

ESSL GERALD J
Form 4
May 22, 2018

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
ESSL GERALD J

(Last) (First) (Middle)
3811 TURTLE CREEK
BLVD., STE #1100
(Street)

DALLAS, TX 75219

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
EAGLE MATERIALS INC [EXP]

3. Date of Earliest Transaction
(Month/Day/Year)
05/20/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Executive Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/20/2018		F	520	\$ 109.41 (1)	D	
Common Stock					3,000	I	By trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ESSL GERALD J 3811 TURTLE CREEK BLVD. STE #1100 DALLAS, TX 75219			Executive Vice President	

Signatures

/s/ Scott M. Wilson as Attorney-in-Fact for Gerald J. Essl 05/22/2018

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) In accordance with the issuer's Amended and Restated Incentive Plan, this price represents the closing price per share of Common Stock on the previous trading day.
- (2) 520 shares were withheld by the issuer to satisfy income tax withholding requirements related to the lapsing of restrictions on 1,321 shares of restricted stock awarded to the reporting person on May 20, 2016 (Form 4 filed on 5/24/2016). Because the reporting person's restricted holdings have been included in the direct ownership Common Stock disclosed by the reporting person, the reporting person's direct ownership of Common Stock has been reduced by 520 shares to reflect this tax withholding.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. Committee denies the claim of the Participant for benefits under the Plan, the Committee shall provide written notice within 60 days after receipt of the claim, setting forth in a manner calculated to be understood by the claimant: (i) the specific reasons for such denial; A-4 (ii) the specific reference to the Plan provisions on which the denial is based; (iii) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is needed; and (iv) an explanation of the Plan's claim review procedure and the time limitations of this subsection applicable thereto. If the Participant is denied

a claim for benefits, the Participant may request review by the Committee of the denied claim by notifying the Committee in writing within 60 days after receipt of the notification of claim denial. As part of said review procedure, the Participant or his authorized representative may review pertinent documents and submit issues and comments to the Committee in writing. The Committee shall render its decision to the Participant in writing in a manner calculated to be understood by the Participant not later than 60 days after receipt of the request for review, unless special circumstances require an extension of time, in which case decision shall be rendered as soon after the sixty-day period as possible, but not later than 120 days after receipt of the request for review. The decision on review shall state the specific reasons therefor and the specific Plan references on which it is based. (h) Withholding. The Participant or his beneficiary shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other tax requirements applicable to the accrual or payment of benefits under the Plan. If no other arrangements are made, the Company may provide, at its discretion, for any withholding and tax payments as may be required.

A-5 ADDENDUM "B" Executive Officer Cash Bonus Plan (As Proposed to be Amended) Purpose The Toll Brothers Inc. Executive Officer Cash Bonus Plan, as amended (the "Plan") is designed to reward executive officers of Toll Brothers, Inc. (the "Company") for achieving corporate performance objectives. The Plan is intended to provide an incentive for superior work and to motivate participating officers toward even higher achievement and business results, to increase stockholder value, to tie their goals and interests to those of the Company and its stockholders, and to enable the Company to attract and retain highly qualified executive officers. The Plan is also intended to secure the full deductibility under the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") of the bonus compensation paid under the Plan to the Company's Covered Employees (as hereinafter defined).

Article I -- Definitions

1.1 "Board" shall mean the Board of Directors of the Company.

1.2 "Code" shall mean the Internal Revenue Code of 1986, as amended (the "Code").

1.3 "Committee" shall mean the Compensation and the Stock Based Compensation Committee for Key Executives and Non- Employee Directors.

1.4 "Company" shall mean Toll Brothers, Inc.

1.5 "Covered Employee" shall mean, with respect to any fiscal year of the Company, each officer, other than the chief executive officer, whose compensation for such fiscal year is required to be disclosed to stockholders in the proxy statement relating to the annual meeting of stockholders of the Company held during the next fiscal year pursuant to the executive compensation disclosure rules promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

1.6 "Participant" shall mean, with respect to each Performance Period, each executive officer, other than the chief executive officer, who has been designated by the Committee as a Participant in the Plan for such Performance Period.

1.7 "Performance Goal" shall mean, with respect to a Performance Period, an objective performance goal or goals that have been established by the Committee, consistent with the express terms of the Plan, which must be met in order for any bonus payments to be payable to any Participant in the Plan with respect to such Performance Period.

1.8 "Performance Period" shall mean the Plan Year or such other period as may be established as a Performance Period by the Committee from time to time.

1.9 "Plan" shall mean the Toll Brothers, Inc. Executive Officer Bonus Plan as set forth herein and as may be amended from time to time.

