

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

THE HOWARD HUGHES CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Howard Hughes



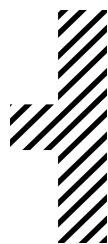
**Annual Meeting of Stockholders
Proxy Statement**



2021

Howard Hughes.

9950 Woodloch Forest Drive, Suite 1100
The Woodlands, Texas 77380



Letter from Our Chairman



Dear Fellow Stockholders:

You are cordially invited to attend the 2021 Annual Meeting of Stockholders (the "Annual Meeting") of The Howard Hughes Corporation. We will hold the meeting at 9:00 a.m. Eastern Time, on Thursday, May 27, 2021. The Annual Meeting will be completely virtual. Enclosed you will find a notice setting forth the items that we expect to address during the meeting and our Proxy Statement.

I would like to personally thank you for your continued investment in The Howard Hughes Corporation. We look forward to welcoming many of you to our annual meeting. It is important that your shares be voted at the meeting in accordance with your preference. Your vote is important to us. Even if you do not plan to attend the meeting in person, we hope that your votes will be represented at the meeting by filling out, signing, dating and returning your proxy card or voting by using the available Internet or telephone voting procedures.

Sincerely,

William A. Ackman
Chairman of the Board of Directors

April 12, 2021



9950 Woodloch Forest Drive, Suite 1100
The Woodlands, Texas 77380

Notice of 2021 Annual Meeting of Stockholders



Thursday,
May 27, 2021



9:00 a.m., Eastern Time



Participate
Via The Internet

The Howard Hughes Corporation will hold its 2021 Annual Meeting of Shareholders (the "Annual Meeting") on Thursday, May 27, 2021 at 9:00 a.m. Eastern Time. The Annual Meeting will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions, and vote your shares electronically during the meeting via live webcast by visiting www.virtualshareholdermeeting.com/HHC2021. You will need the 16-digit control number that is printed in the box marked by the arrow on your Notice of Internet Availability of Proxy Materials or proxy card to enter the Annual Meeting. The proxy materials were either made available to you over the Internet or mailed to you beginning on or about April 12, 2021.

ITEMS OF BUSINESS

- 1 Election to our Board of Directors of the 10 director nominees named in the attached Proxy Statement for a one-year term
- 2 An advisory vote to approve executive compensation (Say-on-Pay)
- 3 Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021
- 4 Transaction of such other business as may properly come before our 2021 Annual Meeting of Stockholders

RECORD DATE



The record date for the determination of the stockholders entitled to vote at our 2021 Annual Meeting of Stockholders, or any adjournments or postponements thereof, was the close of business on April 1, 2021.

Your vote is important to us. Please exercise your stockholder right to vote.

By Order of the Board of Directors,



Peter F. Riley
Senior Executive Vice President,
General Counsel & Secretary

April 12, 2021

**Important Notice Regarding the Availability of Proxy Materials for our Annual Meeting
to Be Held on May 27, 2021**

**Our Proxy Statement, 2021 Annual Report to Stockholders and other materials are
available on our website at www.proxyvote.com**

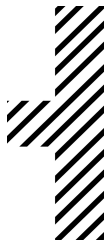
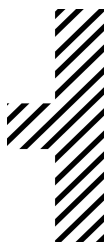


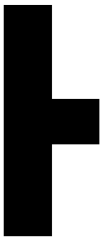
Table of Contents



| | | | |
|--|-----------|---|-----------|
| PROXY SUMMARY | 1 | PROPOSAL NO. 1 – ELECTION OF DIRECTORS | 29 |
| 2021 Annual Meeting Information | 1 | PROPOSAL NO. 2 – ADVISORY VOTE ON EXECUTIVE COMPENSATION | 34 |
| Matters to be Voted on at our 2021 Annual Meeting | 1 | PROPOSAL NO. 3 – RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2021 | 35 |
| Director Nominees | 2 | Relationship with Independent Registered Public Accounting Firm | 35 |
| Director Diversity | 3 | Independent Registered Accounting Firm Fees | 36 |
| Governance Highlights | 4 | Pre-Approval Policies and Procedures | 36 |
| Executive Compensation Highlights | 5 | AUDIT COMMITTEE REPORT | 37 |
| HHSustainability | 6 | EXECUTIVE OFFICERS | 39 |
| PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 27, 2021 | 8 | COMPENSATION DISCUSSION AND ANALYSIS | 43 |
| Questions and Answers Regarding this Proxy Statement and the Annual Meeting | 8 | Executive Compensation | 43 |
| MATTERS RELATED TO CORPORATE GOVERNANCE, BOARD STRUCTURE, DIRECTOR COMPENSATION AND STOCK OWNERSHIP | 13 | Executive Summary | 43 |
| Corporate Governance | 13 | Executive Changes | 44 |
| Risk Management | 14 | Financial and Operational Highlights | 44 |
| Director Independence | 15 | 2020 Compensation Highlights | 46 |
| Director Nominations | 15 | Compensation and Governance Best Practices | 47 |
| Qualifications | 15 | Compensation Philosophy and Objectives | 48 |
| Stockholder Recommendations | 15 | Key Elements of Executive Compensation Program | 51 |
| Stockholder Engagement | 16 | COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION | 61 |
| Communications with the Board | 16 | EXECUTIVE COMPENSATION | 62 |
| Codes of Business Conduct and Ethics | 16 | Summary Compensation Table | 62 |
| THE BOARD, ITS COMMITTEES AND ITS COMPENSATION | 17 | 2020 Grants of Plan-Based Awards | 64 |
| The Board | 17 | Employment Arrangements with the NEOs | 65 |
| Board Committees | 17 | David O'Reilly | 65 |
| Audit | 18 | L. Jay Cross | 67 |
| Compensation | 18 | Peter F. Riley | 68 |
| Nominating and Corporate Governance | 19 | Saul Scherl | 71 |
| Risk | 19 | Paul Layne | 72 |
| Commitment of our Board – 2020 | 19 | Employment Agreements – Definitions | 72 |
| Board and Committee Evaluations | 20 | Outstanding Equity Awards at Fiscal Year-End | 73 |
| Evaluations – A Multi-Step Process | 20 | 2020 Option Exercises and Stock Vested | 75 |
| 2020 Director Compensation | 20 | Nonqualified Deferred Compensation | 75 |
| Stock Ownership Guidelines | 21 | Potential Payments Upon Termination or Change in Control | 75 |
| SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL HOLDERS | 22 | Pay Ratio Disclosure | 77 |
| Directors and Executive Officers | 22 | STOCKHOLDER PROPOSALS FOR 2022 ANNUAL MEETING OF STOCKHOLDERS | 78 |
| Five-Percent Holders | 24 | OTHER MATTERS | 78 |
| SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE | 25 | ANNEX A | |
| COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION | 25 | ANNEX B | |
| RELATED-PARTY TRANSACTIONS AND CERTAIN RELATIONSHIPS | 26 | | |
| Related-Party Transactions Policy | 26 | | |
| Transactions in Connection with the Spin-Off | 26 | | |
| Registration Rights Agreement | 27 | | |
| Transactions after the Spin-Off | 27 | | |
| O'Reilly Warrant | 27 | | |
| Pershing Square Purchase of Common Stock | 27 | | |



Proxy Summary



This summary highlights certain information from our Proxy Statement for the 2021 Annual Meeting of Stockholders. You should read the entire Proxy Statement carefully before voting.

2021 ANNUAL MEETING INFORMATION



Thursday,
May 27, 2021



9:00 a.m. Eastern Time



Record Date
April 1, 2021



Participate Via the Internet

To attend the virtual meeting, visit
www.virtualshareholdermeeting.com/HHC2021





















For additional information about our Annual Meeting, see “Questions and Answers Regarding This Proxy Statement and The Annual Meeting.”





MATTERS TO BE VOTED ON AT OUR 2021 ANNUAL MEETING

| Proposal | Board Recommendation | Page |
|---|---------------------------------------|------|
| 1 Election of directors | ✓ FOR each director nominee | 29 |
| 2 Advisory vote to approve executive compensation (Say-on-Pay) | ✓ FOR | 34 |
| 3 Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 | ✓ FOR | 35 |

PROXY SUMMARY

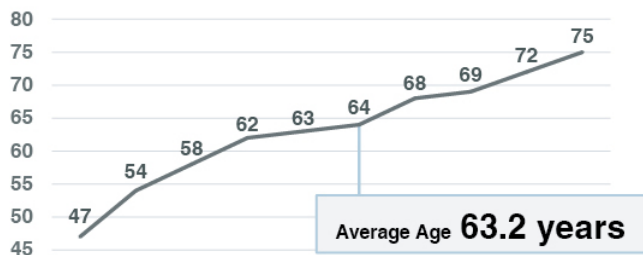
DIRECTOR NOMINEES

| Name | Age | Director Since | Independent | Principal Occupation | Committee Memberships | | | | Other Current Public Company Boards |
|-------------------------|-----|---|-------------|--|---|---|--|--|---|
| | | | | | Audit | Compensation | Nominating & Corporate Governance | Risk | |
| William Ackman | 54 | 2010  | ✓ | Chief Executive Officer and Portfolio Manager of Pershing Square Capital Management, L.P. | |  | | | • None |
| Adam Flatto | 58 | 2010 | ✓ | Chief Executive Officer and President of The Georgetown Company | | |  | | • None |
| Jeffrey Furber | 62 | 2010 | ✓ | Chief Executive Officer of AEW Capital Management, L.P. and Chairman of AEW Europe | | |  | | • Stag Industrial Inc. |
| Beth Kaplan | 63 | 2017 | ✓ | Managing Partner of Axcel Partners, LLC |  | | |  | • Crocs, Inc. • Empower Ltd. • Meredith Corporation |
| Allen Model | 75 | 2010 | ✓ | Treasurer and Vice Chairman of Overseas Strategic Consulting, Ltd. |  | |  |  | • None |
| David O'Reilly | 47 | 2021 | ✗ | Chief Executive Officer and interim Chief Financial Officer of The Howard Hughes Corporation | | | | | • Kite Realty Group Trust |
| R. Scot Sellers | 64 | 2010 | ✓ | Former Chief Executive Officer of Archstone | |  |  |  | • None |
| Steven Shepsman | 68 | 2010 | ✓ | Executive Managing Director of New World Realty Advisors |   | |  |  | • None |
| Mary Ann Tighe | 72 | 2011 | ✓ | Chief Executive Officer of CBRE's New York Tri-State Region | |  | | | • None |
| Anthony Williams | 69 | 2021 | ✓ | Chief Executive Officer & Executive Director of the Federal City Council |  | | | | • None |
| Meetings in 2021: 12 | | | | | 8 | 6 | 4 | 5 | |

 Chair
  Member
  Financial Expert
  Chairman of the Board

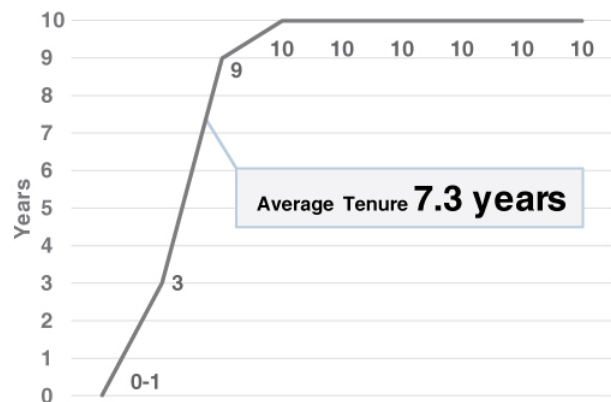
Director Diversity

AGE OF DIRECTOR NOMINEES



| Distribution of Director Age | Number of Directors |
|------------------------------|---------------------|
| 40s | 1 |
| 50s | 2 |
| 60s | 5 |
| 70s | 2 |

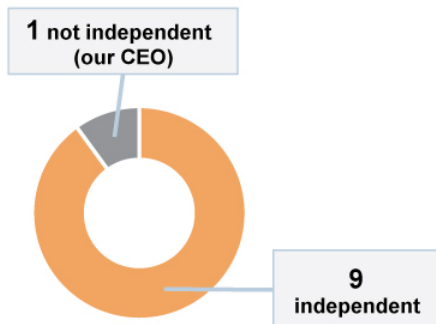
TENURE OF DIRECTOR NOMINEES



| Distribution of Director Tenure | Number of Directors |
|---------------------------------|---------------------|
| 0 - 4 years | 3 |
| 5 - 10 years | 7 |

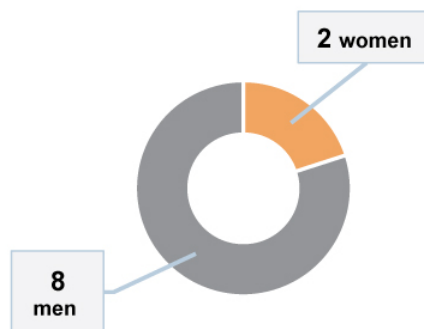
BOARD INDEPENDENCE

90% INDEPENDENT



GENDER

20% WOMEN



See "Proposal No. 1 – Election of Directors" for more information.

PROXY SUMMARY

GOVERNANCE HIGHLIGHTS

The Board of Directors (the “Board”) and management believe that good corporate governance promotes accountability to stockholders, enhances investor confidence in The Howard Hughes Corporation (the “Company”) and supports long-term value creation. The Company has implemented and fostered a culture of good corporate governance, which includes the following:

- ✓ None of our director nominees serve on an excessive number of boards
- ✓ A majority of executive pay is tied to performance-based and long-term equity incentives
- ✓ The Board follows Corporate Governance Guidelines
- ✓ Each committee of the Board has a published charter that is reviewed annually
- ✓ Each committee of the Board is 100% comprised of independent directors
- ✓ The Board and each of its committees meet regularly and frequently without management present

🔍 See “*Matters Related to Corporate Governance, Board Structure, Director Compensation and Stock Ownership*” for more information.

EXECUTIVE COMPENSATION HIGHLIGHTS

The Compensation Committee of the Board seeks to align the executive compensation program with the Company's business strategy to attract, retain and engage the talent we need to compete in our industry,

and to align management with stockholders' interests. The table below highlights key aspects of our executive compensation program and practices.

- ✓ A compensation recovery policy designed to prevent misconduct by any executive officers
- ✓ No single-trigger change-in-control for severance pay and benefits
- ✓ Five-year vesting period for the performance-based component of long-term equity awards
- ✓ A substantial portion of our long-term equity awards contain meaningful performance hurdles to achieve full vesting
- ✓ Non-employee directors and executive officers are subject to stock ownership guidelines
- ✓ No tax gross-ups in executive employment agreements or incentive plan
- ✓ A general prohibition against short sales; investing in publicly traded options; hedging; pledging and margin accounts; and limit orders, in each case, involving Company securities

PROXY SUMMARY

HHSUSTAINABILITY

Inheriting the visionary legacy of our namesake, we have an unrelenting focus on building for the future – to help people discover new ways of experiencing life. As companies navigate the challenges of an ever-changing world, environmental, social, and governance (“ESG”) strategies have never been more important and will continue to come into increasingly sharper focus as we work to ensure a long-term and sustainable future.

Over the last year, we have faced the unprecedented challenges of the COVID-19 pandemic and the long-standing issues of diversity, equity, and inclusion (DEI) that are reframing societal view. At The Howard Hughes Corporation, we believe that we have no greater asset than the health, safety, mutual trust and respect of our tenants, residents, customers, and team members. Our organization is built on a foundation of strength, vitality, and diversity of our communities.

In 2017, we embarked on a portfolio-wide Sustainability Program to develop formalized policies, programs, metrics and measures to assess and accelerate our ESG performance. By prioritizing our ESG investment strategy, we hope to enhance the quality of living for our

stakeholders, lessen our company’s environmental footprint and decrease operational expenses through a number of sustainability-related initiatives.

HHCares is our company-wide, integrated corporate social responsibility program established to leave a positive footprint beyond our physical environment. Our Company’s success depends upon the vitality of all who live, work, play and thrive in our communities, and beyond. As we build for the future, we remain sharply attuned to our ability, and our responsibility, to positively impact the lives of those within our communities our own organization, and the world at large.

We have memorialized our stewardship and commitment to our ESG strategies and commitments with our third annual Howard Hughes Sustainability Report, posted on our website in October 2020. The report outlines our proactive approach for addressing sustainable development, natural resource conservation, and cultural diversity and inclusion. To learn more about how we track and measure our success in this area, please visit:

<https://www.howardhughes.com/hhsustainability>.

ESG Principles

Environmental



We are committed at the core of our operations to reducing our portfolio's environmental footprint, and to embedding sustainability into our overall strategy.

Social



We are dedicated to fostering thriving and diverse neighborhoods, employees and vendors through authentic initiatives and purposeful policies.

Governance



We hold ourselves to the highest standards across our organization, honoring our commitments while challenging our thinking to stay ahead of the curve.

ESG Core Values



Operational Excellence (Environmental)

Implementing sustainability throughout our operations in order to lower our carbon footprint, reducing our expenses and increasing the effectiveness of our portfolio management.

Community-Focused Philanthropy (Social)

Supporting our neighborhoods through charitable giving and volunteerism is central to our corporate responsibility strategy.

A Safe, Healthy and Diverse Workplace (Social)

Attracting and retaining the best talent means providing a stable work environment that keeps our employees and stakeholders feeling secure, healthy and engaged.

Sustainable Return (Financial)

Integrating ESG principles into our investment strategy to deliver sustained and high quality value.

Ethical Leadership (Governance)

We hold ourselves to the highest standards of transparency and ethics to ensure we remain accountable to our shareholders, employees and customers.

Sustainability Goals



Transform the Footprint of Our Properties (Environmental)

We aim to reduce our environmental impact as we build and invest in communities and properties that reflect our commitment to sustainability.

Build Thriving Neighborhoods (Social)

We strive to support the local culture of our diverse communities, honor their history and actively integrate ourselves into their social fabric.

Foster Diversity Access Our Business (Social)

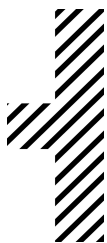
We are committed to strong diversity standards that will have a positive impact on everything we do, from employment and vendor relationships, to community involvement and charitable giving.

Pursue Resilient Returns on Investment (Financial)

We create value by increasing the efficiency and resiliency of our properties.

Lead Collaboratively and Transparently (Governance)

We remain accountable as we share our continuous ESG progress with our stakeholders in a collaborative way.



Proxy Statement for Annual Meeting of Stockholders to Be Held on May 27, 2021



QUESTIONS AND ANSWERS REGARDING THIS PROXY STATEMENT AND THE ANNUAL MEETING



Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?



Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), the Company has elected to provide access to its proxy materials over the Internet or, upon your request, through the mail. These materials are being provided in connection with the solicitation of proxies by the Board for use at the Company's 2021 annual meeting of stockholders or any postponement or adjournment thereof (the "Annual Meeting"). Accordingly, the Company sent a Notice of Internet Availability of Proxy Materials (the "Notice") on or about April 12, 2021 to stockholders entitled to notice of, and to vote at, the meeting.

All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. The Company encourages stockholders to take advantage of the availability of the proxy materials on the Internet.

