

**CHARTER OF THE  
AUDIT COMMITTEE  
OF NVR, INC. (“NVR” or the “Company”)**

The Board of Directors of NVR, Inc. (the “Board”) has adopted and approved this amended Charter for the Audit Committee of NVR, Inc. (the “Audit Committee”) effective June 1, 2016.

1. The purpose of the Audit Committee is to assist the Board’s oversight of (1) the integrity of the Company’s accounting and financial reporting processes, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent external auditor’s qualifications and independence, and (4) the performance of the Company’s internal audit function and independent external auditors.
  
2. Structure and Membership Requirements
  - 2.01 The Audit Committee shall consist of at least four “independent” directors. Each Audit Committee member must meet the “independent” definition as contained within Section 303A.02 of the New York Stock Exchange listing standards **and** Rule 10A-3(b)(1) under the 1934 Exchange Act; and
  
  - 2.02 Each member of the Audit Committee must be financially literate, as such qualification is interpreted by the NVR Board in its business judgment, but which standards will be no less than the ability to read and understand fundamental financial statements, including the balance sheet, income statement and cash flow statement; and
  
  - 2.03 At least one member of the Audit Committee must be financially sophisticated. A financially sophisticated Audit Committee member has accounting or related financial management expertise, as the NVR Board interprets such qualification in its business judgment, but which standard will at least require such member to have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the individual’s financial sophistication (including but not limited to being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities). At least one member of the Audit Committee must qualify as an audit committee financial expert as defined in Item 401(h) of Regulation S-K. A director who qualifies as an audit committee financial expert under Item 401(h) of Regulation S-K is presumed to qualify as financially sophisticated.
  
3. Meetings
  - 3.01 The Audit Committee shall meet at least four times each calendar year on a quarterly basis; and

3.02 The Audit Committee shall meet separately at least four times each year with each of Company management, the Internal Audit Executive and the independent external auditor.

4. Duties and powers

4.01 The Audit Committee shall directly appoint, retain, compensate, evaluate and terminate the Company's independent external auditors (or any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other auditing, review or attestation services for the Company) and must be directly responsible for the oversight of the independent external auditors (or such other public accounting firm), including the resolution of disagreements between management and the independent external auditor (or such other public accounting firm). The Audit Committee has the sole authority to approve all engagements and fees with the independent external auditor (or any other public accounting firm), although the Audit Committee may issue pre-approval policies and procedures as contemplated by Rule 2-01(c)(7) of Regulation S-X. This does not preclude the Audit Committee from obtaining the input of Company management;

4.02 The Audit Committee shall establish written procedures for the receipt, retention and treatment of complaints on accounting, internal accounting controls or auditing matters, as well as for the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters. The Audit Committee shall review substantiated complaints received from internal and external sources regarding accounting, internal accounting controls or auditing matters;

4.03 The Audit Committee shall review reports from management regarding significant accounting, internal accounting controls, auditing, legal and regulatory matters.

4.04 The Audit Committee shall engage such independent legal counsel and such accounting or other expert advisors as the Audit Committee deems necessary to carry out its duties;

4.05 The Audit Committee shall receive appropriate funding, as determined by the Audit Committee, from the Company for payment of (a) compensation to the Company's independent external auditors (or other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company), (b) compensation to the outside legal, accounting or other expert advisors employed by the Audit Committee in the fulfillment of its duties and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate to carry out its duties. The Audit Committee has sole authority to approve the fees and other retention terms of such legal, accounting and other expert advisors;

