

Corporate Governance Guidelines
of
Apartment Investment and Management Company

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The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of Apartment Investment and Management Company (the “Company”) to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines 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 long-term stockholder value. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Maryland General Corporation Law, or the Articles of Incorporation (as may be amended or restated from time to time) (the “Charter”) or Bylaws of the Company. These Corporate Governance Guidelines are subject to modification from time to time by the Board.

THE BOARD

Role of Directors

The business and affairs of the Company shall be managed by the Board and, except as conferred upon or reserved to the stockholders by law, the Charter or Bylaws, all of the Company’s powers are exercised by or under the authority of the Board. The phrase “under the authority of the board” reflects that directors serve an oversight role, with the Chief Executive Officer and management employees responsible for the Company’s day-to-day affairs. A director is expected to spend the time and effort necessary to properly discharge such director’s responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings material distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting.

The Board’s Goals

The Board’s goal is to build long-term value for the Company’s stockholders and to assure the vitality of the Company for its customers, employees and the other individuals and organizations who depend on the Company.

To achieve these goals the Board will monitor both the performance of the Company (in relation to its goals, strategy and competitors) and the performance of the Chief Executive Officer, and offer him or her advice and feedback. When it is appropriate or necessary, it is the Board’s responsibility to remove the Chief Executive Officer and to select his or her successor.

Selection of the Chairman of the Board

The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman of the Board in any way that it deems best for the Company at any given point in time.

Size of the Board

The Board believes that it should generally have no fewer than three and no more than nine directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. Subject to the provisions of the Bylaws, the size of the Board could, however, be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

Selection of New Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is charged with assisting the Board in identifying, screening and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Nominating and Corporate Governance Committee shall also consider advice and recommendations from others as it deems appropriate.

Board Membership Criteria

Nominees for director shall be selected on the basis of, among other things, experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries, understanding of the Company's business environment and willingness to devote adequate time and effort to Board responsibilities.

The Nominating and Corporate Governance Committee shall assess the appropriate balance of criteria required of directors and shall make recommendations to the Board.

Director Stock Ownership

By the completion of five years of service on the Board, a non-employee director is expected to own, at a minimum, the lesser of 27,500 shares of the Company's Class A Common Stock or shares of the Company's Class A Common Stock having a value of at least \$550,000.

Other Public Company Directorships

The Nominating and Corporate Governance Committee shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member when formulating its Board membership recommendations. Prior to accepting an invitation to serve on the board of directors of another public company, a director should advise the chairman of the Nominating and Corporate Governance Committee and the Chairman of the Board. Absent special circumstances approved by the Nominating and Corporate Governance Committee, a director shall not serve on more than three public company boards other than the Company's; provided, that in accordance with the charter of the Company's Audit Committee, a director may not sit on more than two public company audit committees other than the Company's.

Independence of the Board

The Board shall be comprised of a majority of directors who qualify as independent directors (“Independent Directors”) under the listing standards of the New York Stock Exchange (the “NYSE”).

The Board shall review annually the relationships that each director has with the Company. Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company or with any subsidiary in a consolidated group with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE or under applicable law. The Board may adopt and disclose categorical standards to assist it in determining director independence.

Lead Independent Director

If the Chairman of the Board is not an Independent Director, the Company’s Independent Directors will designate one of the Independent Directors on the Board to serve as a lead Independent Director (the “Lead Independent Director”). If the Chairman of the Board is an Independent Director then he or she shall serve as Lead Independent Director. The Lead Independent Director’s duties will include (a) presiding at all meetings of the board at which the Chairman of the Board is not present, including executive sessions of the non-management directors, (b) serving as a liaison between the Chairman of the Board and the non-management directors; (c) approving information sent to the Board; (d) approving meeting agendas for the Board, (e) approving Board meeting schedules to assure that there is sufficient time for discussion of all agenda items and (f) if requested by major shareholders, being available for consultation and direct communication. The Lead Independent Director shall have the authority to call meetings of the non-management directors.

Directors Who Change Their Present Job Responsibility

Directors who are also employees of the Company are expected to resign from the Board at the same time they leave employment with the Company. This may not, however, always be appropriate. Therefore the Nominating and Corporate Governance Committee shall review the continued appropriateness of the affected director remaining on the Board under the circumstances.

When a non-employee director retires or changes the position he held when he became a member of the Board, the director shall offer to resign from the Company’s Board. The Board does not believe that non-employee directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. Accordingly, the Nominating and Corporate Governance Committee shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Nominating and Corporate Governance Committee’s recommendation following such review.

Retirement Age

It is the general policy of the Company that a retirement age is not warranted. An individual director's re-nomination is dependent upon such director's performance evaluation, as well as a suitability review, each to be conducted by the Nominating and Corporate Governance Committee in connection with each director nomination recommendation.

Director Tenure

In connection with each director nomination recommendation, the Nominating and Corporate Governance Committee shall consider the issue 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. An individual director's re-nomination is dependent upon such director's performance evaluation, as well as a suitability review, each to be conducted by the Nominating and Corporate Governance Committee in connection with each director nomination recommendation.

