

NVR HUMAN RESOURCES POLICIES AND PROCEDURES

<u>ORIGINATOR:</u>	CHAIRMAN	<u>THIS</u>		<u>REPLACES</u>
		FILE: <u>4.1</u>		<u>4.1</u>
<u>DISTRIBUTION:</u>	ALL	DATE <u>11/7/18</u>		<u>11/2/16</u>
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<u>SUBJECT:</u>	NVR CODE OF ETHICS			

1. SCOPE AND PURPOSE

NVR, Inc. and its subsidiaries (“NVR” or the “Company”) are committed to the highest level of ethical behavior. NVR’s business success depends upon the reputation of the Company and its directors, officers and employees to perform with the highest level of integrity and principled business conduct.

This Code of Ethics (“Code”) applies to **all** directors, **all** officers and **all** employees of the Company, including NVR’s principal executive officer, principal financial officer, and principal accounting officer (collectively, “Covered Persons”). This Code is designed to promote (1) honest and ethical conduct, (2) avoidance of conflicts of interest, (3) full, fair, accurate, timely and understandable disclosure, (4) compliance with applicable governmental laws, rules and regulations, and applicable rules and standards of the national securities exchange on which the Company’s securities are listed, and (5) prompt internal reporting of violations of the Code. Each Covered Person must conduct himself or herself in accordance with this Code, must seek to avoid even the appearance of improper behavior, and should abide by the Company’s Standards of Business Conduct (Human Resources Policy 4.10), which are in addition to this Code. Covered Persons are also subject to the Company’s Financial and Human Resources Policies and Procedures and Guidelines, which are also in addition to this Code.

This Code cannot and is not intended to cover every applicable law or provide answers to all questions that might arise; for that NVR relies on each person’s sense of what is right, including a sense of when it is appropriate to seek guidance from others on an appropriate course of conduct. **NVR expects that all of its Covered Persons will, at all times, comply with all applicable laws.**

2. HONEST AND ETHICAL CONDUCT

Each Covered Person must always conduct himself or herself in an honest and ethical manner. Each Covered Person must act with the highest standards of personal and professional integrity and must not tolerate others who attempt to deceive or evade responsibility for actions. Honest and ethical conduct must be a driving force in every decision made by a Covered Person while performing the Covered Person’s duties for

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the Company. It is not sufficient to **APPEAR** to be honest and ethical; Covered Persons must at all times **ACT** honestly and ethically. When in doubt whether an action is honest and ethical, seek advice from your immediate supervisor, senior management or the Company's Ethics Officer, as appropriate. While this Code, the Standards of Business Conduct, and the Company's other policies and procedures are designed to assist Covered Persons in performing in an honest and ethical manner, these materials cannot cover every situation that may arise. Thus, Covered Persons should always exercise prudent care and judgment.

3. **CONFIDENTIAL, PROPRIETARY AND INSIDE INFORMATION**

Covered Persons must maintain the confidentiality of information entrusted to them by NVR or its customers, except when disclosure is either expressly authorized by NVR or required by law. Confidential information includes all non-public information, including, but not limited to, information that might be of use to competitors, or harmful to NVR or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. NVR requires that each Covered Person preserve NVR's confidential information even after his or her employment or relationship with NVR ends. Disclosure of NVR's confidential information, even after termination of employment, may result in civil, or in some cases criminal, liability for the individual.

Covered Persons must, upon termination of employment with NVR, return all equipment, documents and other NVR information, including originals and copies, whether in electronic or hard copy. Covered Persons must not make or retain copies of any documents, forms, blueprints, designs, policies, memoranda or other written information developed by NVR or any affiliate of NVR now or hereafter produced and/or circulated by NVR and further agree not to copy, transfer or otherwise retain any electronic data (including information stored on a hard drive or disk), software (including proprietary software), computer data bases or other non-print information produced, designed, owned, copyrighted or utilized by NVR.

Examples of confidential information include, but are not limited to, the following information obtained from or through NVR:

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- a. House plans, construction manufacturing systems and procedures manuals;
- b. Technical information about current or planned products and/or processes;
- c. Trade secrets;
- d. Employee salary and benefits data, medical and other personal information about employees entrusted to a Covered Person in conjunction with his/her managerial or administrative duties (other than the Covered Person's own information);
- e. Procurement plans, vendor lists or purchase prices;
- f. Cost, pricing, marketing or service strategies;
- g. Customer and supplier lists;
- h. Information related to divestitures, mergers and acquisitions;
- i. Lists of developers;
- j. Terms of NVR's lot purchase agreements;
- k. Land and lot positions of profit centers.