1.10 "Plan Year" shall mean the Company's fiscal year, beginning on November 1 and ending on October 31.

Article II - Eligibility and Participation

2.1 Those executive officers of the Company who are officers at the level of vice president or above and who are designated as Participants in the Plan from time to time by the Committee shall be eligible to participate in the Plan. Prior to or at the time performance objectives are established for a specified Performance Period, the Committee shall, at its sole discretion, designate in writing which executive officers are to be Participants in the Plan with respect to such Performance Period.

B-1 2.2 If no specific designation with respect to participation in the Plan is made by the Committee at the time performance goals are established for a specified Performance Period, those officers who participated in the Plan with respect to the immediately prior Performance Period shall be deemed to have been designated as Participants by the Committee.

Article III -- Performance Goals

3.1 Prior to or within the first ninety (90) days of a Performance Period the Committee shall establish in writing with respect to such Performance Period, one or more specific Performance Goals and an objective formula or method for computing the amount of bonus compensation payable to each Participant if the specified Performance Goals are attained. Notwithstanding the foregoing sentence, the Performance Goals for any Performance Period may not be established after 25 percent of the period of service represented by the Performance Period has elapsed.

3.2 Performance goals shall be based upon one or more of the following business criteria for the Company as a whole or any of its subsidiaries, operating divisions or other operating units: Stock price, market share, gross revenue, net revenue, pretax income, operating income, cash

flow, earnings per share, return on equity, return on invested capital or assets, cost reductions and savings, return on revenues or productivity, or any variations of the preceding business criteria, which may be modified at the discretion of the Committee, to take into account extraordinary items or which may be adjusted to reflect such costs or expense as the Committee deems appropriate and the opening or expanding of new geographic regions, developing of new business lines, hiring personnel and training of personnel. In addition, to the extent consistent with the goal of providing for deductibility under Section 162(m) of the Code, performance goals may be based upon a Participant's attainment of personal objectives with respect to any of the foregoing performance goals or implementing policies and plans, negotiating transactions and sales, developing long-term business goals or exercising managerial responsibility. Measurements of the Company's or a Participant's performance against the Performance Goals established by the Committee shall be objectively determinable and shall be determined according to generally accepted accounting principles as in existence on the date on which the Performance Goals are established and without regard to any changes in such principles after such date.

3.3 The establishment of performance goals under the Plan shall in all cases be implemented in a manner consistent with the requirements of Section 162(m) of the Code and Treasury Regulations promulgated thereunder.

Article IV -- Determination of Bonus Awards

4.1 As soon as practicable following the end of a Performance Period, the Committee shall determine whether and to what extent the Company and/or the Participants have achieved the Performance Goal or Performance Goals established for such Performance Period, including the specific target objective or objectives and the satisfaction of any other material terms of the bonus award, and shall certify such determination in writing, which certification may take the form of minutes of the Committee documenting such determination. In addition, the Committee shall calculate the amount of each Participant's bonus for such Performance Period based upon the levels of achievement of the relevant Performance Goals and the objective formula or formulae established for such purposes with respect to such Performance Period. The Committee shall have no discretion to increase the amount any Participant's bonus payable under the Plan, but may, notwithstanding anything contained herein to the contrary, reduce the amount of or totally eliminate such bonus, if it determines, in its absolute and sole discretion, that such a reduction or elimination is appropriate in order to reflect the Participant's individual performance or to take into account any other factors the Committee deems appropriate.

4.2 No Participant shall be entitled to receive a bonus or bonuses during any one Plan Year in an amount that is, in the aggregate, in excess of three hundred fifty percent (350%) of such B-2 Participant's base annual salary as in effect as of the first day of such Plan Year or three million five hundred thousand dollars (\$3,500,000), whichever is less.

4.3 In no event shall the aggregate amount of all bonuses payable in any Plan Year under this Plan exceed ten percent (10%) of the Company's average annual income before taxes for the preceding five fiscal years of the Company.

Article V -- Payment of Awards

5.1 Approved bonus awards shall be payable by the Company in cash to each Participant, or to his estate in the event of his death, in a single payment or in installments, after the end of each Performance Period and after the Committee has certified in writing pursuant to Section 3.1 that the relevant performance goals were achieved, except that the Committee may elect to pay such bonus in one or more installments over a period ending no later than the end of the seventh month following the Committee's certification of the achievement of the relevant performance goals, and may require that the payment of any such installment be subject to the Participant's continued employment by the Company.