You are invited to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement. The Annual Meeting will be completely virtual. You may attend the meeting, submit questions, and vote your shares electronically during the meeting via live webcast by visiting www.virtualshareholdermeeting.com/HHC2021. You will need the 16-digit control number that is printed in the box marked by the arrow on your Notice of Internet Availability of Proxy Materials or proxy card to enter the Annual Meeting. We recommend that you log in at least 15 minutes before the meeting to ensure you are logged in when the meeting starts.



How can I get electronic access to the proxy materials?



The Notice will provide you with instructions regarding how to:

- view the Company's proxy materials for the Annual Meeting on the Internet; and
- instruct the Company to send future proxy materials to you electronically by email.

The Company's proxy materials are also available on the Company's website at www.howardhughes.com under the Investors tab.

If you previously elected to access your proxy materials over the Internet, you will not receive a Notice or printed proxy materials in the mail. Instead, you have received an email with a link to the proxy materials and voting instructions.

Choosing to receive future proxy materials by email will save the Company the cost of printing and mailing documents to you, which should result in lower costs associated with the Annual Meeting. If you choose to receive future proxy materials by email, you will receive an email message next year with instructions containing a link to those materials and a link to the proxy voting website. Your election to receive proxy materials by email will remain in effect until you terminate it.

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 27, 2021



What is included in the proxy materials?



The proxy materials include:

- the Company's Notice of the Annual Meeting;
- this Proxy Statement for the Annual Meeting; and
- the Company's 2021 Annual Report to Stockholders.

If you requested printed versions of these materials by mail, the proxy materials will also include a proxy card (for stockholders of record) or a voting instruction form (for beneficial owners) for the Annual Meeting.



Who is entitled to vote at the Annual Meeting?



Holders of Company common stock at the close of business on April 1, 2021 are entitled to receive notice of, and to vote their shares at, the Annual Meeting. On April 1, 2021, there were 55,244,102 shares of Company common stock outstanding and entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

If your shares are registered in your name with the Company's transfer agent, Computershare Trust Company, N.A., you are considered a "stockholder of record." If your shares are held in an account with a broker, bank or other nominee, you are considered the "beneficial owner." As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares.



How do I vote?



How to Vote

Your vote is important. Please vote as soon as possible by one of the methods shown below.



At the Annual Meeting

If you are a stockholder of record, you may vote your shares electronically during the meeting via live webcast by visiting www.virtualshareholdermeeting.com/HHC2021. You will need the 16-digit control number that is printed in the box marked by the arrow on your Notice of Internet Availability of Proxy Materials or proxy card to enter the Annual Meeting.



By telephone

All stockholders of record may vote their shares by calling 1-800-690-6903 toll-free. Submit your vote by telephone until 11:59 p.m. ET on May 26, 2021. Have your proxy card available and follow the instructions provided by the recorded message to vote your shares. If you are a beneficial owner of shares, you may vote your shares by telephone by following the instructions sent to you by your broker, bank or other record holder.



By Internet

All stockholders of record may vote their shares online at www.proxyvote.com. Use the Internet to transmit your voting instructions until 11:59 p.m. ET on May 26, 2021. Have your proxy card available and follow the instructions on the website to vote your shares. If you are a beneficial owner of shares, you may vote your shares online by following the instructions sent to you by your broker, bank or other record holder.



By mail

If you are a stockholder of record, you may request from us, by following the instructions on your Notice or in the email that you received, printed copies of the proxy materials, which will include a proxy card.

If you are a beneficial owner of shares, you may vote your shares by mail by following the instructions sent to you by your broker, bank or other record holder.

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 27, 2021

Internet and telephone voting for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Time on May 26, 2021. The availability of Internet and telephone voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. You should follow the voting instructions in the materials provided to you by your broker, bank or other holder of record. If you vote on the Internet or by telephone, you do not have to return a proxy card or voting instruction form. If you are located outside the U.S. and Canada, please use the Internet or mail voting procedures. Your vote is important. Your timely response may save us the expense of attempting to contact you again.

Q

What is householding and how does this affect me?

A

We have adopted a procedure approved by the SEC called "householding." Under this procedure, registered stockholders, who have the same address and last name and who receive paper copies of the proxy materials in the mail, will receive only one copy of our proxy materials. This consolidated method of delivery will continue unless one or more of these stockholders notifies us that they would like to receive individual copies of proxy materials. This procedure reduces our printing costs and postage fees. If a stockholder of record residing at such address wishes to receive separate proxy materials in the future, he or she may contact The Howard Hughes Corporation, 9500 Woodloch Forest Drive, Suite 1100, The Woodlands, Texas 77380, Attention: Investor Relations.

Q

What can I do if I change my mind after I submit my proxy?

A

If you are a stockholder of record, you can revoke your proxy prior to the completion of voting at the Annual Meeting by:

- delivering written notice revoking your proxy to the Corporate Secretary at the Company's address set forth above;
- timely delivering a new, later-dated proxy using one of the methods described above; or
- voting in person at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other nominee. You may also vote in person at the Annual Meeting if you obtain a legal proxy from your broker, bank or other nominee.

Q

What shares are included in my proxy?

A

If you are a stockholder of record, you will receive one proxy card for all of your shares that are registered in your name with the Company's transfer agent. If you are a beneficial owner of shares, the voting instructions you receive from your broker, bank or other nominee will indicate the number of shares of Company common stock held by them on your behalf. If you received more than one proxy card or voting instructions, then your shares are likely registered in more than one name with the Company's transfer agent and/or held in more than one account with your broker, bank or other nominee. Please complete, sign, date and return each proxy card and/or voting instructions to ensure that all of your shares are voted.

Q

What happens if I do not give specific voting instructions?

A

All properly executed proxies, unless revoked as described above, will be voted at the Annual Meeting in accordance with your instructions. If a properly executed proxy gives no specific instructions, then the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

If you are a beneficial owner of shares and do not provide your broker, bank or other nominee with specific voting instructions, then under the rules of the New York Stock Exchange (the "NYSE"), they may only vote on matters

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 27, 2021

for which they have discretionary power to vote. If your broker, bank or other nominee does not receive instructions from you on how to vote your shares and they do not have discretion to vote on the matter, then the broker, bank or other nominee will inform the inspector of election that it does not have the authority to vote on the matter with respect to your shares.

Your broker, bank or other nominee will not be permitted to vote on your behalf on the election of directors; the advisory vote on executive compensation; and other matters to be considered at the Annual Meeting, unless you provide specific instructions by completing and returning a properly executed proxy or following the instructions provided to you to vote your shares. For your vote to be counted, you need to communicate your voting decisions to your broker, bank or other nominee before the date of the Annual Meeting.

Q**What constitutes a quorum?****A**

A majority of the outstanding shares of common stock must be present, in person or by proxy, to constitute a quorum at the Annual Meeting.

Abstentions and “broker non-votes” are counted as present and entitled to vote for purposes of determining a quorum. A “broker non-vote” occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular matter and has not received voting instructions from the beneficial owner.

Q**Who can attend the Annual Meeting?****A**

The Annual Meeting is open to all holders of the Company's common stock.

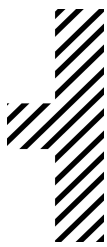
PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 27, 2021



What will the stockholders vote on at the Annual Meeting, what are the voting requirements for each of the matters to be voted on at the Annual Meeting and what are the Board's voting recommendations?



| Proposal | Vote Necessary to Approve Proposal | Broker Discretionary Voting Allowed? | Treatment of Abstentions and Broker Non-Votes | Board Recommendation |
|---|--|--------------------------------------|---|---------------------------------------|
| 1 Election of directors | Each director nominee must receive the affirmative vote of a majority of the votes cast with respect to the nominee, excluding abstentions | No | No effect | ✓ FOR each director nominee |
| 2 Advisory vote to approve executive compensation (Say-on-Pay) | Affirmative vote of a majority of the shares present, in person or by proxy, at the Annual Meeting and entitled to vote on the matter | No | Abstentions have the effect of a vote cast against the matter and broker non-votes have no effect | ✓ FOR |
| 3 Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 | Affirmative vote of a majority of the votes cast | Yes | No effect | ✓ FOR |



Matters Related to Corporate Governance, Board Structure, Director Compensation and Stock Ownership



CORPORATE GOVERNANCE

The Board has adopted the following policies to serve as the governing framework of the Company:

- corporate governance guidelines to assist the Board in the exercise of its responsibilities to the Company and its stockholders;
- a code of business conduct and ethics applicable to the Company's directors;
- a code of business conduct and ethics applicable to the Company's officers and other employees; and
- written charters for its Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Risk Committee.

The Company's corporate governance guidelines, codes of business conduct and ethics and committee charters are available on the Company's website at www.howardhughes.com under the Investors tab. You may also obtain a copy of these policies upon written request to the Company's Corporate Secretary at its principal executive office.

The Board periodically reviews its corporate governance policies and practices. Based on these reviews, the Board may adopt changes to policies and practices that are in the best interests of the Company and as appropriate to comply with any new SEC or NYSE corporate governance requirements.

The Board may, at its discretion, elect a Chairman of the Board from among the directors. If at any time the

Chairman of the Board is a current or former executive officer of the Company, or for any reason is not an independent director, a presiding director will be selected by the independent directors from among the directors who are not current or former executive officers of the Company and are otherwise independent. The Board adopted this structure to promote decision-making and governance that are independent of the Company's management and to better perform the Board's monitoring and evaluation functions. The positions of Chairman of the Board and Chief Executive Officer are held by different individuals. The Chairman of the Board, William Ackman, is not a member of Company management.

The Board has established a policy that its non-management directors meet in executive session, without members of management present at least four times per year; provided, however, that any non-management director may request additional executive sessions of the non-management directors at any time, if and when necessary, to discuss any matter of concern. The Chairman of the Board or presiding director presides over each executive session. The Board policy provides that if the Board includes non-management directors that are not independent, at least one executive session each year will include only independent directors.

The Company believes that the foregoing policies and practices, when combined with the Company's other governance policies and procedures, provide an appropriate framework for oversight, discussion and evaluation of decisions and direction from the Board.

MATTERS RELATED TO CORPORATE GOVERNANCE, BOARD STRUCTURE, DIRECTOR COMPENSATION AND STOCK OWNERSHIP

| Foundation in Sound Governance Practices | |
|---|--|
| ✓ Regular executive sessions of independent directors | ✓ Majority voting with resignation policy for directors in uncontested elections |
| ✓ Annual Board and committee evaluations, including an independent third-party evaluation once every three years | ✓ A general prohibition against short sales; investing in publicly traded options; hedging; pledging and margin accounts; and limit orders, in each case, involving Company securities |
| ✓ Directors may contact any employee of our Company directly, and the Board and its committees may engage independent advisors at their sole discretion | ✓ Stockholders holding at least 15% of our outstanding shares of common stock can call a special meeting of stockholders |
| ✓ Annual elections of directors (<i>i.e.</i> , no staggered board) | ✓ Director and executive stock ownership requirements |
| | ✓ Executive Compensation Recoupment Policy |

RISK MANAGEMENT

The Board views risk management as one of its primary responsibilities. A fundamental part of risk management is not only understanding the risks that the Company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. Our Board is responsible for overseeing the risk management of our Company, which is carried out by the full Board as well as at each of its committees and, in particular, the Risk Committee.

BOARD RISK MANAGEMENT OVERSIGHT INCLUDES:

- strategic and financial considerations
- legal, regulatory and compliance risks
- other risks considered by the committees

RISK COMMITTEE RISK MANAGEMENT OVERSIGHT INCLUDES:

- development and implementation of the Company's enterprise risk management program, which is an enterprise-wide program designed to enable effective and efficient identification of critical enterprise risks and to incorporate risk considerations into decision making
- overall risk-taking tolerance and risk governance
- environmental, social and governance risks

AUDIT COMMITTEE RISK MANAGEMENT OVERSIGHT INCLUDES:

- financial, legal and compliance risks
- technology and cybersecurity risks

COMPENSATION COMMITTEE RISK MANAGEMENT OVERSIGHT INCLUDES:

- considering the relationship between the Company's overall compensation policies and practices for employees, including executive officers, and risk, including whether such policies and practices encourage imprudent risk taking and would be reasonably likely to have a material adverse effect on the Company

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE RISK MANAGEMENT OVERSIGHT INCLUDES:

- managing risks related to Board composition
- oversight of risks related to corporate governance

MATTERS RELATED TO CORPORATE GOVERNANCE, BOARD STRUCTURE, DIRECTOR COMPENSATION AND STOCK OWNERSHIP

DIRECTOR INDEPENDENCE

NYSE corporate governance guidelines require that at least a majority of the members of the Board meet the NYSE criteria for independence. The Board has determined that each of its non-management directors, which include Mr. Ackman, Mr. Flatto, Mr. Furber,

Ms. Kaplan, Mr. Model, Mr. Sellers, Mr. Shepsman, Ms. Tighe and Mr. Williams, is independent under the NYSE independence standards. Mr. O'Reilly is not independent because he is the Chief Executive Officer and Interim Chief Financial Officer of the Company.

DIRECTOR NOMINATIONS

Qualifications

The Nominating and Corporate Governance Committee considers a number of factors in its evaluation of director candidates. These factors include their specific experience, qualifications, attributes and skills in light of the Company's business. The Nominating and Corporate Governance Committee is also responsible for recommending the nomination of those incumbent directors it deems appropriate for reelection to the Board and, if applicable, reappointment to any committees of the Board on which such director serves.


While the Nominating and Corporate Governance Committee has not established specific criteria relating to a candidate's age, education, experience level or skills, qualified candidates are expected to have strong business expertise and, in particular, experiences and expertise with regard to one or more of the following: real estate development and management, retail and entertainment operations, marketing, capital markets, technology, financial reporting, risk management, public policy and government relations, ESG and/or business strategy. Under our Diversity Policy, the Nominating and Corporate Governance Committee also considers the independence of the nominee, availability for service to the Company (including any potential conflicts of interest), age of the incumbent directors on the Board, diversity and the Board's anticipated needs with regard to director expertise. With regard to diversity, the Nominating and Corporate Governance Committee is committed to considering candidates for the Board regardless of gender, ethnicity and national origin.

Stockholder Recommendations

The Nominating and Corporate Governance Committee will consider recommendations of potential candidates from stockholders based on the same criteria as a candidate identified by the Nominating and Corporate Governance Committee.

To recommend a candidate, a stockholder must provide notice to the Company. The notice must include the following:

- monetary agreements, arrangements and understandings during the past three years as to each person being recommended, all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in contested elections;
- such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and
- a description of all direct and indirect compensation between the Company and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships between or among such stockholder and, if applicable, the beneficial owner of the shares held by such stockholder.

 For information regarding when notice must be received to be considered timely, see "*Stockholder Proposals for 2022 Annual Meeting of Stockholders.*"

MATTERS RELATED TO CORPORATE GOVERNANCE, BOARD STRUCTURE, DIRECTOR
COMPENSATION AND STOCK OWNERSHIP

STOCKHOLDER ENGAGEMENT

We believe that strong corporate governance should include year-round engagement with our stockholders. Through our investor outreach program, we solicit feedback on our executive compensation program,

corporate governance and disclosure practices, and we respond to questions regarding our programs, policies and goals. We share the feedback we receive with our Board of Directors and applicable Committees.

COMMUNICATIONS WITH THE BOARD

Any stockholder or other interested party may communicate with the Board, any Board committee, the non-management directors or any individual director. All written communications must identify the recipient and the author and be sent by certified mail to the Company's principal executive offices at:

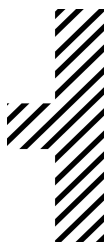
The Howard Hughes Corporation
9950 Woodloch Forest Drive
The Woodlands, Texas 77380
Attention: Corporate Secretary

The Corporate Secretary will act as agent for the directors in facilitating these communications.

CODES OF BUSINESS CONDUCT AND ETHICS

The Company has adopted a code of business conduct and ethics applicable to the Company's directors and a code of business conduct and ethics applicable to the Company's officers and other employees, each of which can be found on the Company's website at www.investor.howardhughes.com/governance. The purpose of these codes is to, among other things, affirm the Company's commitment to the highest standards of business conduct and ethics, integrity and attendant

compliance reporting in accordance with all applicable laws. The codes set forth a common set of values and standards to which all of the Company's directors, officers and employees are expected to adhere. The Company will post information regarding any amendment to, or waiver from, its codes of business conduct and ethics on its website under the Investors tab as required by applicable law.



The Board, its Committees and its Compensation



THE BOARD

Nine of our directors are non-management directors. Under the Company's amended and restated bylaws, the Board may select one of its members to be Chairman of the Board. William Ackman is the Chairman of the Board.

Under the Company's corporate governance guidelines, Board members are expected to devote the time reasonably necessary to discharge their responsibilities and to prepare for and, to the extent reasonably practicable, attend and participate in all meetings of the Board and the committees on which they serve. Each director is expected to attend the annual meeting of stockholders. The Board held a total of 12 meetings in 2020. All directors attended 75% or more of the meetings of the Board and of the

committees on which they served during 2020. All the directors virtually attended our 2020 annual meeting of stockholders.

Our individual Board members have varied expertise and bring extensive professional experience both within and outside the real estate industry. This provides our Board with a vast collective skill set that is advantageous to the Board's oversight of our Company. While the industry-specific expertise possessed by certain of our Board members is essential, we also benefit from the viewpoints of our directors with expertise outside of the real estate industry. These varied perspectives expand the Board's ability to provide relevant guidance to our leadership team and overall business.

BOARD COMMITTEES

Our Board has four standing committees: Audit, Compensation, Nominating and Corporate Governance and Risk. The specific membership of each committee allows us to take advantage of our directors' diverse skill sets, which enables deep focus on committee matters.



Each of our committees:


- Operates pursuant to a written charter (available on our website at www.howardhughes.com under the "Investors" tab)

- Reviews its charter annually
- Evaluates its performance annually

The Company's reputation is of critical importance. In fulfilling their duties and responsibilities, each of our standing committees and our Board consider the potential effect of any matter on our reputation.