All Covered Persons shall adhere to the following rules:

- a. Take all reasonable steps to preserve the confidential nature of NVR's confidential information. This includes an obligation to be careful about where and how company matters are discussed. It is inappropriate to discuss confidential matters in the presence or within hearing range of unauthorized persons, as in restaurants or on airplanes or other public places. Such information should not ordinarily be discussed outside NVR because even family

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and friends may inadvertently convey confidential information to others. Be careful discussing NVR confidential information while on cellular telephones because of the potential risk of deliberate or inadvertent eavesdropping. Never leave confidential information unattended or in public view. Even where physically able, do not access confidential information unless you are specifically authorized to do so, and you need to do so in order to perform NVR business.

- b. Do not disclose confidential information to other NVR personnel except on a legitimate "need to know" basis.
- c. Do not disclose confidential information to any third party, except where expressly authorized by NVR. In some instances, it will be necessary to seek the approval of Senior Financial Management or the General Counsel prior to disclosure, to allow for implementation of agreements with third parties to safeguard the confidential information from further disclosure.
- d. Do not remove confidential information from NVR's premises, or make copies of any material containing confidential information, except for legitimate NVR business.
- e. Do not use or disclose any NVR confidential information for personal profit, or to the advantage of yourself or any other party.
- f. Do not accept confidential information of a third party without the express approval of NVR. Obtaining confidential information from a third party without adequate legal safeguards is improper and may expose NVR to legal risks. In some circumstances, it may be necessary to enter into a written agreement with a third party prior to obtaining confidential information. If such information is obtained, its confidentiality should be guarded as would NVR confidential information.

Nothing in this Code of Ethics prohibits employees from reporting possible violations of federal law or regulation to any governmental agency, or making disclosures that are

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protected under the whistleblower provisions of federal law or regulation. Employees do not need prior authorization to make any such reports or disclosures and are not required to notify NVR that any such reports or disclosures have been made.

4. CONFLICTS OF INTEREST

A "conflict of interest" exists whenever an individual's private interests interfere or conflict (or appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when a Covered Person takes action or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when a Covered Person, or members of his or her family, receives improper personal benefits as a result of his or her relationship with or position in the Company.

It is our policy and it is expected that all Covered Persons should endeavor to avoid all situations that present an actual or apparent conflict of interest. All actual or apparent conflicts of interest between personal and professional relationships must be handled honestly and ethically. If such a conflict of interest situation arises or a Covered Person questions whether any situation could constitute a conflict, that Covered Person must report the situation and seek guidance from the appropriate party. For purposes of this Code, directors (including the Chairman of the Board), the principal executive officer, the principal financial officer and the principal accounting officer shall report any such situations to the Chairman of the Audit Committee. The Audit Committee Chairman shall report any such situations involving himself to the Nominating and Corporate Governance Committee Chairman. Officers (other than the principal executive, principal financial and principal accounting officers) and employees of the Company shall report any such situations to their immediate supervisor and to the Company's Senior Vice President of Human Resources, the Company's Ethics Officer. It is the responsibility of the Audit Committee Chairman, the Nominating and Corporate Governance Committee Chairman and the Senior Vice President of Human Resources (who must obtain the consent of an internal Ethics Committee consisting of the Chief Executive Officer, Chief Administrative Officer, General Counsel and Vice President of Internal Audit and Corporate Governance), as applicable, to determine if a conflict of interest exists or whether such situation is likely to impair the Covered Person's ability to perform his or

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her assigned duties with the Company, and if such situation is determined to present a conflict, to determine the necessary resolution.

Loans (other than mortgages for the purchase of residential real property issued in the normal course of business by the Company using industry accepted underwriting procedures) are expressly prohibited from the Company to all Covered Persons.

5. **CORPORATE OPPORTUNITIES**

Covered Persons are prohibited from taking advantage of opportunities that are discovered through the use of NVR property, information or position for their own personal gain. No Covered Person may use NVR property, information or position for improper personal gain, and no employee may compete with NVR directly or indirectly. Covered Persons owe a duty to NVR to advance its legitimate interests when the opportunity to do so arises.

6. **COMPETITION AND FAIR DEALING**

NVR seeks to outperform its competitors fairly and honestly. NVR seeks competitive advantages through superior performance, never through unethical business practices. Stealing proprietary information, possession of trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Covered Persons should endeavor to respect the right of, and deal fairly with, NVR's customers, suppliers, competitors and other Covered Persons. No Covered Person should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

7. **COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Compliance with applicable governmental laws, rules and regulations, and applicable rules and standards of the national securities exchange on which the Company's securities are listed, both in letter and in spirit, is one of the foundations on which this

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Company's ethical policies are built. Each Covered Person must understand and take responsibility for complying with the applicable governmental laws, rules and regulations of the cities, states and countries in which the Company operates, and for complying with the applicable rules and standards of the national securities exchange on which the Company's securities are listed.

