



EQUITY RESIDENTIAL
CORPORATE GOVERNANCE GUIDELINES
(effective December 13, 2018)

The Board of Trustees of Equity Residential (the “Company”) recognizes the importance of good corporate governance. These Corporate Governance Guidelines, along with the charters and key practices of the Board’s committees, reflect the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, with a view to enhancing shareholder value over the long term. The Board recognizes that corporate governance is a developing and dynamic area warranting periodic review. Accordingly, the Board will review these Guidelines at least annually or more often if deemed necessary.

I. Role of Board

The Board’s role is to oversee management in conducting the business and affairs of the Company competently and in achieving the Company’s goals of providing exceptional value to shareholders. In addition to overseeing management and exercising their business judgment to act in what they reasonably believe to be in the best interests of the Company, it is the Trustees’ responsibility to:

- Select the Company’s Chief Executive Officer, the Chairs and members of the Board’s committees, and approve the appointment of other senior corporate officers
- Evaluate the performance of the CEO and senior management and oversee succession and management development planning
- Design and approve the compensation of the CEO and senior management and approve the Company’s compensation philosophy
- Review and approve periodically long-term strategic and business plans and monitor performance against those plans
- Assess major risks facing the Company and review options for their mitigation
- Ensure processes are in place for maintaining the integrity of the Company, including its financial statements and compliance with applicable laws and ethics
- Evaluate annually the effectiveness of the Board and of Board members

II. Board Composition

A. **Independence.** The Board believes that as a matter of policy there should be a majority of independent Trustees on the Board, and it is the Board’s goal that a substantial majority of the Board will be independent, as independence is defined by the listing standards of the New York Stock Exchange (“NYSE”). The Board will consider, when appropriate, having members of management in addition to the CEO as Trustees. The Board believes, however, that the CEO should encourage senior managers to understand that Board membership is not a prerequisite to any higher management position in the Company.

B. **Board Size.** In terms of determining Board size, skill needs and group dynamics are determining factors. We seek to have a Board that balances the operational benefits of small size with the need for a large enough group of Trustees to ensure a broad range of talents and experience. The Company’s Declaration of Trust limits the number of Trustees to fifteen and the board presently intends that the optimal number of Trustees will be approximately nine to twelve.

C. **Limits on Number of Board Memberships.** The Board recognizes that its members benefit from service on the boards of other companies. We encourage that service but also believe it is critical that Trustees have the opportunity to dedicate sufficient time to their service on the Board. To that end, the CEO and any other employee Trustee may not serve on more than two public company boards in addition to the Company's Board. Individuals who are CEOs or other senior executives of public companies who hold more than two public company directorships and other individuals who hold more than six other public company directorships will not normally be asked to join the Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair their service on the Board.

D. **Separation of Chairman and CEO Positions.** The Bylaws of the Company provide that the Chairman of the Board and the CEO of the Company may be separate positions. This is the Company's current practice.

III. Board Qualifications

A. **Selection Process.** The Board is responsible for nominating candidates for Trustee for election by shareholders at the annual meeting, as well as selecting new Trustees who will serve on the Board between annual shareholder meetings. The Board delegates the recruitment and screening process to the Corporate Governance Committee, which may at its discretion seek third-party resources to assist in the process. The CEO may be included in the process on a nonvoting basis. The Corporate Governance Committee will make the final recommendation of candidates to the Board for nomination.

B. **Trustee Qualifications; Continuing Education.** Each member of the Board must possess the individual qualities of integrity and accountability, informed judgment, financial literacy, high performance standards and must be committed to representing the long-term interests of the Company and the shareholders. Trustees should also have demonstrated management or technical ability in high levels in successful organizations with a proven record of accomplishment and be committed to devoting the time and effort necessary to be responsible and productive members of the Board. This includes developing knowledge about the Company's business operations and doing the work necessary to participate actively in Board and committee meetings. Board members are encouraged to visit Company properties during their tenure on the Board, and, with the Committee Chair's input, to attend from time to time continuing director education programs offered by various organizations. The Company will reimburse Trustees for expenses incurred in connection with such education programs. The Board values diversity, in its broadest sense, reflecting, but not limited to, profession, geography, gender, ethnicity, skills and experience and urges the Trustees and the Corporate Governance Committee to act accordingly in the selection process.

C. **Attendance.** Board members are expected to attend all meetings of the Board and committees of which they are members. Personal attendance at the regularly scheduled in-person Board meetings is critical and, absent a true emergency such as illness or a death in the family, telephonic attendance at more than one such meeting will be deemed an absence for reporting purposes. Attendance is also an important component of the evaluation process and a consideration in determining whether a Trustee should be re-nominated.