THE BOARD, ITS COMMITTEES AND ITS COMPENSATION

| AUDIT | | Meetings in 2020: 8 |
|---|---|----------------------------|
| All Independent | Key Responsibilities | |
| <ul style="list-style-type: none"> • Steven Shepsman   • Beth Kaplan • Allen Model • Anthony Williams* | <ul style="list-style-type: none"> • Pre-approving auditing services, internal control-related services and permitted non-audit services to be performed for the Company by the independent registered public accounting firm • Reviewing and discussing with management and the independent registered public accounting firm financial statement and disclosure matters | |
| Key Skills and Experiences Represented | <ul style="list-style-type: none"> • Reviewing the findings and recommendations of the Company's independent registered public accounting firm and management's response to the recommendations of that firm • Reviewing and discussing with management and the independent registered public accounting firm the Company's significant financial and accounting risk exposure • Overseeing the internal audit function • Overseeing compliance with applicable legal and regulatory requirements as it relates to financial reporting • Establishing "whistleblower" procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters | |
| <p>Each member of the Audit Committee has the ability to read and understand fundamental financial statements. The Board has determined that Mr. Shepsman meets the requirements of an "audit committee financial expert" as defined by the rules of the Securities Exchange Act of 1934 (the "Exchange Act").</p> <p>*Mr. Williams was appointed to the Audit Committee effective March 1, 2021.</p> | | |

| COMPENSATION | | Meetings in 2020: 6 |
|---|---|----------------------------|
| All Independent | Key Responsibilities | |
| <ul style="list-style-type: none"> • R. Scot Sellers  • William Ackman • Mary Ann Tighe | <ul style="list-style-type: none"> • Evaluating the performance of and determining the compensation for the Company's executive officers, including its Chief Executive Officer • Reviewing, approving and recommending to the Board the Company's annual and long-term incentive plans and programs | |
| Key Skills and Experiences Represented | <ul style="list-style-type: none"> • Reviewing and approving employment and other contracts relating to compensation with the Company's executive officers • Reviewing director compensation policies, objectives and programs and approving the form and amount of director compensation • Reviewing with management and approving the Compensation Discussion and Analysis to be included in the Company's proxy statement | |
| <ul style="list-style-type: none"> • Setting executive compensation • Evaluating executive and Company-wide compensation programs • Human capital management | | |

| NOMINATING AND CORPORATE GOVERNANCE | | Meetings in 2020: 4 |
|---|--|----------------------------|
| All Independent | Key Responsibilities | |
| <ul style="list-style-type: none"> • Jeffrey Furber C • Adam Flatto • Allen Model • R. Scot Sellers • Steven Shepsman | <ul style="list-style-type: none"> • Developing and recommending corporate governance guidelines applicable to the Board and the Company's employees • Developing criteria and qualifications for directors to be used in identifying, reviewing and selecting director candidates • Identifying and recommending individuals qualified to be directors • Reviewing relationships between directors, the Company and members of management and recommending to the Board whether directors are independent • Recommending committee composition and assignments | |
| Key Skills and Experiences Represented | | |
| <ul style="list-style-type: none"> • Corporate governance • Current and prior public company board service | | |

| RISK | | Meetings in 2020: 5 |
|---|--|----------------------------|
| All Independent | Key Responsibilities | |
| <ul style="list-style-type: none"> • Allen Model C • Beth Kaplan • R. Scot Sellers • Steven Shepsman | <ul style="list-style-type: none"> • Assessing and evaluating critical risks • Approving the Company's enterprise-wide, risk management framework • Reviewing policies and procedures established and implemented by management to understand general enterprise and related business risk inherent in the Company's business • Providing strategic consultation and input to management to assist management in evaluating policies and practices that provide the framework to ensure operational efficiency and necessary controls for operational and other risks • Identifying which risks should be elevated to the full Board for assessment • Overseeing the delegation of risk-related responsibilities to each Board Committee | |
| Key Skills and Experiences Represented | | |
| <ul style="list-style-type: none"> • Understanding of how risk is undertaken, mitigated and controlled • Real estate, retail and entertainment operating experience | | |

| Commitment of Our Board – 2020 | 2020 Meetings |
|--|----------------------|
| Board | 12 |
| Audit | 8 |
| Compensation | 6 |
| Nominating and Corporate Governance | 4 |
| Risk | 5 |
| Executive Sessions of Independent Directors without Management | 6 |

THE BOARD, ITS COMMITTEES AND ITS COMPENSATION

BOARD AND COMMITTEE EVALUATIONS

We recognize the critical role that the Board and committee evaluations play in ensuring the effective functioning of our Board. It is important to take stock of Board, committee and director performance, and to solicit and act upon feedback from each member of our Board. To this end, our Nominating and Corporate Governance Committee is responsible for evaluating the performance of our Board annually, and each of our Board's committees also conducts an annual self-evaluation.

Evaluations – A Multi-Step Process

The Nominating and Corporate Governance Committee periodically reviews the format of the Board and committee evaluation process to ensure that actionable feedback is solicited on the operation of the Board and director performance. In addition, the Nominating and Corporate Governance Committee believes it is important to periodically have an independent third-party complete the annual Board and committee evaluations.

| | |
|--------------------------|--|
| • Questionnaire | Evaluation questionnaire provides director feedback on an unattributed basis |
| • One-on-One Discussions | Every third year, the Nominating and Corporate Governance Committee engages an independent third party to conduct one-on-one discussions with each director to solicit additional feedback and provide individual feedback |
| • Board Summary | Summary of Board and committee evaluation results provided to the full Board |
| • Feedback Incorporated | Policies and practices updated as appropriate as a result of director feedback |

2020 DIRECTOR COMPENSATION

ANNUAL COMPENSATION

The table below summarizes the Company's non-employee director compensation program.

| | Total |
|--|-----------|
| Board Service: | |
| Annual Retainer (\$145,000 Restricted Stock Award and \$75,000 Cash) | \$220,000 |
| Committee Service: | |
| Annual Audit Committee Chair Retainer | \$30,000 |
| Annual Audit Committee Member Retainer | \$15,000 |
| Annual Compensation Committee Chair Retainer | \$15,000 |
| Annual Compensation Committee Member Retainer | \$5,000 |
| Annual N&CG Committee Chair Retainer | \$12,500 |
| Annual N&CG Committee Member Retainer | \$5,000 |
| Annual Risk Committee Chair Retainer | \$12,500 |
| Annual Risk Committee Member Retainer | \$5,000 |

Under our director compensation program, the annual retainer for Board service is payable \$145,000 in restricted stock and \$75,000 in cash. A director may elect to receive up to all of his or her cash retainer in restricted stock.

The Company also reimburses directors for all expenses incurred in attending Board and Board committee meetings. A director who is, or becomes, an employee of the Company does not receive additional compensation for serving as a director.

DIRECTOR COMPENSATION TABLE

The table below sets forth the compensation earned by each of the Company's non-employee directors during 2020.

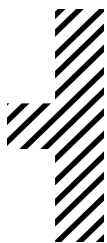
| Name ⁽¹⁾ | Fees Earned or Paid in Cash (\$) ⁽²⁾ | Restricted Stock Awards ⁽³⁾ (\$) | Total (\$) |
|---------------------------------|---|---|------------|
| William Ackman ⁽⁴⁾ | – | – | – |
| Adam Flatto | 80,000 | 145,000 | 225,000 |
| Jeffrey Furber | 87,500 | 145,000 | 232,500 |
| Beth Kaplan | 95,000 | 145,000 | 240,000 |
| Allen Model | 107,500 | 145,000 | 252,500 |
| R. Scot Sellers | 100,000 | 145,000 | 245,000 |
| Steven Shepsman | 115,000 | 145,000 | 260,000 |
| Mary Ann Tighe | 80,000 | 145,000 | 225,000 |
| Anthony Williams ⁽⁵⁾ | – | – | – |

- (1) Paul Layne, a former director and former Chief Executive Officer of the Company, and David O'Reilly, a director, Chief Executive Officer and Interim Chief Financial Officer of the Company, are not included in this table because they are/were employees of the Company and received no additional compensation for their service as a director. The compensation earned by Mr. Layne and Mr. O'Reilly as employees of the Company during 2020 is shown below under "Executive Compensation – Summary Compensation Table."
- (2) Ms. Tighe, Mr. Furber, Mr. Model, Mr. Sellers and Mr. Shepsman elected to receive \$75,000 of their annual cash retainer in the form of a restricted stock award.
- (3) Represents the aggregate grant date fair value of restricted stock granted to the Company's non-management directors. The dollar amounts were computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation, and exclude the effect of estimated forfeitures. As of December 31, 2020, the number of shares of restricted stock held by each of the non-management directors was as follows: Mr. Flatto (2,875), Mr. Furber (4,363), Ms. Kaplan (2,875), Mr. Model (4,363), Mr. Sellers (4,363), Mr. Shepsman (4,363) and Ms. Tighe (4,363). The numbers in this column do not include annual cash retainers that certain directors elected to take in restricted stock. The grant date fair value of the restricted stock granted to Ms. Tighe, Mr. Furber, Mr. Model, Mr. Sellers and Mr. Shepsman, including restricted stock that was received in lieu of annual cash retainer fees, was \$220,000.
- (4) Mr. Ackman waived all compensation relating to his service as a director of the Company and has not been awarded any equity compensation.
- (5) Mr. Williams joined the Board effective February 1, 2021 and therefore did not receive any compensation during 2020.

STOCK OWNERSHIP GUIDELINES

The stock ownership guidelines for non-management directors and officers were adopted to align their interests with those of the Company's stockholders and strengthen the Company's commitment to sound corporate governance. The stock ownership guidelines provide that (a) each non-management director that was a member of the Board prior to May 14, 2013 is required to own shares of Company common stock with a value equal to five times the original annual retainer (\$112,000) for Board service within five years of the date of appointment, and (b) each non-management director appointed after May 14, 2013 is required to own

shares of Company common stock with a value equal to five times the annual retainer for Board service in effect on May 14, 2013 (\$165,000) within five years of the date of appointment. In determining whether a director has met the minimum stock ownership guidelines, shares of common stock of the Company and restricted stock of the Company will be, in each case, valued based upon the closing price of the Company's common stock on the applicable determination date. As of April 1, 2021, each director is compliant with the stock ownership guidelines.



Security Ownership of Directors, Executive Officers and Certain Beneficial Holders



The tables below provide information regarding the beneficial ownership of the Company's common stock as of April 1, 2021, by:

- each director of the Company;
- each of the named executive officers set forth in the Summary Compensation Table below;
- all directors and executive officers as a group; and
- each beneficial owner of more than 5% of the Company's common stock.

The table below lists the number and percentage of shares beneficially owned based on 55,244,102 shares of common stock outstanding as of April 1, 2021. Beneficial ownership is determined in accordance with SEC rules and regulations. Unless otherwise indicated and subject to community property laws where applicable, the Company believes each stockholder named in the table below has sole voting and investment power with respect to the shares indicated as beneficially owned.

DIRECTORS AND EXECUTIVE OFFICERS

| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percentage |
|--|---|------------|
| William Ackman ⁽¹⁾ | 13,470,008 | 24.4% |
| Adam Flatto ⁽²⁾⁽³⁾ | 23,449 | * |
| Jeffrey Furber ⁽³⁾ | 25,746 | * |
| Beth Kaplan ⁽³⁾ | 6,457 | * |
| Allen Model ⁽³⁾ | 16,337 | * |
| R. Scot Sellers ⁽³⁾ | 39,394 | * |
| Steven Shepsman ⁽³⁾⁽⁴⁾ | 19,241 | * |
| Mary Ann Tighe ⁽³⁾⁽⁵⁾ | 38,052 | * |
| Anthony Williams ⁽³⁾ | 408 | * |
| David O'Reilly ⁽⁶⁾ | 67,028 | * |
| L. Jay Cross ⁽⁷⁾ | 18,560 | * |
| Peter Riley ⁽⁸⁾ | 44,160 | * |
| Saul Scherl ⁽⁹⁾ | 55,396 | * |
| Paul Layne ⁽¹⁰⁾ | 37,371 | * |
| All directors and executive officers as a group (19 persons) | | 25.2% |

* Less than 1%.

- (1) Mr. Ackman, who is a director of the Company, may be deemed to be the beneficial owner of the 13,470,008 shares by virtue of his position as Chief Executive Officer of Pershing Square Capital Management, L.P., a Delaware limited partnership ("Pershing Square"), the investment advisor to the Pershing Square Funds (as defined below) and as managing member of PS Management GP, LLC, a Delaware limited liability company ("PS Management"), the general partner of Pershing Square. Pershing Square's principal business is to serve as investment advisor to certain affiliated funds, including Pershing Square, L.P., a Delaware limited partnership ("PS"), Pershing Square International, Ltd., a Cayman Islands exempted company ("PS International"), and Pershing Square Holdings, Ltd, a limited liability company incorporated in Guernsey ("PSH" and together with PS and PS International, the "Pershing Square Funds"). Mr. Ackman disclaims beneficial ownership of these except to the extent of his pecuniary interest therein.

SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL HOLDERS

- (2) Includes 3,000 shares that are held by AF Services Money Purchase Plan. Mr. Flatto may be deemed to be the beneficial owner of such shares by virtue of his interest in the plan.
- (3) Includes shares of restricted stock for which the following directors have sole voting power, but no dispositive power: Mr. Flatto (2,875), Mr. Furber (4,363), Ms. Kaplan (2,875), Mr. Model (4,363), Mr. Sellers (4,363), Mr. Shepsman (4,363), Ms. Tighe (4,363) and Mr. Williams (408). These shares of restricted stock will vest on May 27, 2021.
- (4) Includes 9,005 shares held by Sam De Realty II, L.P. ("Sam De Realty"), a limited partnership for which Mr. Shepsman is the general partner. By virtue of his position as general partner of Sam De Realty, Mr. Shepsman may be deemed to be the beneficial owner of such shares.
- (5) Includes 19,495 shares that were purchased by Ms. Tighes' husband. By virtue of this relationship, Ms. Tighe may be deemed to be the beneficial owner of such shares.
- (6) Includes: (a) 1,971 shares of time-based restricted stock and 4,927 shares of performance-based restricted stock granted to Mr. O'Reilly in February 2018 for which he has sole voting power, but no dispositive power; (b) 3,126 shares of time-based restricted stock and 5,210 shares of performance-based restricted stock granted to Mr. O'Reilly in February 2019 for which he has sole voting power, but no dispositive power; (c) 4,207 shares of time-based restricted stock and 5,259 shares of performance-based restricted stock granted to Mr. O'Reilly in February 2020 for which he has sole voting power, but no dispositive power; (d) 11,601 shares of time-based restricted stock and 11,601 shares of performance-based restricted stock granted to Mr. O'Reilly in December 2020 for which he has sole voting power, but no dispositive power; and (e) 7,939 shares of time-based restricted stock and 7,940 shares of performance-based restricted stock granted to Mr. O'Reilly in February 2021 for which he has sole voting power, but no dispositive power.
- (7) Includes 9,280 shares of time-based restricted stock and 9,280 shares of performance-based restricted stock granted to Mr. Cross in December 2020 for which he has sole voting power.
- (8) Includes: (a) 858 shares of time-based restricted stock and 4,290 shares of performance-based restricted stock granted to Mr. Riley in February 2017 for which he has sole voting power, but no dispositive power; (b) 10,000 shares of time-based restricted stock granted to Mr. Riley in November 2017 in connection with entering into his new employment agreement with the Company of which he has sole voting, but not dispositive power; (c) 1,314 shares of time-based restricted stock and 3,285 shares of performance-based restricted stock granted to Mr. Riley in February 2018 for which he has sole voting power, but no dispositive power; (d) 2,084 shares of time-based restricted stock and 3,473 shares of performance-based restricted stock granted to Mr. Riley in February 2019 for which he has sole voting power, but no dispositive power; (e) 2,550 shares of time-based restricted stock and 3,187 shares of performance-based restricted stock granted to Mr. Riley in February 2020 for which he has sole voting power, but no dispositive power; and (f) 4,235 shares of time-based restricted stock and 4,324 shares of performance-based restricted stock granted to Mr. Riley in February 2021 for which he has sole voting power, but no dispositive power.
- (9) Includes: (a) 429 shares of time-based restricted stock and 2,145 of performance-based restricted stock granted to Mr. Scherl in February 2017 for which he has sole voting power, but not dispositive power; (b) 822 shares of time-based restricted stock and 2,053 shares of performance-based restricted stock granted to Mr. Scherl in February 2018 for which he has sole voting power, but no dispositive power; (c) 4,878 shares of time-based restricted stock and 2,171 shares of performance-based restricted stock granted to Mr. Scherl in February 2019 for which he has sole voting power, but no dispositive power; (d) 1,195 shares of time-based restricted stock and 2,390 performance-based restricted stock granted to Mr. Scherl in February 2020 in connection with his new compensation package of which he has sole voting, but not dispositive power; (e) 25,000 shares of performance-based restricted stock granted to Mr. Scherl in December 2020 in connection with his amended compensation package of which he has sole voting, but not dispositive power; and (f) 3,175 shares of time-based restricted stock and 3,176 shares of performance-based restricted stock granted to Mr. Scherl in February 2021 for which he has sole voting power, but no dispositive power.
- (10) Includes: (a) 1,287 shares of performance-based restricted stock granted to Mr. Layne in February 2017 for which he has sole voting power, but no dispositive power; (b) 1,232 shares of performance-based restricted stock granted to Mr. Layne in February 2018 for which he has sole voting power, but no dispositive power; (c) 1,737 shares of performance-based restricted stock granted to Mr. Layne in February 2019 for which he has sole voting power, but no dispositive power; and (d) 4,581 shares of performance-based restricted stock granted to Mr. Layne in February 2020 for which he has sole voting power, but no dispositive power.

SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL HOLDERS

In October 2016, Mr. O'Reilly purchased a warrant from the Company to acquire 50,125 shares in exchange for a fair market value purchase price of \$1.0 million. The purchase price of the warrant and the number of shares issuable upon exercise was determined by the Board based upon the advice of Houlihan Lokey, an independent third-party valuation adviser. The exercise price of the warrant and the shares underlying the warrant is \$112.08, which was the closing trading price of the Company's common stock on the NYSE on October 6, 2016.

The warrant fully vested at the time of purchase. In accordance with Rule 13d-3 of the Exchange Act, the shares of Company common stock underlying the warrant issued to Mr. O'Reilly in 2016 are not included in the table above because the warrant is not exercisable within 60 days of the date of the information provided in the table.

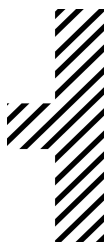
FIVE-PERCENT HOLDERS

The following table sets forth information regarding the number and percentage of shares of common stock held by all persons and entities, other than directors and officers of the Company, known by the Company to beneficially own 5% or more of the Company's outstanding common stock. The information regarding beneficial ownership of common stock by each entity

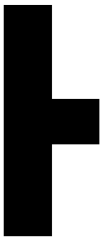
identified below is included in reliance on a report filed by the entity with the SEC, except that the percentage is based upon the Company's calculations made in reliance upon the number of shares reported to be beneficially owned by the entity in such report and the number of shares of common stock outstanding on April 1, 2021.

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent |
|---|---|---------|
| Pershing Square ⁽¹⁾ 787 Eleventh Avenue, 9 th Floor New York, New York 10019 | 13,470,008 | 24.4% |
| The Vanguard Group ⁽²⁾ 100 Vanguard Boulevard Malvern, Pennsylvania 19355 | 5,919,981 | 10.7% |
| Baillie Gifford & Co. ⁽³⁾ Calton Square, 1 Greenside Row Edinburgh EH1 3AN, Scotland, United Kingdom | 3,472,329 | 6.3% |
| Principal Global Investors, LLC ⁽⁴⁾ 801 Grand Avenue Des Moines, Iowa 50392 | 2,780,194 | 5.0% |

- (1) According to a Schedule 13D/A filed by (i) Pershing Square, (ii) PS Management and (iii) William Ackman (collectively, the "Pershing Reporting Persons") with the SEC on January 11, 2021 and a Form 4 filed by the Pershing Reporting Persons with the SEC on February 8, 2021. The Pershing Reporting Persons share voting and investment power with respect to these shares.
- (2) According to a Schedule 13G/A filed by The Vanguard Group, Inc. ("Vanguard") with the SEC on February 10, 2021. Vanguard has shared voting power with respect to 27,786 shares of our common stock, sole dispositive power with respect to 5,857,721 shares of our common stock and shared dispositive power with respect to 62,260 shares of our common stock.
- (3) According to a Schedule 13G filed by Baillie Gifford & Co with the SEC on January 20, 2021, Baillie Gifford has sole voting power of 3,119,953 shares of our common stock and sole dispositive power with respect to 3,472,329 shares of our common stock.
- (4) According to a Schedule 13G filed by Principal Global Investors, LLC ("Principal") with the SEC on February 16, 2021. Principal has shared voting power with respect to 2,780,194 shares of our common stock and shared dispositive power with respect to 2,780,194 shares of our common stock.



