

NVR, Inc.

Corporate Governance Guidelines

Set forth below are Corporate Governance Guidelines (“Guidelines”), adopted by the Board of Directors (the “Board”) of NVR, Inc. (“NVR” or the “Company”).

I. Role and Functions of the Board

A. General Roles of Board and Management

The Board is elected by and responsible to the Company’s shareholders. NVR’s operations are conducted by its employees, managers and officers, under the direction of the Chief Executive Officer (“CEO”) and the oversight of the Board. The Board monitors the performance of the CEO and senior management.

B. Functions of the Board

1. The primary functions of the NVR Board are to oversee management performance on behalf of the shareholders and generally to perform the duties and responsibilities assigned to the Board by the laws of the State of Virginia, the state where NVR is incorporated.
2. In addition to its general oversight of management, the Board, as a whole or through Board committees, also performs a number of specific functions, including:
 - a. Selecting, evaluating and compensating senior officers of the Company and planning for senior management succession, including the CEO;
 - b. Reviewing and approving the implementation of NVR’s strategic planning;
 - c. Reviewing and approving the Company’s annual business plan;
 - d. Reviewing and approving material corporate actions, transactions and financings;
 - e. Overseeing the establishment of processes designed to ensure the integrity of the Company’s financial statements and financial reporting, including its systems of internal controls;
 - f. Overseeing the Company’s compliance with laws and its Code of Ethics;
 - g. Reviewing assessments of, and management’s plans with respect to, significant risks facing the Company;
 - h. Reviewing actions taken by Board committees on major issues delegated to them; and
 - i. Evaluating the performance of the Board and its committees and making appropriate changes, where necessary.

3. The Board will at all times maintain an Audit Committee, a Nominating and Corporate Governance Committee, and a Compensation Committee, each of which will operate in accordance with its respective Board-approved charter, the applicable rules of the Securities and Exchange Commission and the applicable exchange on which the Company's securities are listed. The Board may also establish other committees, as it deems appropriate, subject to the limitations of any applicable law or the Company's Bylaws. After each committee meeting, each Committee Chairperson shall report to the full Board at the next regularly scheduled Board meeting any material actions taken by the respective committee.

II. Board Composition, Director Qualification Standards and Meetings

A. Board Composition

1. A substantial majority of the Company's Board must meet the independence requirements described below in "Director Independence Standards." The Audit, Compensation, and Nominating and Corporate Governance Committees shall all be composed entirely of independent directors.
2. The Board does not believe in arbitrary age or term limits on directors' service. While age or term limits may help ensure that fresh ideas and view points are available to the Board, they may force the Company to lose the contribution of directors who have developed valuable insight into NVR's business operations and who maintain active involvement in Board activities. The Board believes that it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process. In connection with re-nomination recommendations, the Nominating and Corporate Governance Committee will consider the issues of continuing director tenure and take steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo.
3. The Board of Directors shall consist of no less than seven directors and no more than thirteen directors, as determined by the Board of Directors from time to time by resolution. The Board will periodically evaluate whether a larger or smaller number would be preferable in accordance with the Company's Charter and Bylaws and based on recommendations of the Nominating and Corporate Governance Committee.

B. Director Independence Standards

The Board has established Director independence standards to assist it in determining director independence, which meet the independence requirements of the New York Stock Exchange corporate governance listing standards. The Board

will consider all relevant facts and circumstances in making an independence determination.

To be considered "independent" for purposes of the Company's requirements, a director must be determined, by resolution of the Board, to have no material relationship with the Company other than as a director. These determinations will be made public annually prior to the directors standing for election to the Board.