8. **RULES TO PROMOTE FULL, FAIR, ACCURATE, TIMELY AND UNDERSTANDABLE DISCLOSURE**

As a public company, NVR has a responsibility to report financial information to security holders so that they are provided accurate information in all material respects about the Company's financial condition and results of operations. It is the policy of the Company to fully and fairly disclose the financial condition of the Company in compliance with applicable accounting principles, laws, rules and regulations. Further, it is the Company's policy to promote full, fair, accurate, timely and understandable disclosure in all Company reports required to be filed with, or submitted to, the Securities and Exchange Commission ("SEC") as required by applicable laws, rules and regulations then in effect, and in other public communications made by the Company. NVR has a financial review team consisting of senior financial officers to assist in monitoring such disclosure.

Covered Persons may be called upon to provide or prepare necessary information to ensure that the Company's public reports are complete, fair and understandable. The Company expects Covered Persons to take this responsibility seriously and to provide accurate information related to the Company's public disclosure requirements.

All books and records of the Company shall fully and fairly reflect all Company transactions in accordance with accounting principles generally accepted in the United States of America, and any other financial reporting or accounting regulations to which the Company is subject. No entries to the Company's books and records shall be made or omitted to intentionally conceal or disguise the true nature of any transaction. Covered Persons shall maintain all Company books and records in accordance with the Company's record retention policy as enumerated in NVR's Financial Policy and Procedures.

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All Covered Persons must report to NVR any questionable accounting or auditing matters that may come to their attention. This applies to all operating reports or records prepared for internal or external purposes, such as sales or backlog information. If any Covered Person has concerns or complaints regarding questionable accounting or auditing matters of the Company, the Covered Person should contact their immediate supervisor on a confidential basis. If the immediate supervisor is involved in the questionable accounting or auditing matter, or doesn't timely resolve the Covered Person's concern, the Covered Person should submit their concern to any of the following on a confidential basis: the Chairman of the Board, the principal executive officer, the Chief Administrative Officer, the principal financial officer, the principal accounting officer, the Assistant Controller, the Ethics Officer, or the Vice President of Internal Audit. Covered Persons may also make an anonymous report regarding a questionable accounting or auditing matter by calling the Sarbanes-Oxley Hotline at 1-888-475-9971.

9. PERSONAL USE OR ACQUISITION OF COMPANY PROPERTY AND SUPPLIES

Covered Persons should endeavor to protect NVR's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on NVR's profitability. All company assets should be used for legitimate business purposes only. Any suspected incidents of fraud or theft should be immediately reported to your supervisor, the Chief Financial Officer, the Chief Administrative Officer, the Chief Accounting Officer, the General Counsel, the Vice President of Internal Audit, the Assistant Controller or the Human Resources Department for investigation.

Covered Persons should remember the following with respect to NVR property:

- a. Covered Persons shall not use NVR facilities or supplies for their own personal benefit.
- b. From time to time, NVR supplies may become obsolete or are otherwise discarded or unused. It is expected that the Company's managers will use discretion in

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making such materials available for the personal use of Covered Persons and require appropriate payment from Covered Persons if a residual value exists.

10. REPORTING VIOLATIONS OF THE CODE

Any Covered Person who becomes aware of any violation of the Code must promptly bring the violation to the attention of the appropriate party as follows: Directors (including the Chairman of the Board), the principal executive officer, the principal financial officer and the principal accounting officer shall report any violations to the Chairman of the Audit Committee; officers and employees of the Company shall report any violations to the Company's Senior Vice President of Human Resources, who serves as the Company's Ethics Officer. In lieu of the foregoing, concerns or complaints regarding questionable accounting or auditing matters may be reported as described in the last paragraph of Section 8 above.

11. COMPLIANCE WITH CODE

Each Covered Person will be held accountable for adherence to this Code. A violator of this Code will be subject to disciplinary action, up to and including a discharge from the Company and, where appropriate, civil liability and criminal prosecution.

12. WAIVER OF THE CODE

Any waiver of this Code may be made only by the independent directors on the Board of Directors or by an authorized committee of the Board of Directors comprised solely of independent directors, and will be disclosed as required by law, SEC regulations or the rules and standards of the national securities exchange on which the Company's securities are listed.