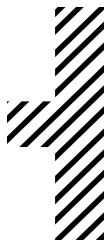
Section 16(a) Beneficial Ownership Reporting Compliance



Compliance with Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of its equity securities, to file reports of ownership and changes in ownership with the SEC. These reporting persons are required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms furnished to the Company, the Company believes that during the fiscal year ended 2020 all Section 16(a) filing

requirements applicable to its directors, executive officers and greater than 10% stockholders were in compliance with Section 16(a) except for: three Form 4s covering one transaction filed late by Ms. Sarah Vasquez (former Executive Vice President, Management and Operations), and three transactions filed late by and Mr. Paul Layne (former Chief Executive Officer; and three Form 3s filed late by Messrs. Douglas Johnstone (President, Hawaii Region), James Carman (President, Houston Region) and David Striph (Executive Vice President, Investor Relations and Head of Operations).

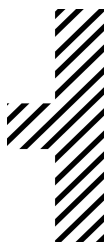


Compensation Committee Interlocks and Insider Participation



Messrs. Ackman, Sellers and Ms. Tighe served on the Compensation Committee in 2020. None of the members of the Compensation Committee are or have been an officer or an employee of the Company. In addition, during 2020, none of the Company's executive

officers served on the board of directors or compensation committee (or committee performing equivalent functions) of any other company that had one or more executive officers serving on the Board or the Company's Compensation Committee.



Related-Party Transactions and Certain Relationships



RELATED-PARTY TRANSACTIONS POLICY

The Company has adopted a written policy relating to the approval of related-party transactions. Under this policy, the Audit Committee reviews certain financial transactions, arrangements and relationships between the Company and any of the following related parties to determine whether any such transaction, arrangement or relationship is a related-party transaction:

- any director, director nominee or executive officer of the Company;
- any beneficial owner of more than 5% of the Company's outstanding stock; and
- any immediate family member of any of the foregoing.

Audit Committee review is required for any financial transaction, arrangement or relationship that:

- involves or will involve, directly or indirectly, any related party identified above and is in an amount greater than \$120,000;
- would cast doubt on the independence of a director;

- would present the appearance of a conflict of interest between the Company and the related party; or
- is otherwise prohibited by law, rule or regulation.

The Audit Committee reviews each such transaction, arrangement or relationship to determine whether a related party has, has had or expects to have a direct or indirect material interest. Following its review, the Audit Committee will take such action as it deems necessary and appropriate under the circumstances, including approving, disapproving, ratifying, cancelling or recommending to management how to proceed if it determines a related party has a direct or indirect material interest in a transaction, arrangement or relationship with the Company. Any member of the Audit Committee who is a related party with respect to a transaction under review is not permitted to participate in the discussions or evaluations of the transaction; however, the Audit Committee member will provide all material information concerning the transaction to the Audit Committee. The Audit Committee reports its action with respect to any related-party transaction to the Board.

TRANSACTIONS IN CONNECTION WITH THE SPIN-OFF

Pursuant to the plan of reorganization of General Growth Properties, Inc. ("GGP"), GGP entered into agreements with each of certain affiliates of Brookfield Asset Management ("Brookfield"), Fairholme Fund and Fairholme Focused Income Fund (collectively, "Fairholme") and Pershing Square pursuant to which these entities purchased an aggregate of \$250.0 million of Company common stock at the effective time of the spin-off. At the effective time of the spin-off, the Company also entered into (a) warrant agreements, registration rights agreements and stockholders agreements with each of Brookfield, Fairholme and Pershing Square, (b) a registration rights agreement with General Trust Company and (c) a standstill agreement with Pershing Square. The agreements between the Company and Fairholme terminated in 2012 after the Company purchased its outstanding

warrants. The agreements between Brookfield and the Company terminated in 2013 after Brookfield disposed of all of its shares of the Company. The agreement between General Trust Company and the Company terminated in 2015 after General Trust Company disposed of all of its shares of the Company. The stockholder agreement and standstill agreement between Pershing Square and the Company each automatically terminated in 2018 after Pershing Square's beneficial ownership fell below the minimum thresholds set forth in the agreements. The key terms of the registration rights agreement between Pershing Square and the Company that remains effective are summarized below. See "*Security Ownership of Directors, Executive Officers and Certain Beneficial Holders – Five-Percent Holders*" for the current

RELATED-PARTY TRANSACTIONS AND CERTAIN RELATIONSHIPS

beneficial ownership of Company common stock held by Pershing Square.

- include shares of Company common stock held by them in any registration statement whenever the Company proposes to register shares of its common stock.

Registration Rights Agreement

In November 2010, the Company entered into a registration rights agreement with Pershing Square with respect to Company common stock held by Pershing Square. The agreement with Pershing Square requires the Company to maintain a shelf registration statement covering the shares held by Pershing Square. Additionally, Pershing Square may require the Company to:

- register shares of Company common stock held by them having an estimated aggregate fair market value of at least \$25.0 million;
- undertake up to three underwritten offerings, but no more than one underwritten offering during any 12-month period; and

The Company has agreed to pay all expenses, other than underwriting discounts and commissions, in connection with the registration rights agreement, including legal and accounting fees incurred by the Company, printing costs and the fees of one law firm for the selling stockholder. Additionally, the Company has agreed to indemnify these stockholders against certain liabilities, including liabilities under the federal securities laws.

TRANSACTIONS AFTER THE SPIN-OFF

O'Reilly Warrant

In October 2016, Mr. O'Reilly purchased a warrant from the Company to acquire 50,125 shares in exchange for a fair market value purchase price of \$1.0 million. The purchase price of the warrant and the number of shares issuable upon exercise was determined by the Board based upon the advice of Houlihan Lokey, an independent third-party valuation adviser. The exercise price of the warrant is \$112.08, which was the closing trading price of the Company's common stock on the NYSE on October 6, 2016.

"Pershing Square Funds"), pursuant to which the Pershing Square Funds agreed to purchase, at the same price as the public offering price and at the same time as the closing of the offering, an aggregate of 10,000,000 shares of the Company's common stock (the "Pershing Square Stock Purchase Agreement"). Prior to execution and in accordance with the Company's Related-Party Transaction Policy, the Audit Committee reviewed and approved the Pershing Square Stock Purchase Agreement.

Pershing Square Purchase of Common Stock

On March 27, 2020, the Company offered 2,000,000 shares of common stock to the public at \$50.00 per share and granted the underwriters an option to purchase up to an additional 300,000 shares of common stock at the same price. The underwriters partially exercised their option and purchased an additional 270,900 shares. Concurrently, the Company entered into a purchase agreement with Pershing Square Capital Management, L.P., a Delaware limited partnership ("Pershing Square"), acting as investment advisor to funds that it manages, including Pershing Square Holdings, Ltd., Pershing Square International, Ltd., and Pershing Square, L.P. (collectively, the

In addition, we are a Delaware corporation, and Section 203 of the Delaware General Corporation Law ("DGCL") applies to us. In general, Section 203 prevents an interested stockholder from engaging in certain business combinations with us for three years following the date that person becomes an interested stockholder subject to certain exceptions. The statute generally defines interested stockholder as any person that is the owner of 15% or more of the outstanding voting stock or is our affiliate or associate and was the owner of 15% or more of outstanding voting stock at any time within the three-year period immediately before the date of determination.

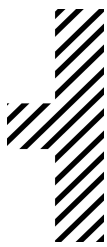
In connection with the foregoing transactions the Board amended its Company's Corporate Governance Guidelines to reflect that it would grant a waiver of the applicability of Section 203 of the DGCL to any stockholder acquiring up to 40% of the Company's

RELATED-PARTY TRANSACTIONS AND CERTAIN RELATIONSHIPS

outstanding voting stock upon the request of such stockholder, subject to the Board's fiduciary duties and applicable law.

In connection with the Pershing Square Stock Purchase Agreement, the Board (except for Mr. Ackman)

unanimously approved a waiver of the applicability of the provisions of Section 203 of the DGCL to the Pershing Square Funds and Mr. Ackman.



Proposal No. 1 – Election of Directors



The Company's bylaws provide that the number of directors will be determined by the Board from time to time. Currently, the Board consists of ten directors.

Each director nominee identified below is an incumbent director whose nomination to serve on the Board was recommended by the Nominating and Corporate Governance Committee and approved by the Board. The director nominees, if elected, will serve until the 2022 annual meeting of stockholders or until their earlier resignation or removal. Each of the director nominees has indicated a willingness to serve as a director if elected.

The primary qualities and characteristics nominees to the Board should possess are strong business

expertise and, in particular, experiences and expertise with regard to real estate development and management, capital markets, retail and entertainment, marketing, technology, financial reporting, risk management, business strategy, public policy and government relations, and ESG. All ten of the nominees possess several of these attributes. The specific experiences, qualifications, attributes and skills of each individual leading to his or her nomination are included in the individual discussions below.

The directors will be elected by the affirmative vote of a majority of votes cast "for" or "against" the election of that nominee.



WILLIAM A. ACKMAN

Age 54

Chairman and independent director since November 2010

Committees

- Compensation

Background

William A. Ackman has served as Chairman of the Board since November 2010. Mr. Ackman is the Founder, Chief Executive Officer and Portfolio Manager of Pershing Square Capital Management, L.P., an SEC registered investment adviser founded in 2003. From June 2009 to March 2010, Mr. Ackman served as a director of General Growth Properties, Inc. Mr. Ackman served as a director of Justice Holdings Limited from April 2011 to June 2012 and as a director of J.C. Penney Company, Inc. from February 2011 to August 2013. Mr. Ackman served as a director of Canadian Pacific Railway Ltd. from May 2012 to September 2016 and as a director of Bausch Health Companies Inc. from 2016 to May 2017. Mr. Ackman is a member of the Investors Advisory Committee on Financial Markets for the Federal Reserve Bank of New York and a member of the Board of Dean's Advisors of the Harvard Business School.

Qualifications

Mr. Ackman's management experience, his prior service on boards of directors of public companies and his investments in real estate-related public and private companies give him valuable insight that can be applied to the Company and benefit of the Board.



ADAM FLATTO

Age 58

Independent director since November 2010

Committees

- Nominating and Corporate Governance

Background

Adam Flatto has served as a director since November 2010. Mr. Flatto is the President and Chief Executive Officer of The Georgetown Company, a privately held real estate investment and development company based in New York City. Mr. Flatto has been with The Georgetown Company since 1990 and during that time has been involved with the development, acquisition and ownership of over 20 million square feet of commercial and residential real estate projects throughout the United States. These have included a wide array of projects ranging from large-scale office buildings, movie theaters, hotels, apartment buildings, mixed-use master planned communities and others.

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

Mr. Flatto is a trustee and board member of several civic and cultural institutions. He is Co-Chairman of the Park Avenue Armory and Co-Chairman of the Robin Hood Housing Advisory Board. He is also a trustee of the Wexner Center for the Arts.

Qualifications

Mr. Flatto's extensive real estate development and management experience provides the Board with key insight into operations and strategic planning matters.



JEFFREY FURBER

Age 62

Independent director since November 2010

Committees

- Nominating and Corporate Governance (Chair)

Background

Jeffrey Furber has served as a director since November 2010. Mr. Furber is the Chief Executive Officer of AEW Capital Management, L.P. ("AEW") and Chairman of AEW Europe. Mr. Furber joined AEW in 1997. AEW provides real estate investment management services to investors worldwide. AEW and its affiliates manage \$75 billion of real estate assets and securities in North America, Europe and Asia on behalf of many of the world's leading institutional and private investors. Mr. Furber has oversight responsibility for all of AEW's operating business units in the United States, Europe and Asia and chairs AEW's Management Committee. He is also a member of AEW's Investment Committees and Investment Policy Groups in North America, Europe and Asia. Since April 2011, Mr. Furber has served as a director and a member of the Compensation and Nominating and Corporate Governance Committees of Stag Industrial, Inc., a publicly traded company. Prior to 1997, Mr. Furber served as managing director of Winthrop Financial Associates, a subsidiary of Apollo Advisors, and as president of Winthrop Management.

Qualifications

Mr. Furber has extensive experience overseeing financial investments in the real estate industry and has held leadership roles within his firm and industry groups alike. His investment and management experience enable him to provide the Board with key insight into real estate matters.

Other current public company boards

- Stag Industrial



BETH KAPLAN

Age 63

Independent director since December 2017

Committees

- Audit
- Risk

Background

Beth Kaplan has served as a member of the Board since December 2017. She is the managing member of Axcel Partners, LLC, a venture capital firm investing in early stage and growth companies. Ms. Kaplan served as President and Chief Operating Officer at Rent the Runway, Inc. from 2013 to 2015 and continues to serve on its board of directors. Previously, Ms. Kaplan served as President and Chief Merchandising and Marketing Officer, and as a director, at General Nutrition Centers ("GNC") from 2008 to 2011, where she played an integral role in GNC's 2011 initial public offering. Prior to GNC, Ms. Kaplan served as Executive Vice President and General Manager at Bath & Body Works, LLC from 2002 to 2005, Executive Vice President of Marketing and Merchandising at Rite Aid Corporation from 1996 to 1999, and President and General Manager of the U.S. Cosmetics and Fragrance division at The Procter & Gamble Company. Ms. Kaplan has served as a member of the board of directors of (i) Meredith Corporation, a publicly traded media conglomerate, since January 2017 and is a member of its Finance/Audit Committee and chair of its Compensation Committee; (ii) Crocs, Inc., a publicly traded global footwear company, since January 2020 and is a member of its Compensation Committee and Governance and Nominating Committee; and (iii) Empower, Ltd, a publicly traded special purpose acquisition company since October 2020.

Qualifications

Ms. Kaplan's valuable industry experience leading top female brands enables her to provide the Board with key insight into operational, marketing and digital matters.

Other current public company boards

- Crocs, Inc.
- Empower Ltd.
- Meredith Corporation

**ALLEN MODEL**

Age 75

Independent director since November 2010

Committees

- Audit
- Nominating and Corporate Governance
- Risk (Chair)

Background

Allen Model has served as a director since November 2010. Mr. Model is the Co-Founder of Overseas Strategic Consulting, Ltd. (“OSC”) and served as Treasurer and Managing Director of OSC from 1992 until his retirement from those positions in November 2010, at which time he continued to hold a passive interest in OSC and the title of “Founder Emeritus.” In the spring of 2017, he resumed an active role as Treasurer and Vice Chairman of OSC. OSC is an international consulting firm that provides public information services to clients worldwide, including the United States Agency for International Development, The World Bank, The Asian Development Bank and host governments. Since 1988, Mr. Model has also been a private investor for Model Entities, which manages personal and family portfolios. Mr. Model currently serves as a director of Q’ligent, a private company that provides software management tools for broadcasting companies. Mr. Model served as a director from October 2010 to April 2017 for NetBoss Technologies, Inc., a company that provides software management tools for telecommunications companies; and served as a director of Anchor Health Properties, a real estate partnership that develops medically related properties, from 1990 until 2015, and Sinewave Energy Technologies, Inc., a company that produced energy saving devices in lighting space, from 1994 until 2011. Mr. Model served as a director of three publicly traded companies: Blue Ridge Real Estate Company, a land development company, from 1975 to 2002; Big Boulder Corp., a land development company linked to Blue Ridge, from 1975 to 2002; and MetroWest Bank, from 1990 to 2001, in each case serving on (among others) the Audit Committee.

Qualifications

Mr. Model’s consulting and investment experience as well as his service on boards of directors of both public and private companies provide him with knowledge in corporate strategy and investment expertise that will benefit the Board.

**DAVID O'REILLY**

Age 47

Director since December 2020

Committees

- None

Background

David O’Reilly has served as a director and the Company’s Chief Executive Officer & Interim Chief Financial Officer since December 2020. He joined the Company in October 2016 as Chief Financial Officer and was appointed to the additional position of President in June 2020 and then Interim Chief Executive Officer in September 2020. As Chief Executive Officer and Interim Chief Financial Officer, he has been responsible for developing and leading the Company’s Transformation Plan, while also managing the Company’s investment and financial strategy. Prior to joining the Company, Mr. O’Reilly served as Executive Vice President, Chief Investment Officer of Parkway Properties, Inc., a NYSE-traded real estate investment trust focused on office properties, from November 2011 through October 2014, and was appointed interim Chief Financial Officer in May 2012 until he was appointed Chief Financial Officer in August 2012. Previously, Mr. O’Reilly served as Executive Vice President of Banyan Street Capital and as Director of Capital Markets for Eola Capital LLC. He served in the investment banking industry as Senior Vice President of Barclays Capital Inc. and in a similar capacity for Lehman Brothers. During his career, Mr. O’Reilly has been involved in a broad range of financial advisory and merger and acquisition activities, including leveraged buyouts, initial public offerings and various transactions involving commercial mortgage backed securities. Mr. O’Reilly also has served as an independent trustee on the board of Kite Realty Group Trust, a publicly traded REIT, since 2013.

Qualifications

Mr. O’Reilly’s extensive financial and strategic experience in the real estate industry, as well as his executive leadership experience, make him particularly suited to provide guidance to the Board and serve as a bridge between the Board and our executive officers.

Other current public company boards

- Kite Realty Group Trust

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

**R. SCOT SELLERS**

Age 64

Independent director since November 2010

Committees

- Compensation (Chair)
- Nominating and Corporate Governance
- Risk

Background

R. Scot Sellers has served as a director since November 2010 and brings to the Board the expertise of a 40-year career in the real estate industry. From January 1997 until February 2013, Mr. Sellers served as the Chief Executive Officer of Archstone, one of the world's largest apartment companies. He also served as Archstone's Chief Investment Officer from 1995 until January 1997. Under his leadership, Archstone moved from being a mid-sized owner of apartments in secondary and tertiary cities, to becoming the largest publicly traded owner of urban high rise apartments in the nation's premier cities with a market capitalization of more than \$22 billion. During his career, Mr. Sellers has been responsible for the development, acquisition and operation of over \$40 billion of apartment communities in over 50 different cities across the United States. In addition, Mr. Sellers served as the chairman of the National Association of Real Estate Investment Trusts from November 2005 until November 2006 and on the International Board of Directors of Habitat for Humanity from June 2013 through November 2020. He currently serves on the board of three privately held companies, including The Irvine Company, Inspirato LLC and Milhaus LLC.

Qualifications

Mr. Sellers' extensive experience in the real estate industry, evidenced by the broad growth of Archstone under his leadership and his dedicated board and committee service within the industry, provide him with valuable industry-specific insight, knowledge and expertise, making him particularly suited to provide guidance to the Board.

