chief Executive Officer's compensation. The Compensation Committee shall coordinate with the other committees of the Board of Directors, as appropriate, in its evaluation.

IV. DIRECTOR QUALIFICATION STANDARDS

A. Selection of Board Nominees

The Board is responsible for recommending director nominees to shareholders for election. The Board has delegated the screening process to the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make-up of the Board. This assessment includes issues of judgment and skills, in the context of an assessment of the perceived needs of the Board at that point in time.

The Nominating and Corporate Governance Committee considers recommendations for Board candidates submitted by shareholders using the same criteria it applies to recommendations from the Committee and directors and members of management. Shareholders may submit recommendations by writing to the Committee at c/o Corporate Secretary at the Company's headquarters. Shareholders intending to nominate candidates to serve as directors must comply with the Nomination of Director provisions contained in the Company's By-laws.

Invitations to serve are extended by the Board itself via the Chairman of the Board or the Chairman of the Nominating and Corporate Governance Committee.

B. Board Independence

The Board has a majority of directors who are not officers or employees of the Company or its subsidiaries and who, in each case, the Board has affirmatively determined has no relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director.

The Board shall consider a director to be independent (subject to the interpretative materials of The Nasdaq Stock Market, Inc. or other primary exchange or market on which the Company's shares of common stock are listed) if he or she is independent as defined by the rules of The Nasdaq Stock Market, Inc. or other primary exchange or market on which the Company's shares of common stock are listed.

V. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Board has delegated to the Nominating and Corporate Governance Committee the task of designing, with Company management, an appropriate orientation program for new directors that includes background material, meetings with senior management and visits to Company facilities. The Committee also explores, makes available and designs and provides continuing education opportunities for directors, from time to time.

VI. DIRECTOR COMPENSATION AND STOCK OWNERSHIP GUIDELINES

A. Director Compensation

The Nominating and Corporate Governance Committee recommends to the Board for approval general principles for determining the form and amount of director compensation and subject to such principles, evaluates as appropriate the status of Board compensation in relation to comparable U.S. companies (in terms of size and business sector), reporting its findings and recommendations to the Board for approval.

B. Stock Ownership Guidelines

In order to further align the interests of the Company's directors with the Company's stockholders, the Board has adopted certain stock ownership thresholds. All directors who receive the Company's standard director compensation are required to own common stock of the Company having a market value of at least three times (3x) the annual cash retainer then in effect (which retainer amount shall be (a) exclusive of any cash retainer payable with respect to service on a committee of the Board or other Board leadership position and (b) inclusive of any amount of the annual cash retainer that is deferred). Compliance with the stock ownership threshold shall be required from and after the third anniversary of the director's election to the Board. Shares to be counted for purposes of the stock ownership threshold will be shares of the Company's common stock that the director is deemed to "beneficially own" for purposes of Sections 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended, and all shares of the Company's common stock subject to stock units granted by the Company, whether or not vested. The value of the shareholdings of a director is based on the greater of (a) the average closing price of a share of the Company's common stock during the most recent fiscal year and (b) the closing price on the last day of the most recent fiscal year. Once a director has satisfied

the stock ownership threshold, he or she shall not be deemed to be in breach of the threshold merely due to a decrease in the Company's stock price or increase in the annual cash retainer, subject, in the case of an increase in the annual cash retainer, to compliance with the above stock holding requirement until the higher ownership threshold derived from the increased annual cash retainer is attained.

VII. BOARD AGENDA, MATERIALS, INFORMATION AND PRESENTATIONS

The senior members of management, with input from the Chairman of the Board, establishes the agenda for each Board meeting. Each director is free to suggest the inclusion of item(s) on the agenda.

Information and data that is important to the Board's understanding of the business is distributed in writing to the Board generally before the Board meets. As a general rule, Board meeting time is reserved for discussion. Presentations on specific subjects are forwarded to the directors in advance so that directors may prepare, Board meeting time may be conserved, and discussion time may be focused. However, it is recognized that there may be occasions when an important issue arises without time for written background materials to circulate or the subject matter is not appropriate for written materials, such that more presentation time will be required.

VIII. DIRECTOR ACCESS TO SENIOR MANAGERS AND INDEPENDENT ADVISERS

Directors have complete access to senior management and to the Board's advisors. Directors are expected to use good judgment to ensure that this contact is not distracting to the business operation of the Company, and that independent advisors are used efficiently.

The Board welcomes regular attendance of senior managers at Board meetings. Should the Chairman or Chief Executive Officer desire that a senior manager attend on a regular basis, such suggestion is made to the Board for its concurrence. The Board encourages management to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have future potential such that management believes the Board should have greater exposure to the individual.

IX. BOARD INTERACTION WITH INVESTORS, PRESS, CUSTOMERS AND SHAREHOLDERS

Management, and, in particular, the Chief Executive Officer speaks for the Company. The Chairman of the Board speaks for the Board. Individual directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies. If comments from the Board are appropriate, however, they should, in most circumstances, come from the Chairman. Directors are expected to take special care in all communications concerning the Company, in light of confidentiality requirements and laws prohibiting insider trading, tipping and avoidance of selective disclosure.

X. BOARD COMMITTEES

The Board currently has four standing committees: Audit, Compensation, Finance and Nominating and Corporate Governance. Membership on such committees is limited to independent directors.

The Board retains discretion to form new committees or disband current committees depending upon the circumstances.

The Nominating and Corporate Governance Committee recommends, after consultation with the Chairman of the Board and Chief Executive Officer, and with consideration of the desires of individual directors, the appointment of directors to various committees and the appointment of committee chairmen, for Board approval.

XI. CORPORATE GOVERNANCE GUIDELINES

The Nominating and Corporate Governance Committee reviews these Guidelines periodically and recommends amendment to the Board as necessary.

XII. COMMUNICATING WITH THE BOARD

Shareholders are invited to communicate to the Board or its committees by writing to: Board of Directors, c/o Corporate Secretary at the Company's headquarters.

US.56090020.02