THE FOUNDATION FOR SECURE MARKETS®

#59432

Date:	**July 22, 2026**
Subject:	**AvalonBay Communities, Inc. - Anticipated Adjustment** **Option Symbols: AVB/2AVB** **New Symbols: EQR1/2EQR1** **Date: ???**

Contract Adjustment

Date:	Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the second half of 2026.
Option Symbols:	AVB changes to EQR1 2AVB changes to 2EQR1
Strike Divisor:	1
Contracts Multiplier:	1
New Multiplier:	100 (e.g., a premium of 1.50 yields $150; a strike of 20 yields $2,000.00)
New Deliverable Per Contract:	1) 279 Equity Residential (EQR) Common Shares of Beneficial Interest, subject to adjustment as described in the AVB Proxy Statement/Prospectus dated June 12, 2026 ("Proxy") 2) Cash in lieu of 0.3 fractional EQR Common Shares of Beneficial Interest, if any Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.
CUSIP:	EQR: 29476L107

Pricing

Until the cash in lieu amount, if any, is determined, the underlying price for EQR1/2EQR1 will be determined as follows, if the terms are unchanged:

EQR1 = 2.793 (EQR)

Delayed Settlement

The EQR component of the EQR1/2EQR1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the EQR1/2EQR1 deliverable until the cash in lieu of fractional EQR shares, if any, is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Background

On August 12, 2026, Shareholders of AvalonBay Communities, Inc. (AVB) will vote concerning the proposed merger with Equity Residential (EQR). If the merger is approved and consummated, each existing AVB Common Share will be converted into the right to receive 2.793 EQR Common Shares of Beneficial Interest, subject to adjustment as described in the Proxy. Cash will be paid in lieu of fractional EQR shares, if any.

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and futures and the nature of any adjustment is made by OCC pursuant to Chapter 28 (XXVIII) of OCC's Rules. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.