**STEVEN SHEPSMAN**

Age 68

Independent director since November 2010

Committees

- Audit (Chair)
- Nominating and Corporate Governance
- Risk

Background

Steven Shepsman, has served as a director since November 2010. Mr. Shepsman is an Executive Managing Director and Founder of New World Realty Advisors, a real estate investment and advisory firm specializing in real estate restructurings, development and finance. Mr. Shepsman has been with New World Realty Advisors since 2009. Since May 2018 and through December 2019, Mr. Shepsman served as a director of Spirit MTA REIT, a publicly traded real estate investment trust. Upon its election to convert to a non-traded liquidating trust, Mr. Shepsman became a Liquidating Trustee. Previously, as a principal in a real estate fund, Mr. Shepsman had oversight responsibility for the fund's due diligence and acquisition of investment platforms, and with subsequent asset acquisitions, financings and dispositions. Mr. Shepsman served as a director of Rouse Properties, Inc. from January 2012 to May 2013. Earlier in his career, Mr. Shepsman was a managing partner of Kenneth Leventhal and Company and of Ernst & Young's Real Estate Practice. Mr. Shepsman is a trustee of The University of Buffalo Foundation and a member of the Dean's Advisory Council for its School of Management.

Qualifications

Mr. Shepsman's extensive professional accounting and financial expertise, including in the real estate industry, enable him to provide key contributions to the Board on financial, accounting, corporate governance and strategic matters.

**MARY ANN TIGHE**

Age 72

Independent director since October 2011

Committees

- Compensation

Background

Mary Ann Tighe has served as a director since October 2011. Ms. Tighe has been credited with transforming New York's skyline during her more than 35 years in the real estate industry. Ms. Tighe has been the Chief Executive Officer of CBRE's New York Tri-State Region since 2002, a region of 2,500 employees, and served as a director of CBRE in 2013. Ms. Tighe's deals have anchored more than 14.4 million square feet of new construction in the New York region. From January 2010 through December 2012, Ms. Tighe served as Chair of the Real Estate Board of New York, the first woman to hold this position in its 114-year history and the first broker in 30 years. Ms. Tighe began her real estate career as a broker at the Edward S. Gordon Company, ultimately rising to the position of Vice Chairman of Insignia/ESG, where she was regularly recognized as being among the firm's top producers. Prior to entering the real estate field, Ms. Tighe served as a Vice President of the American Broadcasting Companies, where she launched the A&E cable channel. Ms. Tighe was also formerly the Deputy Chairman of the National Endowment for the Arts, Arts Advisor to Vice President Walter Mondale, and a staff member of the Smithsonian Institution.

Qualifications

Ms. Tighe's extensive experience with commercial real estate transactions enables her to provide the Board with key insight into the real estate matters.

**ANTHONY WILLIAMS**

Age 69

Independent director since February 2021

Committees

- Audit

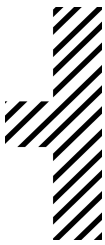
Background

Anthony Williams has served as a director since February 2021. Mr. Williams currently serves as the Chief Executive Officer and Executive Director of Federal City Council, a nonprofit organization dedicated to the advancement of civic life in the nation's capital, a position he has held since April 2012. He also has served as a Senior Advisor with the law firm King & Spalding in its Government Affairs and Public Policy practice group since July 2016. Mr. Williams previously served two terms as the mayor of Washington, D.C. from 1999 to 2007, leading the city's revitalization, restoring its finances and improving city services. As the independent Chief Financial Officer of the District of Columbia from 1995 to 1998, he worked with local officials, the D.C. Financial Control Board, and the U.S. Congress. He has held various positions in federal, state, and local government including serving as the first CFO for the U.S. Department of Agriculture, a position to which he was appointed by President Bill Clinton and confirmed by the U.S. Senate. Mr. Williams is a veteran of the U.S. Air Force, a fellow of the National Academy of Public Administration, former President of the National League of Cities, and formerly served as a lecturer and faculty member in Public Management at the Harvard Kennedy School of Government's Ash Center for Democratic Governance and Innovation.

Qualifications

Mr. Williams' extensive experience with urban development, government relations and financial oversight enables him to provide the Board with key insight into urban development and the related government relations.

✓ The Board recommends a vote **FOR** each of the ten director nominees listed above.



Proposal No. 2 – Advisory Vote on Executive Compensation



The Company believes that its compensation policies and procedures are centered on a pay-for-performance culture and are strongly aligned with the long-term interests of its stockholders. This advisory, non-binding, stockholder vote, as required under Section 14A of the Exchange Act and commonly known as “say-on-pay” gives you, as a stockholder, the opportunity to vote for or against the Company’s executive compensation program as disclosed under the heading “*Compensation Discussion and Analysis*” of this Proxy Statement. The next advisory vote on executive compensation will occur at the 2022 Annual Meeting of Stockholders.

The vote on this proposal is not intended to address any specific element of compensation. The vote relates to the compensation of the Company’s named executive officers (“NEOs”), as disclosed under the heading “*Compensation Discussion and Analysis*” and “*Executive Compensation*” in this Proxy Statement disclosed pursuant to the compensation disclosure rules of the SEC. Highlights of our executive compensation program and practices include the following:

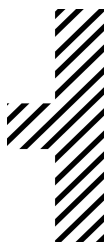
- a compensation recovery policy designed to prevent misconduct by any executive officers;
- no single-trigger change-in-control arrangements;

- five-year vesting period for performance-based equity awards;
- a substantial portion of our long-term equity awards contain meaningful performance hurdles to achieve full vesting;
- minimum stock ownership guidelines for the Chief Executive Officer; President; Chief Financial Officer; and Senior Executive Vice President, General Counsel & Secretary;
- no tax gross-ups in executive employment agreements;
- a general prohibition against short sales; investing in publicly traded options; hedging; pledging and margin accounts; and limit orders involving Company securities; and
- a voluntary deferred compensation plan.

Our board is asking stockholders to approve a non-binding advisory vote on the following resolution:

RESOLVED, that the compensation paid to the company’s NEOs, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this Proxy Statement is hereby approved.

✓ The Board recommends a vote **FOR** the approval of our executive compensation.



Proposal No. 3 – Ratification of the Appointment of Ernst & Young LLP as the Company’s Independent Registered Public Accounting Firm for Fiscal 2021



The Audit Committee has selected Ernst & Young LLP (“EY”) as the Company’s independent registered public accounting firm for fiscal 2021. SEC regulations and the NYSE corporate governance standards require that the Company’s independent registered public accounting firm be engaged, retained and supervised by the Audit Committee. Although approval or ratification by stockholders of such engagement is not required, the

Company is seeking the stockholders’ ratification of the Audit Committee’s selection of EY because we believe that allowing stockholders to express their view on the matter is good corporate governance. Any failure of the stockholders to ratify the Audit Committee’s selection of EY as the Company’s independent registered public accounting firm would be considered by the Audit Committee in determining whether to engage EY.

- ✓ The Board recommends a vote **FOR** the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for fiscal 2021.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the Company’s independent registered public accounting firm. As described above, the Audit Committee has selected EY as the Company’s independent registered public accounting firm for fiscal 2021.

A representative of EY is expected to be present at the Annual Meeting and will be given the opportunity to make a statement if they so desire and to respond to appropriate questions from stockholders.

PROPOSAL NO. 3 – RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2021

INDEPENDENT REGISTERED ACCOUNTING FIRM FEES

The following table presents fees incurred for professional services rendered by EY, the Company’s independent registered public accounting firm for the fiscal years ended December 31, 2020 and December 31, 2019.

| | December 31, | |
|-----------------------------------|--------------|-------------|
| | 2020 | 2019 |
| Audit Fees ⁽¹⁾ | \$2,467,852 | \$2,357,500 |
| Audit-Related Fees ⁽²⁾ | \$ 215,000 | \$ 170,000 |
| Tax Fees ⁽³⁾ | \$ 127,898 | \$ 5,150 |
| All Other Fees | – | – |
| Total Fees | \$2,810,750 | \$2,532,650 |

(1) Includes fees and expenses primarily for the audit of the Company’s consolidated financial statements included in the Form 10-K, including the audit of the effectiveness of the Company’s internal control over financial reporting, and the reviews of the Company’s consolidated financial statements included in the Forms 10-Q, as well as comfort letters and consents.

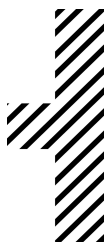
(2) Includes fees for the audits of certain joint ventures and wholly owned subsidiaries of the Company.

(3) Includes fees for services related to tax compliance, tax advice and tax planning.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee’s policy is to require the pre-approval of all audit and non-audit services provided to the Company by its independent registered public accounting firm (except for items exempt from pre-approval requirements under applicable laws and rules)

to assure that the provision of such services does not impair the firm’s independence. All audit and non-audit services were pre-approved by our Audit Committee in accordance with the pre-approval requirements set forth in its charter.



Audit Committee Report



The Audit Committee is comprised entirely of independent directors (as defined for members of an audit committee in SEC rules and the NYSE listing standards) and assists the Board in a number of duties. These duties include oversight of the following matters: the integrity of the Company's financial statements; compliance with legal and certain regulatory requirements; the performance of the internal audit function; and the financial reporting process. In addition, the Audit Committee is directly responsible for the appointment, compensation (including negotiation and approval of the audit fee), retention and oversight of the Company's independent registered public accounting firm. The Audit Committee appointed Ernst & Young LLP ("EY") as its independent registered public accounting firm for fiscal 2021. The Audit Committee operates pursuant to a written charter adopted by the Board and reviewed annually by the Audit Committee. A copy of the charter is available on our website at www.howardhughes.com under the Investors tab. The Audit Committee has the resources and authority it deems appropriate to discharge its responsibilities.

The Audit Committee has engaged EY to serve as the Company's independent accounting firm since 2013. In accordance with SEC rules, the lead audit partner on the Company engagement serves no more than five consecutive years in that role. The current lead partner was appointed in 2020. The Audit Committee and management have direct input into the selection of the lead audit partner. The Audit Committee periodically considers whether the annual audit of the Company's financial statements should be conducted by another firm.

In determining whether to reappoint EY as the Company's independent registered public accounting firm for 2021, subject to stockholder ratification, the Audit Committee took into consideration a number of factors. These factors included:

- the length of time the firm has been engaged by the Company;
- EY's familiarity with the Company's operations and industry, accounting policies, financial reporting process, and internal control over financial reporting;

- EY's skills, expertise and independence;
- the quality of the Audit Committee's ongoing discussions with EY;
- a review of external data related to EY's legal risks and proceedings, audit quality and recent public portions of Public Company Accounting Oversight Board (United States) (the "PCAOB") reports;
- an assessment of the professional qualifications of EY, the performance of the lead audit partner and the other professionals on the Company account;
- the reasonableness of EY's fees for the services provided to the Company;
- management's relationship with EY and its assessment of EY's performance; and
- the impact of changing auditors, including the significant time requirement that could distract from management's focus on reporting and internal controls.

Based on this evaluation, the Audit Committee believes that it is in the best interest of the Company and our stockholders to retain EY as our independent registered public accounting firm for fiscal 2021.

Each member of the Audit Committee is considered financially literate, as defined by the NYSE, and the Board has determined that Mr. Shepsman has the necessary experience to qualify as an "audit committee financial expert" under SEC rules. As determined by the SEC, a person designated as an audit committee financial expert will not be deemed an "expert" for purposes of the federal securities laws. In addition, this designation does not impose on a person any duties, obligations or liabilities that are greater than those otherwise imposed on the person as a member of the Audit Committee and the Board, and does not affect the duties, obligations or liabilities of the Board.

Management is responsible for the Company's system of internal control over financial reporting and for preparing its consolidated financial statements. EY was responsible for performing independent audits of the

AUDIT COMMITTEE REPORT

Company's internal control over financial reporting as of December 31, 2020 and its consolidated financial statements as of December 31, 2020 and for the year then ended, both in accordance with the standards of the PCAOB, and to issue reports thereon. The Audit Committee is responsible for overseeing management's conduct of the financial reporting process and system of internal control.

The Audit Committee reviewed and discussed with both management and EY the results of the independent audits of the Company's internal control over financial reporting as of December 31, 2020 and its consolidated financial statements as of December 31, 2020 and for the year ended prior to their issuance. During 2020, management advised the Audit Committee that the set of financial statements had been prepared in accordance with accounting principles generally accepted in the United States of America, and reviewed significant accounting and disclosure matters with the Audit Committee. This included discussion with EY of matters required to be discussed by Statement on Auditing Standards No. 16, as amended, as adopted by the PCAOB and SEC.

Regulation S-X Rule 2-07, *Communication with Audit Committees*, as currently in effect, including the quality of the Company's accounting principles, the

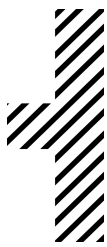
reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also discussed with its independent registered public accounting firm matters relating to its independence and received the written disclosures and letter from EY required by the applicable requirements of PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence.

Taking all of these reviews and discussions into account, all of the Audit Committee members listed below, except for Mr. Williams, who did not join the Audit Committee until March 1, 2021, recommended to the Board that it approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 for filing with the SEC.

Members of the Audit Committee

Steven Shepsman, Chair
Beth Kaplan
Allen Model
Anthony Williams*

* Joined Audit Committee on March 1, 2021



Executive Officers



The following table sets forth certain information with respect to the Company's current executive officers:



DAVID O'REILLY

CHIEF EXECUTIVE OFFICER,
CHIEF FINANCIAL OFFICER
(INTERIM) AND DIRECTOR

Age 47

Background

David O'Reilly is the Chief Executive Officer and Interim Chief Financial Officer of the Company, responsible for driving the sustainable growth of the company's assets and unlocking meaningful long-term value across the Company's portfolio. He joined the Company in October 2016 as Chief Financial Officer and was appointed to the additional position of President in June 2020 and Interim Chief Executive Officer in September 2020. Effective December 1, 2020, Mr. O'Reilly was officially promoted to Chief Executive Officer and appointed as a director on our Board. As Chief Executive Officer and Interim Chief Financial Officer, he has been responsible for developing and leading the Company's Transformation Plan, while also managing the Company's investment and financial strategy. Prior to joining the Company, Mr. O'Reilly served as Executive Vice President, Chief Investment Officer of Parkway Properties, Inc., a NYSE-traded real estate investment trust focused on office properties, from November 2011 through October 2014, and was appointed interim Chief Financial Officer in May 2012 until he was appointed Chief Financial Officer in August 2012. Previously, Mr. O'Reilly served as Executive Vice President of Banyan Street Capital and as Director of Capital Markets for Eola Capital LLC. He served in the investment banking industry as Senior Vice President of Barclays Capital Inc. and in a similar capacity for Lehman Brothers. During his career, Mr. O'Reilly has been involved in a broad range of financial advisory and merger and acquisition activities, including leveraged buyouts, initial public offerings and various transactions involving commercial mortgage-backed securities. Mr. O'Reilly currently serves as a director of Kite Realty Group Trust.

Mr. O'Reilly earned a B.S. in Civil Engineering from Tufts University and his M.B.A. from Columbia University.



L. JAY CROSS

PRESIDENT

Age 67

Background

L. Jay Cross joined the Company in December 2020 as President and is responsible for overseeing the Company's acclaimed portfolio of master planned communities and mixed-use developments. With decades of experience in the real estate industry, as well as with professional sports franchises, he has been responsible for executing large-scale, mixed-use projects across North America, catalysts for urban transformation and community development.

Prior to joining the Company, Mr. Cross served as President of Related Hudson Yards, leading the development efforts of Hudson Yards, the 28-acre megaproject on Manhattan's west side. Previously, as President of the New York Jets, he spearheaded the development of MetLife Stadium, executing an innovative joint venture between the Jets and the New York Giants to build and privately finance the \$1.3 billion dual-team NFL stadium. Mr. Cross served as President of Business Operations for the NBA's Miami Heat where he led the development of the \$213 million American Airlines Arena—creating a public-private partnership between the team and Miami Dade County, closing on an unprecedented Triple-A \$185 million bond offering, and driving a pioneering development program that sparked a renaissance of downtown Miami and the birth of a new residential neighborhood. Prior to that, Mr. Cross developed Toronto's Air Canada Centre—a \$265 million innovative dual-sport complex and home to the city's NBA and NHL franchises—through rezoning Toronto's downtown arena site. Mr. Cross has held senior positions with Markborough Properties, leading the company's commercial and industrial portfolio, and with The Prudential Insurance Company of America's real estate investment operations.

Mr. Cross earned a Bachelor's degree in Nuclear Engineering from the University of Toronto and a Master's degree in Architectural Technology from Columbia University.

EXECUTIVE OFFICERS

**PETER RILEY**

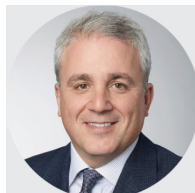
SENIOR EXECUTIVE VICE
PRESIDENT, GENERAL COUNSEL
& SECRETARY

Age 65

Background

Peter Riley serves as Senior Executive Vice President, General Counsel & Secretary and joined the Company in May 2011. Mr. Riley is responsible for overseeing all legal matters for the Company and all operations related to the Aviators, the Company's minor league baseball team located in Las Vegas. Mr. Riley has over 30 years of experience, working in both the public and private sector. Mr. Riley was a partner at K&L Gates LLP between 2004 and 2011 with a significant focus on the tax aspects of fund formation, joint ventures and the acquisition, disposition, operation and financing of real estate assets. Previously, Mr. Riley led the tax department at Kelly, Hart and Hallman, and was Senior Tax Counsel at Simpson Thacher and Bartlett.

Before earning his law degree, Mr. Riley worked for Amerada Hess Corporation (NYSE: AHC) where he became Chief Financial Officer of its Abu Dhabi subsidiary. Mr. Riley earned a L.L.M. in Taxation from New York University School of Law, a J.D. from Boston College Law School and a B.B.A. in Accounting from the University of Notre Dame.

**SAUL SCHERL**

PRESIDENT, NEW YORK TRI-
STATE REGION

Age 55

Background

Saul Scherl serves as President, New York Tri-State Region and joined the Company in December 2015. Mr. Scherl is responsible for overseeing the Company's New York Tri-State Region, which notably includes the Seaport District that is currently undergoing redevelopment.

Mr. Scherl has more than 20 years of retail, residential, hospitality and mixed-use real estate experience. Additionally, he is both a licensed attorney and CPA. Prior to joining The Howard Hughes Corporation, he was a Principal at Blackpoint Partners where he managed the company's real estate assets as well as mergers and acquisitions. Previously, he served in a similar capacity at Loeb Partners Realty as the Managing Director and with Nomura Asset Capital, where he was responsible for liquidating the company's multi-billion-dollar real estate portfolio. Earlier in his career, Mr. Scherl was with Piper Rudnick and Shaw Pittman as well as Arthur Young and Company. Throughout his career, he has been involved in a broad range of acquisitions, dispositions, redevelopments and financings for real estate properties across the U.S.

Mr. Scherl earned a B.B.A. in Accounting from Emory University and a J.D. from George Washington University.



KEVIN ORROCK
PRESIDENT, SUMMERLIN
Age 70

Background

Kevin Orrock serves as President, Summerlin. Mr. Orrock's long-term career with the Company began more than 40 years ago and he helped shape Summerlin from its inception more than 25 years ago. He brings to the Company a deep understanding of the Summerlin community and the development process as well as a keen business and financial acumen that has contributed to Summerlin's ongoing success as one of Southern Nevada's premier communities for more than two decades.