Independence is presumptively impaired if the Director:

1. Is, or has been employed by the Company (other than as an interim Chairman of the Board or interim Chief Executive Officer) within the last three years;
2. Has an immediate family member who is, or has been in any of the past three years, employed by the Company as an executive officer;
3. Is, or an immediate family member is, currently employed or was employed within the last three years as an executive officer of another company where any of the Company's current executive officers at the same time serves or served on that company's compensation committee;
4. Has had, or an immediate family has had, a material relationship as determined at the discretion of the Board, with the Company considering all relevant facts and circumstances, within the last three years;
5. (A) Is a current partner or employee of the Company's internal or external auditor, (B) has an immediate family member who is a current partner of such firm, (C) has an immediate family member who is a current employee of such firm and personally works on the Company's audit, or (D) was, or an immediate family member was within the last three years a partner or employee of the Company's internal or external auditor and personally worked on the Company's audit within that time;
6. Has received, or an immediate family member has received, more than \$120,000 in direct compensation from the Company during any twelve-month period within the last three years, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); and
7. Is currently an employee, or an immediate family is currently an executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

For purposes of these Director Independence Standards, the following definitions apply:

1. The “Company” includes NVR, Inc. and any subsidiary of NVR, Inc.
2. An “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone who resides in such person’s home (other than domestic employees).

C. Director Qualification Standards

1. Each director nominee is evaluated in the context of the full Board’s qualifications as a whole, with the objective of establishing a Board that can best perpetuate the success of the Company’s business and represent shareholder interests through the exercise of sound judgment. Each director nominee will be evaluated considering the relevance to the Company of the director nominee’s respective skills and experience, which must be complementary to the skills and experience of the other members of the Board.
2. Director nominees must possess a general understanding of marketing, finance and other elements relevant to the success of a large publicly traded company in today’s business environment, and an understanding of the Company’s business on an operational level.
3. Each director may be assigned committee responsibilities. A director nominee’s educational and professional backgrounds must be consistent with the director nominee’s committee assignment (e.g., director nominees who will be assigned to the audit committee must be financially literate as defined within the Company’s Audit Committee’s Charter).
4. Director nominees must demonstrate a willingness to devote the appropriate time to fulfilling Board duties.
5. Director nominees shall not represent a special interest or special interest group whose agenda is inconsistent with the Company’s goals and objectives or whose approach and methods are inconsistent with what the Board believes is in the best interest of the Company’s shareholders.
6. Director nominees shall not be a distraction to the Board, nor shall a director nominee be disruptive to the achievement of the Company’s business mission, goals and objectives.

D. Director Tenure and Other Matters

1. Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee. A director should offer to resign if the Nominating and Corporate Governance Committee concludes, and the Board concurs with the conclusion, that the director no longer meets the Company's requirements for service on the Board or independence.
2. Any officer of the Company who is a director will offer to resign from the Board when such individual ceases to be an officer of the Company. The Board will determine, based on a recommendation from the Nominating and Corporate Governance Committee, whether to accept such officer's resignation as a Board member.
3. Directors may not serve on more than four public company boards, including their service on the Company's Board. In selecting director nominees, the Board takes into account the other demands on the nominee. Current directors should consider whether accepting a new directorship would compromise the director's ability to perform the director's present responsibilities. The Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee shall be consulted by existing directors prior to the existing directors joining another board of directors. The Nominating and Corporate Governance Committee will assess whether the new membership would present a conflict or otherwise compromise the ability of that director to dedicate the time necessary to serve on the NVR Board, and present its assessment to the full Board for their consideration.
4. The Board has established nominating and corporate governance committee policies and procedures, which may be amended from time to time, for the consideration of director nominees, including director nominations from security holders.

E. Director Resignation Policy

In accordance with the Company's Articles of Incorporation, a nominee must receive more votes for than against his or her election or re-election at a meeting at which a quorum is present in order to be elected or re-elected to the Board, unless the number of nominees exceeds the number of directors to be elected. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as director only candidates who agree to tender their resignation if they fail to receive the required number of votes for re-election. In addition, the Board shall fill director vacancies and new directorships only with

candidates who agree to tender their resignation if they fail to receive the required number of votes for re-election.

The Nominating and Corporate Governance Committee shall promptly consider the resignation offer of any such director and recommend to the Board whether to accept the tendered resignation or reject it. The Board shall take action with respect to the Nominating and Corporate Governance Committee's recommendation no later than 90 days following the submission of any such resignation offer.