Board Compensation

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

The Company believes that compensation for non-employee directors should be competitive and should encourage increased ownership of the Company's stock through the payment of a portion of director compensation in Company stock, options to purchase Company stock or similar compensation. Upon recommendation of the Nominating and Corporate Governance Committee, the Board will periodically review the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry and complexity. Such review will also include a review of both direct and indirect forms of compensation to the Company's directors.

Separate Sessions of Non-Management Directors

The non-management directors of the Company shall meet in executive session without management on a regularly scheduled basis, but no less than four times a year. The Lead Independent Director shall preside at such executive sessions, or in such director's absence, another Independent Director designated by the Lead Independent Director shall preside at such executive sessions.

In the event that the non-management directors include directors who are not independent under the NYSE listing standards, the Company should, at least once a year, schedule an executive session including only independent directors.

Communicating with the Lead Independent Director and Other Non-Management Directors

Any interested parties desiring to communicate with the Lead Independent Director and the other non-management directors regarding the Company may directly contact such directors by directing such communication in care of the Corporate Secretary.

Self-Evaluation by the Board

The Nominating and Corporate Governance Committee will sponsor an annual self-assessment of the Board's performance, the performance of each committee of the Board, and the performance of each Director. The results of such assessments will be discussed with the full Board and each committee. The assessment should include a review of any areas in which the Board or management believes the Board, committees or individual directors can make a better contribution to the Company. The Nominating and Corporate Governance Committee will use the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of directors to various committees.

Strategic Direction of the Company

Normally it is management's job to formalize, propose and implement strategic choices and the Board's role to approve strategic direction and evaluate strategic results. However, as a practical matter, the Board and management will be better able to carry out their respective strategic responsibilities if there is an ongoing dialogue among the Chief Executive Officer, other members of top management and the Board. To facilitate such discussions, members of senior management who are not directors may be invited to participate in Board meetings when appropriate.

Board Access to Management and Outside Advisors

Directors shall have access to the Company's management and, as appropriate, to the Company's outside advisors. Directors shall coordinate such access through the Chief Executive Officer or the Lead Independent Director, and directors will use judgment to assure that this access is not distracting to the business operation of the Company. The Board and each of its Committees shall have the power to hire independent legal, financial, and other advisors, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

Attendance of Management Personnel at Board Meetings

The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board.

Board Materials Distributed in Advance

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

Board Interaction with Institutional Investors, Analysts, Press and Customers

The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee. If requested by major shareholders, the Lead Independent Director shall be available for consultation and direct communication.

Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. Each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director.

Attendance of Directors at Annual and Special Meetings of Stockholders

The Company generally expects that either the Chairman of the Board or the Vice Chairman of the Board (in the Chairman's absence) will attend all annual and special meetings of the stockholders. Directors, other than the Chairman of the Board, are encouraged, but not required, to attend annual and special meetings of the stockholders.

BOARD MEETINGS

Frequency of Meetings

There shall be at least four regularly scheduled meetings of the Board each year. It is expected, but not required, that a meeting will occur once in each fiscal quarter.

COMMITTEE MATTERS

Number and Names of Board Committees

The Company shall have four standing committees: Audit, Nominating and Corporate Governance, Compensation and Human Resources and Executive. The purpose and responsibilities for at least the Audit, Nominating and Corporate Governance and Compensation and Human Resources committees shall be outlined in committee charters adopted by the Board.

The Board may, from time to time, form a new committee or disband a current committee. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

Independence of Board Committees

Each of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation and Human Resources Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

LEADERSHIP DEVELOPMENT

Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's Chief Executive Officer. In identifying potential candidates for, and selecting, the Company's Chief Executive Officer, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

Evaluation of Chief Executive Officer

The Compensation and Human Resources Committee will provide the Chief Executive Officer with an annual performance review for the prior year and will report to the Board regarding this evaluation. This review will include those factors established from time to time by the Compensation and Human Resources Committee with the advice of the Board.

Succession Planning

The Board shall plan for the succession of the Chief Executive Officer. From time to time the Chief Executive Officer will report to the Board on succession planning for the Chief Executive Officer, which shall include a succession plan that delineates a temporary delegation of authority to certain officers of the Company in the event the Chief Executive Officer should unexpectedly become unable to perform his duties.

Management Development

The Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout the Company.

Management Stock Ownership Guidelines

The Compensation and Human Resources Committee and management have established equity ownership guidelines for the Company's senior management team. Equity ownership guidelines are determined as a minimum of the lesser of a multiple of the executive's base salary or a fixed number of shares. Until the guidelines are satisfied, there is also a retention requirement. This retention requirement requires each executive to retain at least fifty percent of the after tax

amount of the shares subject to a restricted stock award and, in the case of shares acquired upon the exercise of stock options, at least fifty percent of the shares acquired after tax and after payment of the exercise price.