5.2 A bonus award that would otherwise be payable to a Participant who is not employed by the Company or one of its subsidiaries on the last day of a Performance Period shall be prorated, or not paid, as follows:

(a) Terminated due to disability: Prorated based on active service during Performance Period.

(b) Retirement in accordance with the Company's retirement policies or with the approval of the Committee: Prorated based on active service during Performance Period.

(c) Voluntary or involuntary resignation or termination prior to retirement without mutual written agreement: No award.

(d) Resignation pursuant to mutual written agreement: Prorated based on active service during Performance Period.

(e) Leave of absence: Prorated based on active service during Performance Period.

(f) Death of Participant: Prorated based on active service during Performance Period.

Article VI -- Other Terms and Conditions

6.1 No bonus awards shall be paid under the Plan unless and until the material terms (within the meaning of Section 162(m)(4)(C) of the Code) of the Plan, including the business criteria described in Section 2.3 of the Plan, are disclosed to and approved by the Company's stockholders by a majority of votes cast in a separate vote, either in person or by proxy, including abstentions to the extent abstentions are counted as voting under applicable state law.

6.2 No person shall have any legal claim to be granted an award under the Plan and the Committee shall have no obligation to treat Participants uniformly. Except as may be otherwise required by law, bonus awards under the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge,

garnishment, execution, or levy of any kind, either voluntary or involuntary. Bonuses awarded under the Plan shall be payable from the general assets of the Company and no Participant shall have any claim with respect to any specific assets of the Company. 6.3 Neither the Plan nor any action taken under the Plan shall be construed as giving any employee the right to be retained in the employ of the Company or any subsidiary or to maintain any Participant's compensation at any level. 6.4 The Company or any of its subsidiaries may deduct from any award any applicable withholding taxes or any amounts owed by the employee to the Company or any of its subsidiaries. B-3 Article VII -- Administration 7.1 All members of the Committee shall be persons who qualify as "outside directors" as defined under Section 162(m) of the Code. Until changed by the Board, the Compensation and Stock Based Compensation Committee for Key Employees and Non-Employee Directors shall constitute the Committee hereunder. 7.2 The Committee shall have full power and authority to administer and interpret the provisions of the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. 7.3 Except with respect to matters which under Section 162(m)(4)(C) of the Code are required to be determined in the sole and absolute discretion of the Committee, the Committee shall have full power to delegate to any officer or employee of the Company the authority to administer and interpret the procedural aspects of the Plan, subject to the Plan's terms, including adopting and enforcing rules to decide procedural and administrative issues. 7.4 The Committee may rely on opinions, reports or statements of officers or employees of the Company or any subsidiary thereof and of Company counsel (inside or retained counsel), public accountants and other professional or expert persons. 7.5 The Board reserves the right to amend or terminate the Plan in whole or in part at any time. Unless otherwise prohibited by applicable law, any amendment required to conform the Plan to the requirements of Section 162(m) of the Code may be made by the Committee. No amendment may be made to the class of individuals who are eligible to participate in the Plan, the performance criteria specified in Section 2.3 or the maximum bonus payable to any Participant as specified in Section 3.2 without stockholder approval unless stockholder approval is not required in order for bonuses paid to Covered Employees to constitute qualified performance-based compensation under Section 162(m) of the Code. 7.6 No member of the Committee shall be liable for any action taken or omitted to be taken or for any determination made by him or her in good faith with respect to the Plan, and the Company shall indemnify and hold harmless each member of the Committee against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Committee) arising out of any act or omission in connection with the administration or interpretation of the Plan, unless arising out of such person's own fraud or bad faith. 7.7 The place of administration of the Plan shall be in the State of Pennsylvania, and the validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of Pennsylvania. B-4 ADDENDUM "C" TOLL BROTHERS, INC. Audit Committee Charter (As Amended December 16, 2004) Organization The audit committee of the Board of Directors shall be comprised of no fewer than three members, such number of members to be designated by the Board of Directors from time to time, each of whom shall meet the independence and experience requirements of the New York Stock Exchange and the independence requirements of Rule 10A-3(b)(i) of the Securities Exchange Act of 1934. At least one member of the committee shall be designated by the Board as an "audit committee financial expert," as defined in Item 401 of the Securities and Exchange Commission's Regulation S-K, unless the Board determines that there is no audit committee financial expert on the Committee. The members of the audit committee shall be appointed by the Board on the recommendation of the nominating and corporate governance committee. Audit committee members may be replaced by the Board. Statement of Purpose The audit committee shall provide assistance to the directors in fulfilling their responsibilities relating to (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and independent auditor. In addition, the audit committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement. In effecting its purposes, the audit committee shall maintain free and open communication among the directors, the independent auditor, the internal auditors and the financial management of the Company. Committee Duties and Responsibilities The audit committee shall have the responsibility and authority for the appointment (subject, if applicable, to shareholder ratification), compensation, retention, evaluation, termination and oversight of the Company's independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) that has been engaged for the purpose of preparing or issuing an audit report or