Following the Board's action regarding the Nominating and Corporate Governance Committee's recommendation, the Company shall promptly file a Current Report on Form 8-K with the Securities and Exchange Commission which shall detail the Board's decision regarding a tendered resignation. This disclosure shall include an explanation of the process by which the Board's decision was reached and the reasons for the Board's decision.

To the extent that one or more directors' resignations are accepted by the Board, the Nominating and Corporate Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

The Board expects that any director who tenders his or her resignation pursuant to this Policy will not participate in the Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept or reject the tendered resignation. If, however, a majority of the members of the Nominating and Corporate Governance Committee fails to receive the required number of votes for re-election in the election, the independent directors who did not fail to receive the required number of votes for re-election in the election shall form a committee amongst themselves for the purposes of evaluating the tendered resignations and recommending to the Board whether to accept or reject them.

This corporate governance guideline will be summarized or included in each proxy statement relating to an election of directors of the Company.

F. Board Meetings

1. The Chairman of the Board, taking into account suggestions from other members of the Board, will set the agenda for each Board meeting, and will distribute this agenda in advance to each director. Agendas for meetings of Board committees are set by the Chairperson of the applicable committee, also taking into consideration suggestions from other members of the committee.
2. All information and data that is relevant to the Board's or Board committee's understanding of matters to be discussed at an upcoming meeting should, where feasible, be distributed in writing to all members of

the Board in advance of the meeting. Absent special circumstances, such materials are provided at least two days before the meeting. Directors are expected to familiarize themselves with the materials provided prior to the meeting.

3. Directors are expected to regularly attend, either in person or by telephone or other remote communication, all meetings of the Board and committees on which the director sits.
4. The Board shall hold meetings on an at least quarterly basis.
5. The non-management directors will meet at least twice a year in executive session without the presence of management directors or other members of management. The Chairman of the Board shall serve as the chairperson of the meetings of the non-management directors. In addition, the independent directors shall meet at least annually in executive session without the presence of non-independent directors and management. The chairpersons of the Audit, Compensation, and Nominating and Corporate Governance committees shall serve as the chairperson of the meetings of independent directors on a rotating basis for one-year periods each.
6. The Board of Directors requires that all current Board members and all nominees for election to the Company's Board of Directors put forth in the Company's proxy statement by the Board attend the annual meeting of shareholders, provided, however, that attendance shall not be required if personal circumstances affecting such Board member or director nominee make such attendance impracticable or inappropriate.

III. Director Compensation

Directors (other than those who are also salaried employees of the Company or any subsidiary) are entitled to receive reasonable compensation for their Board and Committee services, the amount and type of which to be determined from time to time by the Board upon recommendation of the Compensation Committee. When making such recommendation, the Compensation Committee shall be guided by the following: (i) compensation should be competitive and should fairly compensate directors for the time and effort required of Board and Committee members in a company of NVR's size and scope, (ii) director compensation should include an element of compensation that aligns the directors' interests with the long-term interest of shareholders, and (iii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Directors are also entitled to reimbursement of reasonable expenses incurred in traveling to and from Board and Annual meetings and other expenses incurred in the discharge of their duties.

IV. Director Orientation and Continuing Education

Directors are provided extensive material regarding NVR upon their initial election to the Board, including a binder containing information regarding NVR and its policies and various administrative and legal matters. Thereafter, the Company will periodically provide materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. At the completion of each director's tenure on the Board, the director shall return to the company, or confirm in writing the destruction of, all materials received during their tenure as a director. Each new director shall, within six months of election to the Board, spend a day at corporate headquarters for personal briefings by senior management on the Company's strategic plans, its financial statements and its key policies and practices. Directors are encouraged to attend continuing education programs, at the Company's expense, that are relevant to their duties as a director of the Company. Board meetings may occasionally coincide with visits to any of the Company's operating locations.

V. Director Access to Management and Independent Advisors

- A. The Company will provide each director with free and complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations. Management will be responsive to access requests and requests for information from directors; and
- B. The Board and its committees, to the extent such expense is reasonable and set forth in the applicable committee charter, have the authority to consult independent advisors at the Company's expense. Expenditures incurred by the Board and its committees to consult with independent advisors must be reported to the full Board at the next regularly scheduled Board meeting.