Mr. Orrock began his career with the Company when he joined the accounting department at the famed Desert Inn Hotel in Las Vegas in 1974, then owned by Summa Corporation, predecessor to the Company. He held numerous accounting and finance positions before being named Treasurer in 1991. As President of Summerlin, Mr. Orrock oversees all functions of the Summerlin community, which led the nation in home sales for more than a decade during the 1990s and early 2000s.

Mr. Orrock earned a B.A. in Business Administration from Wittenberg University and an M.B.A from the University of Nevada Las Vegas. Active in the community, Mr. Orrock is past chair of the Las Vegas Chamber of Commerce and serves on the executive board of Las Vegas Economic Global Alliance. He is a member of the advisory board of directors for University of Nevada Las Vegas Foundation and the Lee College of Business.



GREG FITCHITT
PRESIDENT, COLUMBIA
Age 51

Background

Greg Fitchitt serves as President, Columbia and joined the Company in 2013. He leads the development efforts for the 14-million-square-foot, mixed-use plan to transform Downtown Columbia into the Center of Culture and Commerce for central Maryland.

Mr. Fitchitt has over 20 years of real estate experience including development, planning, entitlements, community and government relations, leasing, and design and construction management. Before joining HHC in 2013, Mr. Fitchitt completed nine shopping center redevelopments in Washington State and Southern California. Mr. Fitchitt led the development of Westfield UTC in La Jolla, CA, obtaining entitlements for a \$1.0 billion LEED-ND Gold mixed-use revitalization and completing the \$180 million first phase in 2012. Together the Westfield projects completed under his direction represented over \$500 million in investment.

Mr. Fitchitt earned a M.B.A. from UCLA and a B.A. in Philosophy from Pomona College. Mr. Fitchitt chairs the Downtown Columbia Partnership board, and serves on the Greater Baltimore Committee's Board of Directors, and the ULI Transit Oriented Development Council for the ULI Baltimore and Washington District Councils. He also previously served for five years on the Howard County Chamber Board of Directors and for ten years on the boards of non-profit affordable housing developers in California.

EXECUTIVE OFFICERS



JIM CARMAN
PRESIDENT, HOUSTON REGION
Age 43

Background

Jim Carman serves as President, Houston Region. Previously, he served as Senior Vice President of MPC Commercial Development. He joined the Company in August 2012 to oversee vertical development on projects located within The Woodlands and Bridgeland, both master planned communities in the Houston area. Mr. Carman was responsible for leading multiple teams in the development of the first phase of Hughes Landing, Houston's premier mixed-use urban center on Lake Woodlands, taking the 66-acre project from conception to completion within three years.

Prior to joining the Company, Mr. Carman worked on mixed-use developments in Las Vegas, including Tivoli Village at Queensridge as well as projects located within the 70-acre Hughes Center. Previously, Mr. Carman served as Project Manager for the Ritz-Carlton, Grand Cayman, a \$500 million resort complex consisting of seven restaurants, 365 keys, 85 luxury condominiums, and a golf course designed by Greg Norman. Before moving overseas to manage the Ritz-Carlton project, he worked with The Haskell Company, a design-build contractor based in Jacksonville, Florida. Mr. Carman was part of the joint-venture team that constructed the Adrienne Arsht Center for the Performing Arts, a \$370 million performance complex in the heart of downtown Miami.

Mr. Carman earned a B.S. in Civil Engineering as well as Master of Engineering in Construction from Texas A&M University.



DOUG JOHNSTONE
PRESIDENT, HAWAII REGION
Age 38

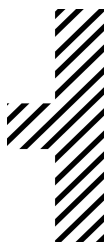
Background

Doug Johnstone serves as President, Hawai'i Region. He is responsible for leading the development, sales and operations of Ward Village, a 60-acre master planned community in the heart of Honolulu.

Mr. Johnstone joined the Ward Village team in 2012, where he most recently served as Senior Vice President of Development, playing a key leadership role in all aspects of entitlement, project management, construction, sales, and financing, and was responsible for implementing the mixed-use developments that comprise Ward Village.

Prior to joining the Company, Mr. Johnstone managed the redevelopment efforts for a \$3 billion commercial real estate portfolio of Kamehameha Schools-Bishop Estate. Before that, he served as Vice President of the Los Angeles-based boutique firm, Cyburt Hall Partners, focusing on investments and developments with institutional joint venture partners.

Mr. Johnstone earned a B.A. in Economics from Stanford University. He also serves as a board member for several local nonprofits including the U.S.S. Missouri Memorial Foundation, Outrigger Duke Kahanamoku Foundation, and HomeAidHawai'i.



Compensation Discussion and Analysis



EXECUTIVE COMPENSATION

This Compensation Discussion and Analysis provides information on our executive compensation program and the amounts shown in the executive compensation tables that follow. In this proxy statement, the Named Executive Officers, or NEOs, include each of the executive officers listed below for fiscal 2020.

| Named Executive Officer | Position |
|-------------------------|---|
| David O'Reilly | Chief Executive Officer ("CEO") and Interim Chief Financial Officer ("CFO") |
| L. Jay Cross | President |
| Peter Riley | Senior Executive Vice President, General Counsel & Secretary |
| Saul Scherl | President, New York Tri-State Region |
| Paul Layne | Former Chief Executive Officer ("Former CEO") |

EXECUTIVE SUMMARY

Our success depends, in large part, on our ability to successfully attract, motivate and retain a qualified management team. The executive compensation program designed and implemented by the Compensation Committee is intended to attract, retain and motivate the key people necessary to enable us to maximize operational efficiency and profitability over the long term, while holding employees accountable to the Company's strategy and values. The Compensation Committee believes that executive compensation should align the interests of our executives and other key employees with those of the Company, including its mission and strategy, and with long-term stockholder value. Our executive compensation program also is designed to differentiate compensation based upon individual contribution, performance and experience.

In establishing compensation, the Compensation Committee provides our NEOs with a competitive compensation package, using a holistic evaluation of each element of our NEOs' compensation together with an assessment of each NEO's ownership position in the Company (inclusive of all types of equity awards). The Compensation Committee sets compensation in this manner to ensure that our compensation practices do not disadvantage the Company in attracting and retaining executives and other key employees, while also managing a competitive compensation expense structure for the Company.

Although the Compensation Committee considers the executive compensation paid by our public company peer group in making compensation decisions, the Compensation Committee also considers the compensation that real estate private equity firms, private real estate development companies and real estate opportunity funds are paying their executives. Given the small number of public-company peers directly competing with the Company and the nature of the Company's business, the Compensation Committee believes it is prudent to consider the compensation of both its privately owned peers and publicly owned peers when considering and making its compensation decisions.

In October of 2019, following a review of strategic alternatives by our Board, we announced our intent to execute a "Transformation Plan", primarily comprised of three pillars: (1) a \$45 – \$50 million reduction in annual overhead expenses; (2) the sale of approximately \$2 billion of non-core assets, resulting in an estimated \$600 million of net cash proceeds from sale after debt repayment and transaction costs; and (3) accelerated growth in our core Master Planned Communities (MPCs).

Only a few months later, our business, our industry, the United States and the world was facing an unprecedented crisis as a result of the global COVID-19 pandemic. Even with the challenges caused by the COVID-19 pandemic, we have made significant progress on the execution of our Transformation Plan commitments, including meaningful reductions in overhead and the disposition of several non-core properties. We have continued horizontal development

COMPENSATION DISCUSSION AND ANALYSIS

in our MPCs to keep pace with homebuilder demand given the strong underlying home sales in our communities. Additionally, we have commenced modest investments in pre-development work for the next vertical development opportunities in our core MPCs.

Executive Changes

In September 2020, Mr. Layne, then our Chief Executive Officer, retired from the Company and resigned as a member of our Board. Mr. O'Reilly, then President and Chief Financial Officer, was appointed Interim Chief Executive Officer. Effective December 1, 2020, Mr. O'Reilly was officially promoted to the position of Chief Executive Officer and appointed to serve as a director on our Board, and L. Jay Cross was appointed as the Company's President. At the same time, Mr. O'Reilly agreed to continue to serve as the Company's Interim Chief Financial Officer until such time as a successor was found and duly appointed. For further information regarding Mr. Layne's separation payments and benefits, please refer to the "All Other Compensation" column of the Summary Compensation Table and the discussion under "Employment Agreements and Arrangements with the NEOs – Paul Layne Separation Agreement".

Financial and Operational Highlights*

Full-Year Company Highlights

Net income attributable to common stockholders decreased to a loss of \$26.2 million, or \$(0.50) per diluted share, for the year ended December 31, 2020, compared to income of \$74.0 million, or \$1.71 per diluted share, for the year ended December 31, 2019. As of December 31, 2020, we had \$1.0 billion of cash and cash equivalents and available capacity of \$185.0 million on the revolver portion of our credit facilities. In 2020, we strengthened our balance sheet and enhanced liquidity through the following:

- Completed an equity offering of common stock resulting in the issuance of 12,270,900 shares and receipt of \$593.6 million in net proceeds.
- Issued \$750 million in senior notes due August 2028 and used the net proceeds from the debt issuance, together with cash on hand, for the repayment of existing indebtedness of approximately \$807.9 million in order to extend the average maturity date of our indebtedness.
- Completed the sale of four non-core assets during the year.
- Obtained \$400.2 million of new construction financings and \$177.0 million in other financings.

Operating Assets

- From the start of the second quarter through year end, we collected 96.7% of our office portfolio billings, 97.8% of our multi-family portfolio billings and 83.8% of our other portfolio billings. As a result of the phased reopenings and rent deferrals, collections of our retail portfolio billings increased from 49.7% for the three months ended June 2020, to 72.6% for three months ended December 31, 2020.
- Operating Assets NOI, including our share of NOI from equity investments, decreased by 11% to \$190.0 million for the year ended December 31, 2020. The decrease in NOI was primarily due to rent deferrals and collection reserves related to our retail properties, declines in occupancy at our recently reopened hospitality properties and cancellation of the Las Vegas Aviators 2020 baseball season, all as a result of the COVID-19 pandemic. These decreases were partially offset by new office and multi-family properties placed in service during 2020 and at the end of 2019.
- We continued to see strong demand for our newly completed multi-family assets, which have leased at or above our expectations.

MPC

- MPC segment EBT of \$209.4 million exceeded pre-COVID expectations for the year ended December 31, 2020.

- New home sales, a leading indicator of future land sales, increased by 80.2% at The Woodlands Hills, 18.1% at Bridgeland and 8.1% at Summerlin.

Strategic Developments

- Despite the impacts of the COVID-19 pandemic, we experienced a strong year of condominium unit sales in Ward Village, evidenced by the 302 condominium units we contracted to sell during 2020. Victoria Place, our newest project that began public pre-sales in December 2019, accounted for 268 of the units contracted during the year and was 76.8% presold as of December 31, 2020.
- * See Annex A, which includes (i) our Segment Operating Results as reported in our Form 10-K for fiscal 2020; and (ii) a reconciliation of Operating Assets EBT to Operating Assets NOI reported in our Form 10-K for fiscal 2020.

COMPENSATION DISCUSSION AND ANALYSIS

2020 Compensation Highlights

Our 2020 financial performance, along with the individual performance of our NEOs, served as key factors in determining compensation for 2020 and executing on other compensation practice initiatives, including as follows:

| Compensation Practice | Rationale for Practice |
|--|--|
| <ul style="list-style-type: none"> • We granted annual long-term equity incentive awards, 50% of which are performance-based. • Payouts based on interpolation between performance targets for the performance-based equity awards. • Majority of annual compensation for our NEOs is tied to incentive compensation. | <ul style="list-style-type: none"> • We tie a significant portion of compensation to long-term performance. • By using linear interpolation rather than the “step” approach for the performance targets for the performance-based equity awards, we are able to achieve finer calibration between pay and performance. Interpolation mitigates the risk that management will act improperly to either increase payout to the next higher step or avoid falling to a lower step. • Our NEOs have an annual performance-based incentive compensation opportunity that is recalibrated each year to ensure alignment with our compensation objectives. |

Compensation and Governance Best Practices

The Compensation Committee regularly reviews best practices in governance and executive compensation. The Company's current best practices and policies include the following:

What We Do

- ✓ **Align Executive Compensation with Company Performance.**
We tie a majority of executive pay to fully at risk, performance-based cash awards and long-term equity awards.
- ✓ **Apply Multi-Year Vesting to Equity Incentive Awards.**
Under our long-term equity incentive program, time-based awards vest ratably over a five-year period following the date of grant and performance-based awards vest at the end of five years, subject to the satisfaction of total stockholder return thresholds.
- ✓ **Provide Double-Trigger Severance Benefits.**
In the event of a change of control, equity award vesting is provided to our NEOs only in the event of a qualifying termination following a change of control. Equity awards do not vest solely in connection with a change of control.
- ✓ **Allow Clawbacks.**
Our Board has adopted a policy regarding recovery of incentive awards for fiscal years for which financial results are later restated, which may include reimbursement of any bonuses paid and recovery of profits received during the applicable period under any equity compensation awards.
- ✓ **Impose Stock Ownership Guidelines.**
Our Compensation Committee has adopted stock ownership guidelines for our CEO, President, CFO and Senior Executive Vice President, Secretary and General Counsel, which require such executive officers to accumulate and hold a meaningful level of stock in the Company.
- ✓ **Conduct Annual Risk Review.**
Our Compensation Committee conducts an annual review of the Company's compensation programs to confirm that there are no compensation-related risks that are reasonably likely to have a material adverse effect on the Company.
- ✓ **Retain an Independent Compensation Consultant.**
Our Compensation Committee retains an independent compensation consultant to advise on our executive compensation programs.
- ✓ **Provide Limited Perquisites.**
We provide limited perquisites to our NEOs.
- ✓ **Offer Broad-Based Benefits.**
Our NEOs are eligible for the same health and retirement benefits as other full-time employees.
- ✓ **Use Peer Group Evaluation.**
We evaluate our compensation peer groups periodically to align with investor expectations and changes in the Company's business.
- ✓ **Conduct an Annual Say-on-Pay Vote.**
We conduct an annual say-on-pay vote to better understand investor sentiment of our executive compensation program.

What We Don't Do

- ⊘ **No Excise Tax Gross-Ups.**
We do not make tax gross-up payments to executive officers.
- ⊘ **No Supplemental Retirement Benefits.**
We do not provide supplemental executive officer retirement benefits.
- ⊘ **No Hedging or Pledging.**
We do not permit hedging or pledging of equity by our executive officers or directors.
- ⊘ **No Repricing.**
Our equity plan prohibits repricing or the buyout of underwater stock options without stockholder approval.
- ⊘ **No Discount Options.**
Our equity plan prohibits granting stock options with a grant price less than fair market value of our common stock on the date of the grant.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

We Strive to Attract, Incentivize and Retain Talented Individuals.

It is imperative that we attract, incentivize and retain individuals in executive positions whose skills, business experience and acumen are critical to the current and long-term success of the Company.

We pay competitively.

We pay competitively to provide a target compensation opportunity that will attract, motivate and retain our talented core of executives who drive our success. The compensation program is designed to give the Company a competitive advantage relative to the compensation provided by peer group companies with which we compete for qualified executive talent. The Compensation Committee also seeks to retain executives through the phases of the cycle of the real estate market by keeping compensation competitive during times of growth as well as contraction, reflecting the long-term nature of successful real estate development businesses.

While peer group companies and competitive survey data provide a beginning reference point and inform decisions on the range of compensation opportunities, it is just one of many factors the Compensation Committee considers in setting pay. For example, the Compensation Committee recognizes that real talent competitors for our NEOs include high-paying private real estate development companies, high paying private equity firms and real estate opportunity funds, in addition to our more conventional public company peers.

Also, several of our peers are REITs whose operations directly compare to our operating assets segment only and not to our master planned community segment or strategic development segment. Ultimately, the Compensation Committee retains flexibility to adjust executive compensation based on our objectives of building our Company and creating stockholder value.

Retention is a key objective of the compensation program.

Because the implementation of the Company's business strategy requires long-term commitments on the part of our NEOs, and because competition for top talent is intense in the Company's industry, retention of our talented core of executives is a key objective of the compensation program.

We Pay for Performance.

We firmly believe that pay should be tied to performance. Superior performance enhances stockholder value and is a fundamental objective of the Company's compensation program.

We reward attainment of established goals.

The compensation program is designed to reward our NEOs for attaining established goals that require the dedication of their time, effort, skills and business experience to drive the success of the Company and the maximization of stockholder value.

Performance-based annual incentive compensation is a key component of our compensation program.

For fiscal 2020, annual performance is rewarded through annual incentive awards and is based on the Company's operational performance and financial results and the individual NEO's contribution to those results. NEO performance is judged against specific, predetermined financial and strategic goals established by the Compensation Committee. In addition, 25% of the annual incentive award is based on a subjective performance evaluation.

We Align Pay to Business Objectives and Long-Term Strategy.

The compensation program is designed to reward and motivate our NEOs' Company-wide performance and, as described below, individual performance in attaining business objectives and maximizing stockholder value. Compensation decisions are based on the principle that the long-term interests of our NEOs should be aligned with those of our stockholders.

We grant long-term equity incentive awards under our equity incentive program.

We use equity incentive awards as a recruitment and retention incentive and to align the interests of our NEOs with stockholder interests. In fiscal 2020, the Compensation Committee granted awards under our Amended and Restated 2010 Incentive Plan (which was succeeded by our 2020 Equity Incentive Plan upon approval by our shareholders at our 2020 Annual Meeting). Performance is a key component of our long-term equity incentive program.

The Compensation Committee uses absolute cumulative total stockholder return as the sole metric for the performance-based component of our annual long-term equity awards because it believes that the NEOs should receive value in respect of the performance-based awards only if the Company provides our stockholders with meaningful increases in our stock price and not because the Company outperformed its peers.

NEO PERSONAL INVESTMENT IN HOWARD HUGHES

In addition to aligning the interests of our NEOs with stockholder interests through awards under our annual long-term equity incentive program, Mr. O'Reilly is aligned with our stockholders through his substantial personal investment in the Company. Since his appointment as CFO in 2016, Mr. O'Reilly invested \$1.0 million in the Company to acquire a warrant to purchase 50,125 shares of our common stock at an exercise price of \$112.08 per share. Not only does the per share price of our common stock need to exceed the exercise price for the warrant to have value, the per share price of our common stock needs to exceed approximately \$132 for the warrant to have enough value to recoup the \$1.0 million that Mr. O'Reilly paid for his warrant. Because Mr. O'Reilly's warrant is generally not exercisable until April 2022, unless there is an intervening change of control or qualifying termination event prior to such date, the "break-even" price encourages Mr. O'Reilly to create significant and sustainable growth in the value of the Company in excess of the incentive provided by our long-term equity incentive award program.

Messrs. O'Reilly, Cross, Riley and Scherl also have a significant ownership stake in our common stock, as described above under "*Security Ownership of Directors, Executive Officers and Certain Beneficial Holders.*" Messrs. O'Reilly, Cross and Riley are also subject to the stock ownership requirements described below under "*Other Components of Compensation – Stock Ownership Guidelines*" to further encourage the alignment of their interests with our stockholders.