IV. Board Committees

A. **Standing Committees.** The Board has established the following standing committees to assist it in discharging its responsibilities: (1) Audit, (2) Compensation, (3) Corporate Governance and (4) Executive. Other committees may be created and dissolved from time to time. The committee Chairs report on their meetings to the full Board following each meeting of the respective committees. Other Trustees may attend and participate in discussions of Board committees upon invitation of the Chair of the committee, although formal committee action will only be through the vote of appointed committee members. The current charters for the Audit, Compensation and Corporate Governance Committees are published on the Company's website, and will be mailed to shareholders on written request.

B. **Committee Composition.** The Audit, Compensation and Corporate Governance Committees are composed solely of independent Trustees, as defined by NYSE listing standards. Members of such Committees must also meet additional requirements under the rules and regulations of the NYSE and the Securities and Exchange Commission. The Executive Committee, which conducts the affairs of the Board between meetings and conducts other business as requested or authorized by the Board, will be composed of the Chairman, the CEO, and such other Trustees as appointed by the Board.

V. Board Orientation and Evaluation

A. **Orientation.** Each new Board member will receive an orientation that includes an extensive review of the Company and its business, general information about the Board and its committees, and a review of Trustee duties and responsibilities. Some of these topics will be included in written materials and others will be covered in meetings with senior executives.

B. **Board and Committee Performance Evaluations.** The Board's evaluation process will focus on assessment of the performance of the Board as a whole and individual Board members. Each Trustee will complete both a board and self-evaluation form examining effectiveness against criteria designed to measure performance in areas such as independence and objectivity, attendance, participation and input, knowledge and expertise, insightfulness and forethought, preparation and commitment to improvement. The Chair of the Corporate Governance Committee will prepare or cause to be prepared a composite report underscoring the areas identified by the evaluations as those on which to focus improvement efforts, and recommend steps that could be taken by the Board, management and the Trustees themselves to enhance performance in those areas. The Chair will be responsible for leading evaluations on an annual basis and discussing with each Trustee individually his or her own evaluation and for providing the full Board with feedback on its performance as a whole. The Audit, Compensation and Corporate Governance Committees are also responsible for assessing their respective committee's performance and reviewing their charter on an annual basis.

VI. Board Planning and Oversight Functions

A. **Board Meetings.** The CEO will establish the agenda for the Board meetings. Any Board member may recommend the inclusion of specific agenda items to the CEO, the Lead Trustee or the appropriate committee chair. Such recommendations will be accommodated to the extent practicable. Materials important to the Board's understanding of agenda items will be distributed to the Board in a timely manner before it meets.

B. **Executive Sessions of Non-Management Trustees.** The non-management Trustees meet in separate executive sessions at least three times a year and as otherwise determined by the Lead Trustee. The Lead Trustee may invite the Chairman or others, as he or she deems appropriate, to attend a portion of these sessions.

C. **Lead Trustee Position.** The Board has designated an independent Trustee who acts in a lead capacity to coordinate the other independent Trustees. The role of the “Lead Trustee” is to consult with the CEO on Board agendas, chair the executive sessions of the non-management Trustees, lead CEO evaluations, lead Board evaluations jointly with the Chair of the Corporate Governance Committee, serve as liaison to facilitate communications between shareholders and the Board and perform such other functions as the Board may direct.

D. **Succession Planning and Management Development.** The Compensation Committee is responsible for overseeing the preparation of executive succession and management development plans tailored to reflect the Company’s current business strategy and vision. The Compensation Committee will discuss and report to the Board annually its recommendations for management development and corporate succession plans for the Company’s CEO. The Committee shall also discuss with the CEO and report to the Board annually the CEO’s recommendations for management development and corporate succession for the Company’s other executive officers. The executive succession plan involves creating profiles of ideal candidates and selecting successors expected to fit the needs of the Company over time. In implementing these plans, the Board believes that, at its core, succession planning: (1) is a board-driven, collaborative process; (2) is a continuous process; (3) should be driven by corporate strategy; and (4) involves building a talent-rich organization by attracting and developing the right people.

E. **Chairman’s/CEO’s Death, Resignation, or Incapacity.** In the event of the death, resignation, incompetence or incapacity of the Chairman of the Board and/or the CEO, (i) the Lead Trustee shall automatically be appointed to serve as the interim successor to the Chairman of the Board without any further action required by the Board or the Compensation Committee, (ii) the Chairman of the Board shall automatically be appointed to serve as the interim successor to the CEO without any further action required by the Board or the Compensation Committee, and (iii) the Lead Trustee will promptly call a meeting of the Board of Trustees for purposes of appointing a special committee to start the process to recommend to the Board the selection of a permanent replacement for either or both positions.