performing other audit, review or attest services for the Company, and the independent auditor shall report directly to the audit committee. The audit committee shall pre-approve, either specifically or, where appropriate, by the establishment of a policy with regard thereto, all audit engagement fees and terms, all internal control-related services and all permitted non-audit engagements (including the terms thereof) with the independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the audit committee prior to the completion of the audit. The audit committee shall consult with management, but shall not delegate these responsibilities. The audit committee shall meet as often as it determines, but not less frequently than quarterly, and shall report regularly to the Board of Directors. The audit committee may form and delegate authority to subcommittees when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full audit committee at its next scheduled meeting. C-1 The audit committee shall have the authority, to the extent it deems necessary or appropriate, to retain outside legal, accounting or other advisors to advise the committee and shall, as appropriate, obtain advice and assistance from such advisors. The audit committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Company must provide for appropriate funding, as determined by the audit committee, for payment of (i) compensation to the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any outside legal, accounting or other advisors employed by the audit committee, and (iii) ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties. The audit committee shall meet separately with management, the internal auditors and the independent auditor in separate executive sessions periodically. The audit committee shall also meet periodically in separate executive sessions with only members of the committee present. The audit committee shall make regular reports to the Board. The audit committee shall annually review the audit committee's own performance. The audit committee shall consider and act upon any matters required by law to be acted upon by them and may consider and act upon any other matters deemed appropriate by the committee. In carrying out its duties and responsibilities, the audit committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality. In carrying out its duties and responsibilities, the audit committee, to the extent it deems necessary or appropriate, will: Review Procedures Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The audit committee shall (a) meet to review and discuss, prior to their filing on Form 10-K or 10-Q, respectively, the annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the use of pro-forma or adjusted non-GAAP information, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K; and (b) discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, provided that such discussion may be general in nature, and the audit committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance. Review with the Company's independent auditor (i) any audit problems or difficulties and management's response, (ii) any restrictions on the scope of activities or access to requested information, and (iii) any significant disagreements with management. Discuss with management, the Company's internal auditor and the independent auditor: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, the adequacy and effectiveness of the Company's accounting, financial and internal controls, any recommendations for the improvement of such C-2 controls or particular areas where new or more detailed controls or procedures are desirable, any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; (b) analyses prepared by the independent auditor and, as appropriate, management setting forth: (x) significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of all critical accounting policies and practices to be used, (y) the effects of alternative GAAP methods on the financial statements, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (z) other material written communications between the independent auditor and

management, such as any management letter or schedule of unadjusted differences; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company, and (d) the Company's significant risks or exposures and steps management has taken to minimize such risks to the Company, including the Company's risk assessment and risk management policies. Review and discuss with management (including the director of internal audit) and the independent auditor the report of management on the Company's internal control over financial reporting and the independent auditor's attestation of the report prior to the filing of the Company's Form 10-K, in each case at such time that such report and attestation thereto are required by law. Review disclosures made to the audit committee by the Company's chief executive officer and chief financial officer during their certification process for the Form 10-K and Forms 10-Q about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting. Oversight of the Company's Relationship with the Independent Auditor Review and evaluate the lead partner of the independent auditor team. Consider issues relating to rotation of lead audit partner. Have a clear understanding with the independent auditor that they are ultimately accountable to the audit committee, as the shareholders' representatives, and that the audit committee has the ultimate authority in deciding to engage, evaluate, and if appropriate, terminate their services. At least annually, obtain and review with the independent auditor, a report from the independent auditor regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues and (c) all relationships between the independent auditor and the Company delineating the nature and scope of all such relationships and professional services, including the matters in the written disclosures required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the independent auditor's quality controls are adequate and the provision of non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the internal auditor. The audit committee shall present in its conclusions to the Board and, if so determined by C-3 the audit committee, recommend that the Board take appropriate action to satisfy itself of the qualifications, performance and independence of the independent auditor. Set clear hiring policies for employees or former employees of the Company's independent auditor. Discuss with the national office of the independent auditor issues on which they were consulted by the Company's audit team and matters of audit quality and consistency. Meet with the independent auditor and financial management of the Company as necessary to review or discuss the audit scope for the current year and audit procedures to be utilized; at the conclusion of the audit, review the audit results and approaches and financial information included in the financial statements and discuss the auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting, including the matters required to be discussed by Statement on Accounting Standards No. 61. Request assurance from the independent auditor that Section 10A of the Securities Exchange Act of 1934 has been satisfied. Oversight of the Company's Internal Audit Department Review and concur with management's appointment, termination, or replacement of the director of internal audit. Review the significant reports to management prepared by the internal auditing department and management's responses. Review the internal audit function of the Company including the independence and authority of its reporting obligations, the proposed audit plans for the coming year and the coordination of such plans with the independent auditor. Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit. Receive prior to each meeting, a progress report on the proposed internal audit plan, with explanations for any deviations from the original plan. Other Audit Committee Responsibilities Investigate any matter brought to its attention within the scope of its duties, with the power to utilize inside or outside counsel, or other persons or entities having special competence as necessary, for this purpose if, in its judgment, that is appropriate. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Obtain reports from management, the Company's senior internal auditing executives and the independent auditor that the Company and its subsidiaries and affiliated entities are in conformity with applicable legal