ROLES AND RESPONSIBILITIES***Role of Compensation Committee***

The Compensation Committee administers our executive compensation programs. The role of the Compensation Committee is to review and approve the compensation paid to our NEOs and certain other executive officers of the Company, and to review the compensation policies and practices for all of our employees to verify that the policies and practices do not create unreasonable risks for the Company.

In establishing compensation for NEOs, the Compensation Committee considers, among other things, recommendations by our CEO and our compensation consultant, and the compensation of similarly situated executives of peer companies. In addition, the Compensation Committee, with the assistance of management, reviews total compensation paid to certain other executive officers annually, including long-term equity awards.

In 2020, the Compensation Committee reviewed the internal evaluations of the NEOs and certain other executive officers, and market data provided by management and its compensation consultant, Meridian Compensation Partners, LLC ("Meridian"). The Compensation Committee believes that NEO compensation for 2020 reflects appropriate allocation of compensation between salary, annual incentive compensation and equity compensation.

The Compensation Committee reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates his performance in light of those goals and objectives and determines and approves his compensation level based on this evaluation.

COMPENSATION DISCUSSION AND ANALYSIS

Role of Executive Officers

Our CEO makes compensation recommendations for the other NEOs to the Compensation Committee. Additionally, management provides financial and compensation data to the Compensation Committee for its review in setting compensation and gives guidance as to how the data impacts performance goals set by the Compensation Committee. This data includes:

- our financial performance for the current year compared to the preceding year;
- performance evaluations of the NEOs (other than CEO) including experience, prior performance and anticipated future performance;
- industry-wide business conditions; and
- total compensation provided to the NEOs in previous years.

Role of Compensation Consultant

The scope of Meridian's work includes the following items in connection with 2020 compensation:

- providing the Compensation Committee with relevant market data;
- updating the Compensation Committee on related trends and developments; and
- providing input on compensation decisions for NEOs as requested by the Compensation Committee.

Meridian is independent and provides no services directly to the Company and no conflicts of interest exist between the Company and Meridian.

RISK ASSESSMENT

The Compensation Committee's annual review and approval of the Company's compensation strategy includes a review of compensation-related risk. In this regard, the Compensation Committee annually considers the relationship between the Company's overall compensation policies and practices for employees, including executive officers, and risk, including whether such policies and practices (a) encourage imprudent risk taking, and (b) would be reasonably likely to have a material adverse effect on the Company. Based on this review in 2020, the Compensation Committee concluded that there are no compensation-related risks that are reasonably likely to have a materially adverse effect on the Company.

MARKET REVIEW AND COMPENSATION PEER GROUP

For 2020 NEO performance, the Compensation Committee compared our executive compensation program with competitive market information regarding salary and incentive awards and programs. The purpose of this analysis is to provide a beginning reference point in evaluating the reasonableness and competitiveness of our executive compensation within the real estate development and operating industry and to ensure that our compensation program is generally comparable to companies of similar size and scope of operations.

Market pay levels are obtained from various sources, including published compensation surveys and information taken from SEC filings of 13 public companies recommended by Meridian and approved by the Compensation Committee. The peer group consists of the same companies reviewed in 2019. The Compensation Committee also considers compensation paid at private real estate and investment companies and larger real estate and hotel companies as additional context but does not benchmark NEO compensation. The following companies comprised the peer group for purposes of reviewing and considering the 2020 compensation decisions approved for our NEOs:

Peer Group

| | | |
|-----------------------------------|---|-------------------------------|
| • Beazer Homes USA, Inc. | • Kilroy Realty Corporation | • Taubman Center, Inc. |
| • Camden Property Trust | • Meritage Homes Corporation | • Toll Brothers, Inc. |
| • Duke Realty Corporation | • Mid-America Apartment Communities, Inc. | • Vail Resorts, Inc. |
| • Federal Realty Investment Trust | • Pebblebrook Hotel Trust | • Weingarten Realty Investors |
| • Regency Centers Corporation | | |

EMPLOYMENT AGREEMENTS

Each of Messrs. O'Reilly, Cross and Riley have employment agreements with the Company. These agreements provide for a minimum annual base salary, target annual incentive compensation under plans approved by the Compensation Committee, as well as severance and other benefits. The Compensation Committee approved the terms of the employment agreements based upon (a) its assessment of the terms necessary to retain highly qualified executives, and (b) arm's length negotiations with each of these executives. In addition, the Company has entered into certain letter agreements with Mr. Scherl in order to retain him in connection with the Company's ongoing development in the Seaport District. For a description of the material terms of these employment agreements and employment arrangements, see "Executive Compensation – Employment Agreements and Arrangements with the NEOs."

Key Elements of Executive Compensation Program

The following table outlines certain information regarding the key elements of our executive program:



| Element | Form | Objectives and Basis |
|--------------------------------------|---|--|
| Base Salary | Cash | <ul style="list-style-type: none"> Attract and retain highly qualified executives to drive our success |
| Annual Incentive Compensation | Cash | <ul style="list-style-type: none"> Drive Company and segment results Actual payout determined by the Compensation Committee based on the achievement of specific financial and operational goals and objectives established by the Compensation Committee during the first quarter of each calendar year |
| Long-Term Equity Incentive | Annual Restricted Stock Grants (time-based and performance-based vesting) | <ul style="list-style-type: none"> Drive Company performance Align interests of executives with those of our stockholders Retain executives through long-term vesting Provide stockholder aligned wealth accumulation opportunities |
| Deferred Compensation | 401(k) plan, non-qualified deferred compensation plan | <ul style="list-style-type: none"> Provide tax-deferred methods for general savings and retirement |



COMPENSATION DISCUSSION AND ANALYSIS

We also provide other general benefits and limited perquisites, which are described below.

2020 ANNUAL COMPENSATION MIX

Consistent with the Compensation Committee's compensation philosophy and objectives, the following sets forth the 2020 compensation decisions that were approved for our NEOs as a result of Company and individual performance achievements, as reflected in the Summary Compensation Table under the header "Executive Compensation" and elsewhere in this Proxy Statement.

| | | | | | | | |
|--|--|-------------|------------|-------------------------------|-------------|-----------------------------|-------------|
|  <p>David O'Reilly Chief Executive Officer and Chief Financial Officer (Interim)</p> | <p>Key Responsibilities Our CEO is responsible for managing our business operations and overseeing the senior members of our management team. He leads the implementation of corporate strategy and is the primary liaison between our Board and the management of our firm. He also serves as the primary public figure of the Company. In addition, Mr. O'Reilly served as our President from June 2020 until December 2020, and continues to serve as our CFO on an interim basis. As our CFO, he is primarily responsible for overseeing our financial position, including our cash flow and liquidity profile. He is also responsible for financial analysis and reporting, as well as our information technology function. He is our primary liaison to our investors.</p> <p>Key 2020 Performance Achievements</p> <ul style="list-style-type: none"> • Successful transition to President, then Interim CEO role and permanent CEO role in a short period of time without significant disruption to our operations. • Agreed to continue serving as CFO in an interim capacity until a duly qualified CFO was found as a replacement. • Integrally involved with the development and execution of the Company's Transformation Plan, including significant reductions in overhead and sale of non-core assets. • Led the stock offering and notes offering during 2020; responsible for diversifying the Company's funding sources and increasing its liquidity. <p>Compensation Decisions</p> <table border="0"> <tr> <td>Base Salary</td> <td style="text-align: right;">\$750,000*</td> </tr> <tr> <td>Annual Incentive Compensation</td> <td style="text-align: right;">\$1,500,000</td> </tr> <tr> <td>Long-Term Equity Incentives</td> <td style="text-align: right;">\$2,868,418</td> </tr> </table> <p>* Mr. O'Reilly's base salary in 2020 was prorated between (1) \$500,000, his base salary prior to his promotion to President on June 24, 2020, (2) \$550,000, his base salary prior to his promotion to CEO on December 1, 2020, and \$750,000, his base salary as CEO. For more information, see "Employment Agreements and Arrangements with the NEOs – David O'Reilly".</p> | Base Salary | \$750,000* | Annual Incentive Compensation | \$1,500,000 | Long-Term Equity Incentives | \$2,868,418 |
| Base Salary | \$750,000* | | | | | | |
| Annual Incentive Compensation | \$1,500,000 | | | | | | |
| Long-Term Equity Incentives | \$2,868,418 | | | | | | |
|  <p>L. Jay Cross President</p> | <p>Key Responsibilities Our President is responsible for overseeing our portfolio of master planned communities and mixed-use developments.</p> <p>Joined December 1, 2020</p> <ul style="list-style-type: none"> • Timely and successful transition into his new role as President. <p>Compensation Decisions</p> <table border="0"> <tr> <td>Base Salary</td> <td style="text-align: right;">\$750,000</td> </tr> <tr> <td>Annual Incentive Compensation</td> <td style="text-align: right;">\$200,000</td> </tr> <tr> <td>Long-Term Equity Incentives</td> <td style="text-align: right;">\$1,610,173</td> </tr> </table> | Base Salary | \$750,000 | Annual Incentive Compensation | \$200,000 | Long-Term Equity Incentives | \$1,610,173 |
| Base Salary | \$750,000 | | | | | | |
| Annual Incentive Compensation | \$200,000 | | | | | | |
| Long-Term Equity Incentives | \$1,610,173 | | | | | | |

| | | | | | | | |
|---|---|-------------|-----------|-------------------------------|-----------|-----------------------------|-------------|
|  <p>Peter F. Riley Senior Executive Vice President, Secretary and General Counsel</p> | <p>Key Responsibilities Our Senior Executive Vice President, General Counsel & Secretary manages business and legal aspects of complex transactions, particularly in the negotiation of critical contracts. He participates in the development of corporate policies, procedures and programs, and provides counsel and guidance on various legal matters. Mr. Riley also leads the operations of the Company's minor league baseball team, the Aviators, located in the Summerlin MPC.</p> <p>Key 2020 Performance Achievements</p> <ul style="list-style-type: none"> Continued to lead the Company's Legal Department in drafting, negotiating and finalizing contracts on a timely basis, including the Legal Department's involvement with the common stock offering, notes offering and construction financings. Continued to excel by providing the Company with sound legal advice and strategies. <p>Compensation Decisions</p> <table border="0"> <tr> <td>Base Salary</td> <td style="text-align: right;">\$550,000</td> </tr> <tr> <td>Annual Incentive Compensation</td> <td style="text-align: right;">\$800,000</td> </tr> <tr> <td>Long-Term Equity Incentives</td> <td style="text-align: right;">\$532,835</td> </tr> </table> | Base Salary | \$550,000 | Annual Incentive Compensation | \$800,000 | Long-Term Equity Incentives | \$532,835 |
| Base Salary | \$550,000 | | | | | | |
| Annual Incentive Compensation | \$800,000 | | | | | | |
| Long-Term Equity Incentives | \$532,835 | | | | | | |
|  <p>Saul Scherl President, New York Tri-State Region</p> | <p>Key Responsibilities Our President, New York Tri-State Region is primarily responsible for overseeing the Seaport District, which notably includes Pier 17, the Tin Building and 250 Water Street.</p> <p>Key 2020 Performance Achievements</p> <ul style="list-style-type: none"> Led multiple changes at the Seaport as a result of COVID-19, including expanded outdoor seating at our restaurants, updates to the Tin Building's e-commerce strategy to include grocery and restaurant delivery and the launch of The Greens, which replaced the canceled summer concert series. Continued to make significant progress on the design, operation and functionality of the Tin Building, even with delays due to COVID-19. <p>Compensation Decisions*</p> <table border="0"> <tr> <td>Base Salary</td> <td style="text-align: right;">\$600,000</td> </tr> <tr> <td>Annual Incentive Compensation</td> <td style="text-align: right;">\$600,000</td> </tr> <tr> <td>Long-Term Equity Incentives</td> <td style="text-align: right;">\$2,136,922</td> </tr> </table> <p>* Mr. Scherl does not participate in the other NEOs' annual incentive compensation program. For more information, see "2020 Annual Compensation—Annual Incentive Compensation."</p> | Base Salary | \$600,000 | Annual Incentive Compensation | \$600,000 | Long-Term Equity Incentives | \$2,136,922 |
| Base Salary | \$600,000 | | | | | | |
| Annual Incentive Compensation | \$600,000 | | | | | | |
| Long-Term Equity Incentives | \$2,136,922 | | | | | | |

COMPENSATION DISCUSSION AND ANALYSIS

BASE SALARY

The Compensation Committee determines the annual base salary for each NEO. Any increases in base salary are expected to be determined on the basis of scope of responsibilities, level of experience and sustained performance with the Company, as well as internal and market comparisons. In setting base salaries for the NEOs, the Compensation Committee seeks to provide a reasonable level of fixed compensation that is competitive with base salaries for comparable positions at similar companies. The base salaries of our NEOs as of December 31, 2019 and 2020 were as follows:

| Name | Title | 2019 Base Salary (\$) | 2020 Base Salary (\$) | Base Salary Change |
|----------------|--|-----------------------|-----------------------|--------------------|
| David O'Reilly | Chief Executive Officer & Chief Financial Officer (Interim) | 500,000 | 750,000 | \$250,000* |
| L. Jay Cross | President | – | 750,000 | New in 2020 |
| Peter F. Riley | Senior Executive Vice President, General Counsel & Secretary | 550,000 | 550,000 | No Change |
| Saul Scherl | President, New York Tri-State Region | 600,000 | 600,000 | No Change |
| Paul Layne | Former Chief Executive Officer | 750,000 | 750,000 | No Change |

* Mr. O'Reilly's base salary increased effective June 24, 2020 to 550,000 when he was promoted to President and then further increased to \$750,000 when he was promoted to Chief Executive Officer on December 1, 2020. For more information see "Employment Agreements and Arrangements with the NEOs – David O'Reilly."

ANNUAL INCENTIVE COMPENSATION

The Compensation Committee believes that annual incentive compensation is a key element of the total compensation for our NEOs. The Compensation Committee also believes that placing a significant portion of executive compensation at risk each year, subject to the results of established performance measures and objectives, appropriately motivates the NEOs to achieve the Company's financial and operational objectives, thereby enhancing stockholder value.

The employment agreements with each of our NEOs provide that each officer is eligible to receive an annual incentive award. The target amount of each annual incentive award is set forth in the NEO's employment agreement or letter agreement, as applicable. The annual incentive compensation opportunity for each of the NEOs (other than Mr. Layne) is set forth below.

David O'Reilly

- Target annual bonus of \$1,500,000 (if the Compensation Committee sets a minimum overall goal under the annual incentive program with respect to any performance year, and that minimum overall goal is achieved, the bonus payable would range from a threshold value of 80% of target to a maximum value of 120% of target). Mr. O'Reilly's target bonus was increased from its 2019 level of \$900,000 to \$990,000 in connection with his promotion to President, and then to its current level of \$1,500,000 in connection with his promotion to Chief Executive Officer.

L. Jay Cross

- Commencing in 2021, a target annual bonus of \$1,950,000 (if the Compensation Committee sets a minimum overall goal under the annual incentive program with respect to any performance year, and that minimum overall goal is achieved, the bonus payable would range from a threshold value of 80% of target to a maximum value of 120% of target).

Peter F. Riley

- Target annual bonus of \$800,000 (if the Compensation Committee sets a minimum overall goal under the annual incentive program with respect to any performance year, and that minimum overall goal is achieved, the bonus payable would range from a threshold value of 60% of target to a maximum value of 140% of target).

Saul Scherl

- Target annual bonus of \$600,000.

David O'Reilly and Peter Riley – 2020 Annual Incentive

The metrics approved under our 2020 annual incentive program applicable to Messrs. O'Reilly and Riley were directly linked to progress under our Transformation Plan, with 75% of the annual incentive earned based on achievement of the goals described in the table below, and the remaining 25% based on individual performance as evaluated by the Compensation Committee. For 2020, the Compensation Committee approved the following financial metrics and strategic goals with respect to the 75% objective portion under our annual incentive program for Messrs. O'Reilly and Riley:

| Financial Metric | Target | Actual | Percentage Achieved |
|---|------------------------------|---------------|---------------------|
| Operating NOI ⁽²⁾⁽³⁾ | \$202,185,776 ⁽¹⁾ | \$193,532,141 | 95.7% |
| MPC Earnings Before Taxes ("MPC EBT") ⁽²⁾⁽³⁾ | \$ 2,252,698 ⁽¹⁾ | \$124,965,916 | 5,547.4% |
| Generate Net Proceeds from Non-Core Asset Sales | \$ 460,000,000 | \$262,000,000 | 57.0% |
| Reduction in G&A Run Rate | \$ 40,000,000 | \$ 38,200,000 | 95.5% |

| Strategic Goals | Actual | Percentage Achieved |
|---|--|---------------------|
| Deliver strategic development on-time and on-budget | \$1.06 billion of projects delivered on-time and on budget | 100% |
| Execute decentralized strategy | Executed successful decentralization and empowerment of regional presidents | 100% |
| Successfully relocate headquarters to The Woodlands | New office space built on-time and on-budget; nearly all employees needed to relocate now based in The Woodlands | 100% |

- (1) In May 2020, the Operating NOI and MPC EBT goals were reduced from \$226.4 million and \$86.4 million, respectively, to these levels, in light of the Compensation Committee's reassessment of the appropriateness of the original target as the COVID-19 pandemic unfolded. Note that these financial measures differ from the comparable GAAP and Non-GAAP measures reported in our financial statements.
- (2) Annex A includes (i) our Segment Operating Results as reported in our Form 10-K for fiscal 2020; and (ii) a reconciliation of Operating Assets EBT to Operating Assets NOI reported in our Form 10-K for fiscal 2020, which differs from these compensation financial measures and is reconciled on Annex B.
- (3) Annex B includes a reconciliation of the Operating NOI and MPC EBT used to measure performance compensation to the Operating Assets NOI and MPC EBT reported in our Form 10-K for fiscal 2020.

The Compensation Committee chose these measures because we believe that they motivate our NEOs to drive Company growth and to execute on our business plan. The unpredictable effect of the COVID-19 pandemic on our business is reflected in the achieved results in the table above. For example, although we did not meet our target related to net proceeds from non-core assets sales (which were difficult to dispose of in a pandemic environment where buyers went "pencils-down" as stay-at-home orders proliferated and the economic outlook at the onset of COVID-19 was highly uncertain), substantially increased demand in our master planned communities for new homes (following an initial lull in April and May 2020, the early days of the COVID-19 pandemic in the United States) led to our MPC EBT outperforming even the initial goal of \$86.4 million established by the Compensation Committee at an unprecedented 144.6% rate.