F. **Trustees Have Access to Management.** Board members have complete access to the Company’s management team and the independent auditors. Providing advice and counsel to management occurs both in formal Board and committee meetings and through informal contact with the CEO and other members of management. The Board encourages the continuation of the long-standing practice of the CEO to bring executives into Board meetings from time to time who: (1) can provide additional insight into the items being discussed; or (2) senior management believe have future potential as prospective leaders.

G. **Outside Trustees Formally Review CEO Performance.** The Compensation Committee annually evaluates the CEO’s performance. The evaluation is based on objective criteria, including performance of the business, accomplishment of long-term strategic goals and the development of management. The evaluation is used by the Committee in the course of its deliberations when setting the CEO’s compensation. The Committee also approves annually the compensation structure for the Company’s officers, and evaluates the performance of the executive officers before approving their salary, bonus and incentive and equity compensation.

H. **Board Has Its Own Outside Advisers.** The Board and Board committees, at the Company's expense, may retain and have access to legal counsel, accountants, compensation consultants, executive search firms or other independent advisers whose expertise is deemed essential to carrying out their respective missions.

I. **Call to Action Hotline.** As part of the Company's commitment to maintaining a workplace free from discrimination, harassment, fraud and other illegal, dishonest or unethical activity, the Company has established a Call to Action Hotline. The hotline provides individuals with an 800 number to submit a voicemail message on a confidential and anonymous basis regarding concerns of such activity or any questionable accounting or audit-related matters. The Company's internal audit department is responsible for receiving and handling these complaints. The Company's internal audit executive will keep the Audit Committee informed of the nature and extent of activity on the hotline and the Company's actions in addressing any material matters submitted.

VII. Compensation of Trustees

The Compensation Committee has responsibility for recommending to the Board the compensation for non-employee Trustees. To link Trustee compensation to performance and to more effectively align the Board's interests with the interests of shareholders, the Board believes that at least 50% of the Trustees' base annual retainer (excluding committee fees) should be payable in some form of Company equity.

VIII. Trustee Resignations

A. As a general matter, the Board does not believe it should retain a mandatory retirement age for Trustees or establish term limits for Trustee service, instead preferring to rely upon the evaluation procedures described above as the primary method of ensuring that each Trustee continues to act in a manner consistent with the best interests of the shareholders, the Board, and the Company. While a mandatory retirement age and term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Trustees who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

B. **Trustees Required to Submit Resignation upon Change in Employment.** The Board has adopted a policy that requires each non-employee Trustee to submit an offer of resignation from the Board upon a material change in employment or responsibilities. The Corporate Governance Committee has responsibility for recommending whether any such offer should be accepted by the Board.

C. **Employee Trustees Required to Submit Resignation upon Termination of Employment.** The Board has adopted a policy that requires any Company employee serving as a Trustee to submit an offer of resignation from the Board upon his or her termination of employment. The Corporate Governance Committee has responsibility for recommending whether any such offer should be accepted by the Board.

IX. Equity Ownership Guidelines for Trustees and Executives

A. **Equity Ownership Guidelines for Trustees.** Since a significant ownership stake leads to a stronger alignment of interests between the Board and shareholders, all Trustees are expected to own, within three years of joining the Board, Company equity with an aggregate value of no less than five times the annual cash retainer paid to Trustees for service on the Board. Pledged Company equity does not count towards the Trustees' equity ownership guidelines. We recognize, of course, many Trustees will have much larger ownership stakes in the Company, and we view this as desirable. We also encourage Trustees to use the cash portion of their annual trustee fees to purchase shares through the Company's share purchase program.

B. **Equity Ownership Guidelines for Executives.** To further support the Company's goal of achieving a strong link between shareholders and senior management, the Board has adopted the following equity ownership guidelines for Executives:

Position	Minimum Equity Ownership
CEO	6x base salary
Executive Vice Presidents	3x base salary
Senior Vice Presidents	1x base salary

Executives are expected to attain such targets within five years from the date an individual first becomes subject to the applicable ownership guideline level. Pledged Company equity does not count towards equity ownership guidelines for Executives. The CEO and the Compensation Committee will periodically review the guidelines to ensure the levels are appropriate.

C. **Equity Interests that Count towards Ownership Guidelines.** The following forms of beneficially-owned equity interests in the Company, whether vested or not, will count towards the above-described equity ownership guidelines to the extent that such equity interests have not been pledged as security for a financing obligation:

- Company shares
- Partnership interests in ERP Operating Limited Partnership, the Company's operating partnership (i.e., OP Units and restricted units)
- LTI Awards granted under the Company's Long-Term Incentive Plans (valued as if the LTI Plan terminated on the applicable valuation date)
- Company share options (valued using a Black-Scholes methodology as of the applicable valuation date)

X. Repricing Prohibition

By express language in the Company's shareholder approved Share Incentive Plans, share options may not be repriced. The exercise price for share options will not be lowered even if the current market price of the Company's shares is below the exercise price.