VI. Board Interaction with the Press, Institutional Investors and Others

The Board believes that management speaks for NVR. Directors receiving inquiries about the Company should interact with the press and other third parties only after consulting with and the concurrence of the CEO or his designee.

VII. CEO and Executive Management Evaluation and Succession Planning

- A. The Compensation Committee shall annually review and approve corporate goals and objectives relevant to compensation of the CEO, evaluate the CEO's performance in light of those goals and objectives, and have the sole authority to determine the CEO's compensation levels based on this evaluation and in accordance with any applicable employment agreements. The Compensation Committee, in consultation with the CEO, shall also annually review and approve the compensation level for all other named executive officers of the Company; and

- B. As part of the annual evaluation process, the Compensation Committee should work with the CEO to plan for CEO succession, as well as to develop plans for interim succession for the CEO in the event of an unexpected occurrence. The Compensation Committee, in conjunction with the CEO, should also consider succession planning for other key positions within the Company. The Committee or the Board may review succession planning more frequently as warranted.

VIII. Stock Ownership Guidelines

To align more closely the interests of directors and senior management with those of the shareholders, the Board has adopted guidelines requiring that directors and certain members of senior management acquire and continuously hold, subject to the transition provisions enumerated below, a specified minimum level of the Company's common stock pursuant to the Company's Stock Holding Policy. As currently structured, each covered individual must own a minimum level of the Company's common stock equivalent in value to a specified multiple of the individual's annual base salary or annual director's retainer fee. The required multiples vary according to the covered position and are summarized below:

<u>Position</u>	<u>Value of Required Stock Ownership</u>
Directors	5 x Annual Board Retainer
Chief Executive Officer	8 x Current Annual Base Salary
Chief Financial Officer	6 x Current Annual Base Salary
President of Homebuilding Operations	6 x Current Annual Base Salary
President, NVR Mortgage Finance, Inc.	4 x Current Annual Base Salary
Chief Administrative Officer	4 x Current Annual Base Salary
Chief Accounting Officer	4 x Current Annual Base Salary
Senior Vice President, Human Resources	4 x Current Annual Base Salary
Senior Vice President of Operations, Homebuilding	3 x Current Annual Base Salary
Vice President of Operations, Homebuilding	3 x Current Annual Base Salary
Certain Other Officers	1-3 x Current Annual Base Salary

- A. Directors – Directors holding requirement is based on the annual Board Retainer, not including any Committee Retainer or Committee Chair fees. Directors are required to meet the holding requirement within three years from the date that the director is first subject to the policy. Although the Company encourages directors to immediately satisfy their holding requirement, a director must hold at a minimum one-third of the holding requirement as of the end of the first year from the date first subject to the holding requirement, and two-thirds of the holding requirement as of the end of the second year from the date first subject to the holding requirement.

B. Senior Management

1. Restricted Stock Units - Members of Senior Management must retain 100% of the Net Shares received upon the vesting of restricted stock units (“RSUs”) until the holding requirement is met. Net Shares received upon the vesting of RSUs is defined as the common stock received after the payment of taxes withheld related to the vesting of the RSUs.
2. Stock Options - Members of senior management must retain 50% of the Net Common Stock received upon the exercise of stock options in the Company’s common stock until the holding requirement is met. Net Common Stock is defined as the common stock received after the payment of the option price and the taxes withheld related to the option exercise.

IX. Annual Performance Evaluation

The Board and each of the Board Committees will perform an annual self-evaluation. Each of the directors will be requested to provide their assessment of the effectiveness of the Board and the Committees on which they serve. If determined by the Board to be desirable, the Board may retain independent corporate governance experts to assist the Board and the Committees with the self-evaluations.

X. Amendment, Modification and Waiver

Annually, the Board shall review these Guidelines. These Guidelines may be amended, modified or waived by a majority vote of the Board.

These Corporate Governance Guidelines were amended and restated in November 2018.