

AvalonBay Communities, Inc.

Senior Officer Stock Ownership Guidelines

As Amended and Restated on November 20, 2019
(previously adopted February 12, 2012 and amended May 21, 2014)

Note: For Senior Vice Presidents not previously covered as of November 20, 2019, (i) these guidelines will be effective as of March 1, 2020, (ii) the Time for Compliance, as defined below, will be March 1, 2025, and (iii) prior to the Time for Compliance, the Stock Retention Requirements described below will apply at times when the ownership guideline is not met.

The Board of Directors of AvalonBay Communities, Inc. (the “Company”) believes that significant ownership of the Company’s stock by its senior officers helps to align the interests of the Company’s management with those of its stockholders and is consistent with the Company’s commitment to sound corporate governance.

Ownership:

These Senior Officer Stock Ownership Guidelines (the “Guidelines”) provide that members of the Company’s senior management will be subject to a common stock ownership guideline established as a multiple of annual base salary as follows:

Chairman, Chief Executive Officer and President:	six times base salary
CFO and Executive Vice Presidents:	three times base salary
Senior Vice Presidents:	one and one-half times base salary

The guideline is met, as of a particular date, if the value of all shares owned as of that date, vested and unvested, divided by the closing price of Company common stock as of the immediately prior trading date, equals or exceeds the guideline multiple.

Counting Shares Owned:

Stock that counts towards satisfaction of these Guidelines includes shares owned by the officer or his or her immediate family sharing the same household, including shares of restricted stock still subject to vesting as well as shares purchased through the Company’s employee stock purchase program. Shares underlying stock options or multi-year performance awards shall not count toward satisfaction of these Guidelines.

Time for Compliance:

A covered officer is required to achieve compliance with these Guidelines within five years of the time the Guidelines first become applicable to the officer (e.g., date of promotion, start of employment, or date the Guidelines were amended to apply to the officer). This period is referred to as the “***Time for Compliance***”.

Stock Retention Requirements:

Until such time as an officer covered by these Guidelines has achieved compliance with the Guidelines, or if an officer becomes non-compliant due to a reduction in stock price, the officer will be required to retain (in addition to shares already owned) at least 50% of “Net Shares” that are acquired as a result of vesting of restricted stock or receipt of unrestricted stock until compliance is achieved or re-achieved. “Net Shares” are newly vested or received shares that are owned by the officer after newly vested or received shares are withheld to pay applicable taxes. **This stock retention requirement applies both before and after the Time for Compliance.**

Example:

An officer who is not in compliance with the Guidelines vests in and/or receives 1000 shares on March 1, 20xx as a result of prior grants of restricted stock and the receipt of unrestricted stock upon settlement of a multi-year performance award. After share withholding to satisfy withholding taxes, the Net Shares retained by the officer is 720 shares, and the officer still does not meet the Guidelines. In addition to these 720 shares, the officer owns 2400 other shares (vested and unvested).

In this case, the officer is permitted to sell up to 360 shares in 20xx and thereafter as a result of the March 1, 20xx stock event but must retain at least 2760 shares (vested and unvested – i.e., the 2400 already owned plus 360 from the 720 newly vested shares). Any 360 vested shares (any tax lot) can be chosen for sale. Once the officer meets the Guidelines, this limitation goes away.

Administration and Reporting:

EVP and Above and Section 16 Officers. The Nominating and Corporate Governance Committee shall receive a report at least annually detailing the then current compliance with the Guidelines of officers with a title of EVP or above and officers subject to Section 16 of the Securities Exchange Act of 1934. For purposes of this annual report, compliance with the Guidelines may be measured based on a 20 day average of the closing price of the Company’s common stock.

Other Covered Officers: The Chief Executive Officer may implement such reporting and monitoring with respect to other senior officers as the Chief Executive Officer deems appropriate.

Hardship and Waivers:

There may be instances in which the Guidelines would place a hardship on an officer covered by the Guidelines or prevent an officer from complying with a court order, such as a divorce settlement. In these instances, the following shall apply:

In the case of an EVP or above or a Section 16 Officer, the officer must submit a request in writing to the Chief Executive Officer and the General Counsel summarizing the circumstances and describing the extent to which an exemption is being requested. The CEO may deny the request (but not grant the request) or may forward the request to the Chairman of the Nominating and Corporate Governance Committee, who may make the final decision as to whether an exemption will be granted or may elect to present the request to the full Nominating and Corporate Governance Committee for the final decision.

In the case of other covered officers, the officer must submit a request in writing to the Chief Executive Officer, copying the EVP General Counsel, and one of those officers will advise the requesting officer of the Chief Executive Officer's decision.