requirements, the Company's Code of Business Conduct and Ethics and the Company's Code of Ethics for Senior Executive Officers. Review reports and disclosures of affiliated party transactions. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics and the Company's Code of Ethics for Senior Executive Officers. Serve as the Qualified Legal Compliance Committee (the "QLCC") in accordance with Section 307 of the Sarbanes-Oxley Act of 2002 and Section 205 of the SEC's Standards of Professional Conduct for Attorneys ("Standards"). As the QLCC the audit committee shall: C-4 (a) Establish written procedures for the confidential receipt, retention and consideration of evidence of a material violation under Section 205.3 of the Standards by any officer, director, employee or agent of the Company (each, a "material violation") that is reported to the audit committee by the Company's chief legal officer or other legal advisors. (b) Inform the Company's chief legal officer or chief executive officer of any report of evidence of a material violation that is reported to the audit committee by the Company's chief legal officer or other legal advisors. (c) Determine whether an investigation is necessary regarding any report of evidence of a material violation that is reported to the audit committee by the Company's chief legal officer or other legal advisors. If the audit committee determines an investigation is necessary or appropriate: (i) notify the full Board; (ii) initiate an investigation, which may be conducted either by the chief legal officer or by outside attorneys, and (iii) retain such additional expert personnel as the audit committee deems necessary. At the conclusion of any such investigation: (x) recommend, by majority vote, that the Company implement an appropriate response (as defined in Section 205.2(b) of the SEC's Standards) to evidence of any material violation; and (y) inform the chief legal officer, the chief executive officer and the Board of the results of any such investigation and any appropriate remedial measures to be adopted. (d) Acting by majority vote, take all other appropriate action to respond to evidence of any material violation that is reported to the audit committee by the Company's chief legal officer or other legal advisors. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statement or accounting policies. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies. Limitation of Audit Committee's Role While the audit committee has the responsibilities and powers set forth in this Charter, it is not the duty of the audit committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. C-5 ADDENDUM "D" TOLL BROTHERS, INC. Executive Compensation Committee Charter (As Amended December 16, 2004) This Charter has been adopted by the Board of Directors of Toll Brothers, Inc. (the "Company") to govern its Executive Compensation Committee (the "Committee"), which shall include the Company's Administrative Subcommittee for the Company's Stock Based Compensation Plans, which Committee shall have the authority, responsibility and specific powers described below. Purposes The Committee's principal purposes are (i) to discharge the responsibilities of the Board of Directors relating to the compensation of the Company's officers in accordance with the provisions of this Charter, including the Committee's evaluation of, and approval of or recommendations to the Board of Directors with respect to, the plans, policies and programs relating to the compensation of the Company's officers, subject to approval of the Company's stockholders in those instances where stockholder approval is required by applicable laws or regulations of governmental authorities or applicable rules of the New York Stock Exchange ("NYSE") or any other stock exchange where the Company's securities are from time to time listed (collectively, "Applicable Requirements"), and (ii) to produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with Applicable Requirements. Committee Membership The Committee shall consist of the number of members fixed from time to time by the Board of Directors, but shall at all times consist of not less than two members. The Committee shall have a chairperson(s) who shall be appointed by the Board of Directors. Each member of the Committee shall be a member of the Board of Directors who satisfies any Applicable Requirements, including any "independence" requirements of the NYSE from time to time in effect and applicable to the Company. The members of the Committee shall be appointed by the Board of Directors, The members of the Committee may be removed by the Board of Directors. Committee Authority and Responsibilities The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will

consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years. The Committee shall annually review and approve, for the CEO and each of the other executive officers and any other officers recommended by the Board of Directors, as applicable, the following: the annual base salary level; the annual incentive opportunity level; the long-term incentive opportunity level; the provisions of any employment agreement, severance arrangement or change-in-control agreement; and any special or supplemental benefits. The Committee shall make recommendations to the Board of Directors with respect to incentive-compensation plans and equity-based plans. D-1 The Committee shall have the sole authority to retain and terminate any compensation consultant retained to assist in the evaluation of the compensation of the Company's directors and officers, including the CEO, and shall have sole authority to approve the fees and other terms applicable to the engagement of each such consultant so retained. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee shall administer the Company's stock option and stock incentive plans (except to the extent the Board of Directors serves as administrator under such plans), the Cash Bonus Plan and the Executive Officer Cash Bonus Plan, in each case, in accordance with the terms of the plan and in accordance with Applicable Requirements. The Committee shall be responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement relating to its annual meeting of stockholders in accordance with Applicable Requirements. The Committee shall make regular reports to the Board of Directors. The Committee shall review and reassess the adequacy of this Charter annually and, upon the completion of each such review, recommend any proposed changes to the Board of Directors for approval. The Committee shall annually evaluate its own performance and report to the Board of Directors the conclusions of the Committee resulting from such review. Other than the reports required to be made by the Committee, each of which shall be made by the entire Committee, the Committee may from and delegate authority to one or more subcommittees. Each such subcommittee shall consist of one or more members of the Compensation Committee. Adopted by the Board of Directors: December 12, 2002 As amended: December 16, 2004 D-2 ADDENDUM "E" TOLL BROTHERS, INC. Nominating and Corporate Governance Committee Charter (As Amended December 16, 2004) This Charter has been adopted by the Board of Directors of Toll Brothers, Inc. (the "Company") to govern its Nominating and Corporate Governance Committee (the "Committee"), which shall have the authority, responsibility and specific powers described below. Purposes. The Committee's principal purposes are (a) to identify individuals qualified to become members of the Board of Directors and select, or recommend that the Board of Directors select, the director nominees for the next annual meeting of stockholders, (b) to develop and recommend to the Board of Directors a set of corporate governance guidelines applicable to the Company, and (c) to provide an annual report to the Board of Directors which shall include the results of the Committee's annual evaluation of its performance, all in accordance with applicable laws or regulations of governmental authorities, applicable rules of the New York Stock Exchange ("NYSE"), the Pacific Exchange (the "PE") and/or any other stock exchange where the Company's securities are from time to time listed (collectively, "Applicable Requirements"). Goals and Responsibilities. The Committee shall perform its duties in a manner consistent with the criteria set forth in this Charter for selecting new directors, and shall conduct oversight for the evaluation of the Board of Directors and management. Criteria for Selecting New Directors. The Committee, in selecting, or in recommending the selection of, nominees for directors, shall consider all applicable statutory, regulatory, case law and NYSE requirements with regard thereto, including when appropriate those applicable to membership on the Audit Committee, as well as whatever other criteria it deems appropriate. Candidates shall, at a minimum, possess a background that includes a solid education, extensive business experience and the requisite reputation, character, integrity, skills, judgment and temperament, which, in the Committee's view, have prepared him or her for dealing with the multi-faceted financial, business and other issues that confront a Board of Directors of a corporation with the size, complexity, reputation and success of the Company. Committee Member Qualifications. The members of the Committee shall satisfy any Applicable Requirements, including the "independence" requirements of the NYSE from time to time in effect and applicable to the Company. Committee members shall be appointed and removed by the Board of Directors. A member of the Committee shall be selected by the Board of Directors to serve as the Committee's chairperson. The Committee may delegate any position of its authority to a subcommittee comprised solely of its members. Committee Meetings and Reporting. The Committee shall meet annually, or more frequently if deemed appropriate by its chairpersons or a majority of its members. The Committee shall make regular reports to the Board of Directors. Board Size and Members. The Committee shall evaluate from