- 4.06 The Audit Committee shall, at least annually, obtain and review a written report by the independent external auditor describing:
- (a) All relationships between the external auditor and NVR, consistent with the applicable requirements of the Public Company Accounting Oversight Board concerning the external auditor's independence;
  - (b) The independent external auditor's internal quality control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent external auditor, 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 independent external auditor, and any steps taken to deal with any such issues; and
  - (c) The Audit Committee shall actively engage in a dialogue with the independent external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent external auditor, and shall take, or recommend that the Board take, appropriate action to oversee the independence of the independent external auditors;
  - (d) The Audit Committee should present its conclusions with respect to the independent external auditor's qualifications, performance and independence to the Board;
- 4.07 The Audit Committee shall discuss the annual audited financial statements and quarterly financial statements with management and the independent external auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Audit Committee shall also discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Audit Committee's responsibility to discuss earnings releases as well as financial information and earnings guidance may be done generally, such as a discussion of the types of information to be disclosed. The Audit Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance;
- 4.08 The Audit Committee shall review with the independent external auditor any audit problems or difficulties and management's response;
- 4.09 The Audit Committee, based on a review of NVR's annual financial statements and based on a discussion with NVR's independent external auditor and NVR management, will recommend to the Board whether to include the audited

financial statements in the Annual Report on Form 10-K filed with the Securities and Exchange Commission;

- 4.10 The Audit Committee shall prepare the disclosure required by Item 407(d)(3)(i) of Regulation S-K.
  - 4.11 With respect to the Internal Audit function, the Audit Committee shall:
    - (a) Review and approve the Internal Audit charter, activities, staffing and organizational structure annually;
    - (b) Review and approve the annual Internal Audit plan and any significant changes to such plan;
    - (c) Ensure there are no unjustified restrictions or limitations on Internal Audit;
    - (d) Review and approve the appointment, replacement or dismissal of the Internal Audit Executive; and
    - (e) Review the performance of the Internal Audit Executive at least annually and approve the annual compensation and salary adjustment for the Internal Audit Executive.
  - 4.12 The Audit Committee shall set clear hiring policies for employees or former employees of the independent external auditors;
  - 4.13 The Audit Committee shall periodically discuss the Company's policies with respect to risk assessment and risk management;
  - 4.14 In furtherance, and not in limitation of the foregoing, the Audit Committee shall be vested with all responsibilities and authority required by Rule 10A-3 under the Exchange Act;
  - 4.15 The Audit Committee shall function as a qualified legal compliance committee under Part 205 of the rules of the Securities and Exchange Commission (the "Part 205 Rules");
  - 4.16 The Audit Committee shall keep minutes of each Audit Committee meeting and report regularly to the Board.
5. Service as Qualified Legal Compliance Committee
- 5.01 In serving as a qualified legal compliance committee pursuant to the Part 205 rules, the Audit Committee shall have the following powers, authority and duties:
    - (a) To inform the Company's chief legal officer ("CLO") and chief executive officer ("CEO") of any report of evidence of a material violation of securities laws or material breach of fiduciary duty or similar material violation by NVR, its directors, officers, employees or agents ("Material Violation"), except when it would be futile to do so.

- (b) To determine whether an investigation is necessary regarding any report of evidence of a Material Violation and, if it determines an investigation is necessary or appropriate, to notify the full Board, initiate an investigation, which may be conducted either by the CLO or by outside attorneys, and retain such additional expert personnel as the Audit Committee deems necessary.
- (c) At the conclusion of any such investigation, the Audit Committee will obtain a written report from the CLO or outside counsel conducting the investigation and recommend, by majority vote, that the Company implement an appropriate response to evidence of a Material Violation. The Audit Committee will inform the Board, CEO and CLO of the results of any such investigation under this authorization and the appropriate remedial measures to be adopted.
- (d) Acting by majority vote, to take all other appropriate action, including the authority to notify the Securities and Exchange Commission in the event that the Company fails in any material respect to implement an appropriate response that the Audit Committee has recommended the issuer to take.

5.02 The Audit Committee shall adopt written procedures for the confidential receipt, retention and consideration of any report of evidence of a Material Violation under the Part 205 Rules.

## 6. Review of Charter and Performance

6.01 The Audit Committee shall conduct an annual evaluation of the Audit Committee's performance as compared to the requirements of this Charter, and shall periodically, but no less frequently than on an annual basis, review the adequacy of this Charter; and

6.02 Any changes to the charter must be approved by the Board.