time to time the appropriate size of the Board of Directors and recommend any increase or decrease with respect thereto; recommend any changes in the composition of the Board of Directors so as to best reflect the objectives of the Company and the Board of Directors; establish processes for developing candidates for Board membership, and for the conducting of searches for Board candidates; review candidates recommended by stockholders in accordance with the Committee's policy for submission of such recommendations; conduct the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates; and propose a slate of Directors with respect to each class of Directors to be elected at each annual meeting of the Company's stockholders. E-1 Board Compensation. The Committee shall evaluate and make recommendations to the Board of Directors with respect to compensation of Directors of the Company. Establish Recommended Corporate Governance Guidelines. The Committee shall adopt and review, at least annually, corporate governance guidelines consistent with requirements of the NYSE. Establish Procedures and Policies Regarding the Nominating Functions of the Committee. The Committee shall establish whatever procedures it deems necessary or appropriate to comply with rules of the Securities and Exchange Commission imposing requirements on nominating committees in connection with the director nominating process. Board Committees. The Committee shall review the Board of Directors' committee structure and recommend to the Board for its approval Directors to serve as members of each committee. The Committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed. Changes to Corporate Governance Instruments. Review proposed changes in, and where appropriate, propose changes with respect to, the Company's governing instruments, including, but not limited to, its Certificate of Incorporation and Bylaws, as such documents relate to corporate governance and succession matters. Advisors. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including the sole authority to approve the search firm's fees and other retention terms. The Committee may also retain counsel of its choice and other advisors which the Committee deems necessary. Annual Charter Review. The Committee shall review and reassess the adequacy of this Charter annually and, upon the completion of such review, recommend any proposed changes to the Board of Directors for approval. Annual Performance Evaluation. The Committee shall annually review its own performance and report to the Board of Directors the conclusions of the Committee resulting from such review. Adopted by the Board of Directors: December 12, 2002 As amended: December 16, 2004 E-2 ADDENDUM "F" TOLL BROTHERS, INC. Corporate Governance Guidelines The following constitute the corporate governance guidelines of Toll Brothers, Inc. established by the Company's Board of Directors: Director Qualification Standards. The qualifications standards of members of the Board of Directors shall, in the minimum, reflect the independence and other requirements set forth in the applicable rules of the New York Stock Exchange and any applicable federal and state laws. Any substantive qualification requirements for membership on the Board of Directors, including a policy limiting the number of boards on which a Director may sit, and Director tenure, retirement and succession, shall be determined from time to time by the Company's Nominating/Corporate Governance Committee. Director Responsibilities. The business and affairs of the Company shall be under the direction of the Board of Directors. The Board shall have oversight of management's conduct of the business and shall review the Company's financial results. Directors are expected to dedicate themselves to promoting the best interests of the stockholders as respects corporate governance, fiduciary responsibilities, duty of loyalty, compliance with applicable laws and review and familiarity with the Company's accounting, operational, internal controls, disclosure controls and policies and other major corporate functions. The Board shall be responsible for selecting, evaluating and replacing officers of the Company in accordance with the Bylaws of the Company. Board members are expected to attend meetings, except for good reason, and to be prepared for meetings by becoming familiar with materials distributed to them. Directors Access to Management; Independent Advisors. The Board, and each of its members, shall have direct access to management of the Company and, where the Board deems necessary and appropriate, independent advisors. Director Compensation. The Board shall set, and from time to time review, its compensation and may seek independent advice with respect thereto. Compensation for Directors may be in the form of Director's fees, as well as formula-based stock options pursuant to a plan or plans approved by stockholders; provided, however, that separate or additional compensation may be provided for committee membership and for Chairs of committees or subcommittees. Board members may be compensated for their expenses in attending meetings and fulfilling functions assigned to them by the Board or committees. The Board should be sensitive to questions relating to Directors' independence which may be raised with regard to excess fees and benefits, charitable contributions to organizations in which a Director is affiliated, consulting or other agreements with a Director and, generally, any interested party or

conflict of interest transactions. Director Orientation and Continuing Education. The Board of Directors shall assure that there is a continuing process for orientation of Board members to the changing aspects of the Company's business and continuing education with regard to the Company's operations and financial status. Management Succession. The Board should be sensitive to succession planning issues, including policies and principles for selection of a chief executive officer, performance review and policies regarding succession in the event of an emergency or the retirement of the CEO. Annual Performance Evaluation of the Board. The Board should conduct a self evaluation at least annually to determine whether it and its Committees are functioning effectively. Adopted by the Board of Directors: December 12, 2002 Amended: December 11, 2003 F-1 ADDENDUM "G" TOLL BROTHERS, INC. Code of Ethics for Principal Executive Officer and Senior Financial Officers This Code of Ethics for the Principal Executive Officer and the Senior Financial Officers (the "Code") of Toll Brothers, Inc. (the "Company") applies to the Company's principal executive officer, principal financial officer, principal accounting officer, controller and persons performing similar functions designated by the Company's Board of Directors (collectively, the "Senior Officers"). The Senior Officers must conduct themselves in accordance with the principles and responsibilities set forth in this Code. Senior Financial Officers who violate this Code may be subject to disciplinary action. This Code has been adopted by management after review by the Audit Committee. Each of the Senior Officers shall: 1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships. 2. Avoid transactions that involve potential conflicts of interest, which have not been appropriately processed in accordance with Company policy or reviewed and approved by the Board of Directors or the appropriate Board Committee; disclose to one of individuals designated in item 11, below, any material transaction or relationship that reasonably could be expected to give rise to such a conflict. 3. Provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the SEC and in other public communications made by the Company. 4. Comply in good faith with applicable laws, rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies. 5. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her independent judgment to be subordinated. 6. Respect the confidentiality of information acquired in the course of his or her work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of his or her work shall not be used for personal advantage. 7. Maintain skills important to his or her constituents' needs. 8. Promote ethical behavior as a responsible partner among peers in his or her work environment. 9. Achieve responsible use of and control over all assets and resources employed or entrusted to him or her. 10. Be accountable for adherence to this Code. 11. Promptly report any violations of this Code to one of the following persons: Chief Executive Officer, General Counsel, Chairman of the Audit Committee. Adopted: December 12, 2002 G-1 PROXY TOLL BROTHERS, INC. PROXY SOLICITED BY THE BOARD OF DIRECTORS Annual Meeting of Stockholders - March 17, 2005 The undersigned stockholder of Toll Brothers, Inc. (the "Company"), revoking all previous proxies, hereby appoints ROBERT I. TOLL, BRUCE E. TOLL AND CARL B. MARBACH, and each of them individually, as the attorney and proxy of the undersigned, with full power of substitution, to vote all shares of common stock of the Company which the undersigned would be entitled to vote if personally present at the Annual Meeting of Stockholders of the Company to be held at the offices of the Company, 250 Gibraltar Road, Horsham, Pennsylvania, on March 17, 2005, and at any adjournment or postponement thereof. Said proxies are authorized and directed to vote as indicated with respect to the matters specified on the reverse side. This proxy is solicited on behalf of the Board of Directors. This proxy, when properly executed, will be voted in the manner directed herein by the undersigned. Unless otherwise specified, the shares will be voted "FOR" the election of the three Director nominees named on the reverse side, "FOR" the approval of the proposed amendments to the Company's Certificate of Incorporation, "FOR" the proposed amendment to the Toll Brothers, Inc. Cash Bonus Plan, "FOR" the proposed amendment to the Toll Brothers, Inc. Executive officer Cash Bonus Plan, "FOR" the approval of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2005 fiscal year and "AGAINST" the stockholder proposal. This proxy also delegates discretionary authority to vote with respect to any other business which may properly come before the meeting or any adjournment or postponement thereof. (Continued on reverse side) FOLD AND DETACH HERE Please mark your votes as indicated in this example |X| The Board of Directors recommends a vote "FOR" all director nominees and "For" Proposal Two through Five. 1. FOR all nominees Withhold authority listed (except as to vote for all marked to the nominees contrary) listed |_||_|| (INSTRUCTION: To withhold authority to vote for any nominee, strike a line through the nominee's name below.) Robert I. Toll, Bruce E. Toll and Joel H. Rassman. 2. The approval

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of the amendments to the Company's Certificate of Incorporation. FOR AGAINST ABSTAIN 3. The approval of the amendment to the Toll Brothers, Inc. Cash Bonus Plan. FOR AGAINST ABSTAIN 4. The approval of the amendment to the Toll Brothers, Inc. Executive Officers Cash Bonus Plan. FOR AGAINST ABSTAIN 5. The approval of Ernst & Young LLP as the Company's registered public accounting firm for the 2005 fiscal year. FOR AGAINST ABSTAIN The Board of Directors recommends a vote "AGAINST" Proposal Six. 6. Stockholder proposal on stock option expensing. FOR AGAINST ABSTAIN 7. To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof. THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF THE NOTICE OF ANNUAL MEETING, PROXY STATEMENT AND 2004 ANNUAL REPORT OF TOLL BROTHERS, INC. Dated:

_____, 2005 Signature of Stockholder

Signature of Stockholder _____

NOTE: Please sign this Proxy exactly as name(s) appear(s) in address. When signing as attorney-in-fact, executor, administrator, trustee or guardian, please add your title as such. If the stockholder is a corporation, please sign by full corporate name by duly authorized officer or officers and affix the corporate seal. Where shares are held in the name of two or more persons, all such persons should sign. PLEASE SIGN, DATE AND RETURN THIS PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. FOLD AND DETACH HERE