Although the MPC EBT goal was achieved at 5,547.4% of the modified MPC EBT target that the Compensation Committee adopted in May 2020, the Compensation Committee considered the fact that, measured against the original target, achievement of the MPC EBT goal was at 144.6%. Averaging that with the percentage achieved of

COMPENSATION DISCUSSION AND ANALYSIS

the other six performance goals in the table above yields an average percentage achieved of 99.0%. The Compensation Committee further considered that, in its view, this result was driven by exceptional performance of both Mr. O'Reilly and Mr. Riley in the extremely uncertain environment of the global COVID-19 pandemic. Therefore, although the Compensation Committee believes that the 25% subjective individual performance portion of Messrs. O'Reilly and Riley's annual incentive bonus were achieved substantially in excess of what the Compensation Committee considers a normal "target" for individual performance, it would not be appropriate in the COVID-19 environment to approve an annual bonus significantly in excess of the portion earned based on the achievement of objective financial metrics. Therefore, the Compensation Committee believed that it was appropriate to award each of Mr. O'Reilly and Mr. Riley an annual incentive award for fiscal 2020 equal to their target bonus opportunities of \$1,500,000 and \$800,000 respectively. These amounts are reflected in the "Non-equity Incentive Plan Compensation" column of the "Summary Compensation Table," below.

L. Jay Cross & Saul Scherl – 2020 Annual Incentive

Because Mr. Cross commenced employment with us on December 1, 2020, he did not participate in the same formal program as Messrs. O'Reilly and Riley as described above. However, in light of the speed at which Mr. Cross has completed his integration into our team, and his meaningful contributions in designing the Company's go-forward plans, both short-term in a pandemic environment and longer-term in a post-COVID world, the Compensation Committee awarded Mr. Cross a discretionary bonus of \$200,000 for performance in fiscal 2020. This amount is reflected in the "Bonus" column of the "Summary Compensation Table," below.

Mr. Scherl does not participate in the same annual cash bonus program as described above. Instead, Mr. Scherl participates in the Company's general annual incentive plan in which all corporate employees are eligible. Annual cash bonuses under that general program are recommended by the CEO based on evaluation of objective and subjective measures and ratified by the Compensation Committee. For fiscal 2020, Mr. Scherl was awarded a cash bonus in his target amount of \$600,000. This amount is reflected in the "Bonus" column of the "Summary Compensation Table," below.

Paul Layne – 2020 Annual Incentive

Because Mr. Layne departed prior to the end of fiscal 2020, Mr. Layne was not provided a bonus under our annual incentive program. Instead, Mr. Layne was paid a prorated target bonus for fiscal 2020 pursuant to his separation agreement and prior employment agreement with us. For further information regarding Mr. Layne's separation payments and benefits, please refer to the "All Other Compensation" column of the Summary Compensation Table and the discussion under "Employment Agreements and Arrangements with the NEOs – Paul Layne Separation Agreement".

LONG-TERM EQUITY INCENTIVES

Our long-term equity incentive program is designed to attract, retain and motivate officers, employees, non-management directors and consultants of the Company and its subsidiaries, as well as promote the success of the Company's business by providing participants with appropriate incentives. The table below provides a breakdown of the stock option grants and restricted stock awarded to Messrs. O'Reilly, Cross, Riley, Layne, and Scherl in 2020, which are further explained in the paragraphs following the table.

| Name Executive Officer | Performance-Based Shares (#) | Time-Based Shares (#) | Option Shares (#) | Total (#) |
|---------------------------------------|------------------------------|-----------------------|-------------------|-----------|
| David O'Reilly | | | | |
| <i>Annual Grant</i> | 5,259 | 5,258 | – | 10,517 |
| <i>CEO Promotion Grant</i> | 11,601 | 11,601 | 17,965 | 41,167 |
| L. Jay Cross (<i>Initial Grant</i>) | 9,280 | 9,280 | 14,372 | 32,932 |
| Peter Riley (<i>Annual Grant</i>) | 3,187 | 3,187 | – | 6,374 |
| Paul Layne (<i>Annual Grant</i>) | 4,582 | 4,581 | – | 9,163 |
| Saul Scherl | | | | |
| <i>Annual Grant</i> | 2,390 | 2,390 | – | 4,780 |
| <i>December Grant</i> | 25,000 | – | – | 25,000 |

Restricted Stock Grants

The Company believes that restricted stock grants provide a long-term equity opportunity that is both competitive in the real estate industry and serves as a retention tool. In addition, 50% of the restricted stock granted to each NEO under our general annual equity award program is eligible to cliff-vest after five years only upon the achievement of specified cumulative total stockholder return growth percentages over the same period. At an 11% cumulative total shareholder return growth over a five-year period, only 30% of the restricted stock granted that is subject to performance-based vesting would vest. No restricted stock subject to TSR-based vesting would vest if our TSR growth rate is below 11% over a five-year period. The 11% minimum cumulative total stockholder return is a challenging target. The Company believes that the long-term vesting component of the restricted stock aligns management's interest with the long-term performance of the Company.

Restricted stock granted in 2020 is based on numerous factors, including the Compensation Committee's evaluation of our prior-year performance. Based on our fiscal 2019 performance and the Compensation Committee's overall evaluation of the individual 2019 performance of each eligible NEO, the Compensation Committee determined that each of Messrs. O'Reilly, Riley, Layne, and Scherl should receive an annual long-term equity incentive in an amount equal to the target amounts set forth in their employment agreements (or, for Mr. Scherl, his offer letter).

In connection with his promotion to Chief Executive Officer effective December 1, 2020, Mr. O'Reilly was additionally awarded (i) 11,601 shares of restricted stock, with time-based pro-rata vesting over five years; (ii) 11,601 shares of restricted stock, with performance-based, five-year cliff vesting if certain performance metrics are met; and (iii) a stock option award to purchase 17,965 shares, at a strike price of \$72.73 that becomes exercisable with respect to 100% of the shares on the fifth anniversary of the grant. Likewise, in connection with him joining the Company as our President and under his employment agreement with us, Mr. Cross was awarded (i) 9,280 shares of restricted stock, with time-based pro-rata vesting over five years; (ii) 9,280 shares of restricted stock, with performance-based, five-year cliff vesting if certain performance metrics are met; and (iii) a stock option award to purchase 14,372 shares, at a strike price of \$72.73 that becomes exercisable with respect to 100% of the shares on the fifth anniversary of the grant. (Mr. Cross's award is in lieu of an annual equity award that would otherwise be made during the Company's early 2021 annual grant cycle; Mr. Cross will next be eligible to receive an annual equity award as part of the Company's early 2022 cycle.)

In addition to his annual equity award, Mr. Scherl was awarded a grant of 25,000 performance-based restricted shares on December 28, 2020, with a five-year cliff vesting, as a retention incentive given the ongoing developments in the Seaport District of New York City.

The performance-based shares are eligible to cliff-vest as shown in the table below on December 31, 2024 (in the case of the February 2020 awards), November 30, 2025 (in the case of the November/December 2020 awards to Mr. O'Reilly and Mr. Cross), or December 31, 2025 (in the case of the December 2020 award to Mr. Scherl). Vesting is based on the cumulative total stockholder return ("TSR") of the Company over a five-year term (or, in the case of Mr. Scherl's December 2020 award, the volume weighted average share price of the Company for the last 30 trading days preceding the end of the performance period). The volume weighted average share price of the Company for

COMPENSATION DISCUSSION AND ANALYSIS

the last 30 trading days preceding the start of the applicable performance period will be used as the beginning price for calculating TSR. The ending price for calculating TSR will be the volume weighted average share price of the Company for the last 30 trading days of the applicable performance period.

For each award of performance-based shares to the NEOs in February 2020, a TSR target is deemed satisfied if the TSR meets or exceeds one of the corresponding thresholds below:

| Total Stockholder Return | Stock Price End | Vesting % |
|--------------------------|-------------------|-----------|
| 0.00% to 10.99% | \$193.69 or below | 0% |
| 11.00% to 11.99% | \$193.70 | 30% |
| 12.00% to 12.99% | \$202.59 | 60% |
| 13.00% to 13.99% | \$211.80 | 90% |
| 14.00% to 14.99% | \$221.33 | 120% |
| 15.00%+ | \$221.34+ | 150% |

For the November/December awards of performance-based shares to Mr. O'Reilly and Mr. Cross, a TSR target is deemed satisfied if the TSR meets or exceeds one of the corresponding thresholds below:

| Total Stockholder Return | Stock Price End | Vesting % |
|--------------------------|-------------------|-----------|
| 0.00% to 10.99% | \$113.78 or below | 0% |
| 11.00% to 11.99% | \$113.79 | 30% |
| 12.00% to 12.99% | \$119.01 | 60% |
| 13.00% to 13.99% | \$124.42 | 90% |
| 14.00% to 14.99% | \$130.02 | 120% |
| 15.00%+ | \$135.82+ | 150% |

If the TSR achieved is between two of the thresholds set forth in either table above, the percentage of the award that vests will be interpolated between the two thresholds. Share price will be based on the daily closing price of the Company's common stock as reported in the consolidated transaction reporting system.

For Mr. Scherl's December 2020 performance-based share award, the share price hurdle is deemed satisfied if the ending stock price (i.e., the volume weighted average share price of the Company for the last 30 trading days preceding the end of the performance period) meets or exceeds one of the corresponding thresholds below:

| Stock Price End | Vesting % |
|-------------------|-----------|
| \$101.09 or below | 0% |
| \$101.10 | 30% |
| \$105.74 | 60% |
| \$110.55 | 90% |
| \$115.52 | 120% |
| \$120.68+ | 150% |

If the ending stock price achieved is between two of the thresholds set forth above, the percentage of the award that vests will be interpolated between the two thresholds. Share price will be based on the daily closing price of the Company's common stock as reported in the consolidated transaction reporting system.

The time-based shares granted in 2020 vest ratably over a five-year period. Other than the November and December awards to Mr. O'Reilly and Mr. Cross, respectively, the first 20% tranche of each time-based award vested on December 31, 2020, and the remaining 20% tranches vest on December 31, 2021; December 31, 2022; December 31, 2023; and December 31, 2024 (in each case, generally subject to continued employment on the applicable vesting date). The November and December time-based restricted stock awards to Mr. O'Reilly and Mr. Cross each vest in equal installments on each of the first five anniversaries of November 30, 2020.

Stock Option Grants

Although restricted stock forms the basis of our annual equity award program to our NEOs, each of Mr. O'Reilly and Mr. Cross received a fiscal 2020 grant of stock options to purchase 17,965 and 14,372 shares of our common stock, respectively, at an exercise price of \$72.73 per share, with a cliff vest on November 30, 2025. These options were granted in light of Mr. O'Reilly's promotion to Chief Executive Officer and Mr. Cross's appointment as our President, respectively. The Compensation Committee believes that these grants were appropriate in light of the increased responsibility that Mr. O'Reilly will have as our permanent Chief Executive Officer (in addition to recognizing his continuing service as our interim Chief Financial Officer), provide an additional retention incentive, and also directly tie Mr. O'Reilly's and Mr. Cross's future compensation opportunity to our shareholders' interests, because the stock options will only have value to the extent that our stock price appreciates.

OTHER COMPONENTS OF COMPENSATION

Deferred Compensation Plan

The Company provides a deferred compensation plan to the NEOs and other highly compensated employees to provide tax-deferred methods for general savings and retirement. Although the Company has the flexibility to make discretionary contributions to the deferred compensation plan, it has not made any such contributions.

Employee Benefits

The Company provides health, life, and other insurance benefits to its NEOs on the same basis as its other full-time employees. The Company does not provide its executives and other employees with defined benefit pension benefits, supplemental retirement benefits, or post-retirement welfare benefits.

Severance Benefits

We provide certain severance benefits to our NEOs under their respective employment agreements, and for Mr. Scherl, his offer letter and under The Howard Hughes Management Co. LLC Separation Benefits Plan (as amended and restated, the "Separation Benefits Plan"). For more information, see *"Employment Agreements and Arrangements with the NEOs."*

The Compensation Committee believes that these benefits are necessary and appropriate to attract and retain qualified NEOs insofar as these benefits are generally made available by other companies. Additionally, the change in control benefits are intended to ensure that the Company's NEOs are able, as a practical matter, to evaluate any potential change in control transaction objectively and to encourage NEOs to remain employed by the Company in the event a change in control becomes a real possibility. For additional information regarding the employment agreements and arrangements with the Company's NEOs, see *"Executive Compensation – Employment Agreements and Arrangements with the NEOs"* and *"Potential Payments Upon Termination or Change in Control."*

No Tax "Gross-Up" Payments

The Company does not provide, and no NEO is entitled to receive, any tax "gross-up" payments in connection with compensation, severance or other benefits provided by the Company.

Executive Compensation Recoupment Policy

The Board has adopted a policy regarding recovery of incentive awards for fiscal years for which financial results are later restated. In the event of a material restatement of the Company's financial results due to misconduct, the Compensation Committee shall review the facts and circumstances and take the actions it considers appropriate with respect to any executive officer whose fraud or willful misconduct contributed to the need for such restatement. Such actions may include, without limitation, (a) seeking reimbursement of any bonus paid to such officer exceeding the amount that, in the judgment of the Compensation Committee, would have been paid had the financial results been properly reported, and (b) seeking to recover profits received by such officer during the 12 months after the

COMPENSATION DISCUSSION AND ANALYSIS

restated period under any equity compensation awards. All determinations made by the Compensation Committee with respect to this policy shall be final and binding on all interested parties.

Deductibility of Compensation

Section 162(m) of the IRC places a limit of \$1.0 million on the amount of compensation a public company may deduct for federal income tax purposes in any one year paid to certain “covered employees”. For taxable years ending December 31, 2017 and earlier, “covered employees” generally referred to the company’s chief executive officer and its next three most highly compensated executive officers (other than the chief financial officer). However, for taxable years after December 31, 2017, chief financial officers are included in the definition of “covered employees,” and the definition additionally extends to any individual who is (or was) a covered employee for any taxable year beginning after December 31, 2016.

The deductibility of compensation is only one factor that the Compensation Committee considers when establishing executive compensation. Because the Compensation Committee believes that it needs to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals and to appropriately retain and incentivize our executive officers, the Compensation Committee will not necessarily limit executive compensation to that which is deductible under Section 162(m) and has not adopted a policy requiring that all compensation be deductible.

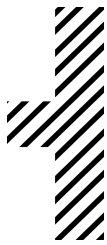
Stock Ownership Guidelines

The Company has adopted stock ownership requirements for our CEO, President, CFO and Senior Executive Vice President, General Counsel & Secretary to encourage such executives to hold a meaningful stake in the Company and thereby demonstrate the alignment of their interests with those of the stockholders. The Company uses the following methodology for the purpose of determining the level of stock ownership: (1) vested and unvested time-based restricted stock is valued at its current fair market price; (2) unvested performance-based restricted stock is valued at the current fair market price of the threshold vesting level; and (3) stock options granted by the Company are not valued (whether or not currently exercisable or in the money/out-of-the-money). The requirements also provide that until an executive has met the required level of ownership, such executive is required to retain the after-tax value of common shares received on the exercise of options or warrants and the lapsing of restrictions on common restricted shares. In addition, the Company allows a five-year grace period to reach the ownership requirement with respect to any promotions or newly hired executives. As of April 1, 2021, our NEOs that are subject to the policy have satisfied their stock ownership requirement or are within the grace period for doing so. The requirements are expressed as a multiple of base salary as follows:

| Position | Multiple of Salary |
|--|--------------------|
| • Chief Executive Officer | • 5x |
| • President | • 5x |
| • Chief Financial Officer | • 3x |
| • Senior Executive Vice President, Secretary and General Counsel | • 2x |

Hedging/Pledging Policy

The Company’s insider trading policy includes a prohibition on hedging or pledging our securities. Executive officers are not permitted to be a party to hedging transactions to ensure their objectives and risk remain aligned with those of our stockholders. In addition, executive officers may not pledge as collateral any securities of the Company.



Compensation Committee Report on Executive Compensation

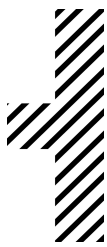


The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee

recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

THE COMPENSATION COMMITTEE

R. Scot Sellers, Chair
William Ackman
Mary Ann Tighe



Executive Compensation



The following tables, narrative and footnotes discuss the compensation of our NEOs. The following tables and related information should be read together with the disclosure regarding the executive compensation program presented under the caption “*Compensation Discussion and Analysis*” above.

SUMMARY COMPENSATION TABLE

| Name and Principal Position | Year | Salary (\$) | Bonus ⁽¹⁾ (\$) | Stock Awards ⁽²⁾ (\$) | Option Awards ⁽³⁾ (\$) | Non-Equity Incentive Plan Compensation ⁽⁴⁾ (\$) | All Other Compensation ⁽⁵⁾ (\$) | Total (\$) |
|--|------|-------------|---------------------------|----------------------------------|-----------------------------------|--|--|------------|
| David O'Reilly Chief Executive Officer & Interim Chief Financial Officer | 2020 | 540,450 | – | 2,305,934 | 562,484 | 1,500,000 | 14,250 | 4,923,118 |
| | 2019 | 500,000 | – | 893,307 | – | 990,000 | 14,000 | 2,397,307 |
| | 2018 | 500,000 | – | 865,822 | – | 900,000 | 13,750 | 2,279,572 |
| L. Jay Cross President | 2020 | 69,230 | 200,000 | 1,160,186 | 449,987 | – | – | 1,879,403 |
| | 2019 | – | – | – | – | – | – | – |
| | 2018 | – | – | – | – | – | – | – |
| Peter F. Riley Senior Executive Vice President, General Counsel & Secretary | 2020 | 550,000 | – | 532,835 | – | 800,000 | 14,250 | 1,897,085 |
| | 2019 | 550,000 | – | 595,481 | – | 800,000 | 14,000 | 1,959,481 |
| | 2018 | 550,000 | – | 577,151 | – | 800,000 | 13,750 | 1,940,901 |
| Saul Scherl President, New York Tri-State Region | 2020 | 600,000 | 600,000 | 2,136,922 | – | – | 14,250 | 3,351,172 |
| | 2019 | 600,000 | 600,000 | 1,522,107 | – | – | 14,000 | 2,736,107 |
| | 2018 | 500,000 | 780,000 | 360,774 | – | – | 13,750 | 1,654,524 |
| Paul Layne Former Chief Executive Officer | 2020 | 657,534 | – | 765,939 | – | – | 2,644,250 | 4,067,723 |
| | 2019 | 543,269 | 840,000 | 297,711 | – | – | 14,000 | 1,694,980 |
| | 2018 | 500,000 | 470,000 | 216,378 | 4,621,000 | – | 13,750 | 5,821,128 |

- (1) The amounts reported in the “Bonus” column refer to (i) the discretionary annual bonus amounts that were awarded to Messrs. Cross and Scherl for their 2020 performance and Messrs. Scherl and Layne for their 2018 and 2019 performance. Please see above under “–*Annual Incentive Compensation*” for further information.
- (2) The amounts reported in the “Stock Awards” column represent the aggregate grant date fair value of stock awards in the form of restricted stock (time-based vesting and performance-based vesting) granted in the years shown, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, Compensation – Stock Compensation (“ASC Topic 718”). Pursuant to SEC rules, the amounts shown in this column exclude the impact of estimated forfeitures related to service-based vesting conditions. If the maximum level of performance of 150% of target number of shares granted was achieved with respect to the performance-based restricted stock granted in 2020 to Messrs. O'Reilly, Cross, Riley, Scherl and Layne, the grant date values would be, respectively, \$1,203,471, \$600,619, \$199,299, \$2,721,584 and \$286,535. With respect to the performance-based restricted stock granted in 2019 and 2018, if the maximum level of performance was achieved, the grant date value of the awards would be as follows: for Mr. O'Reilly \$899,975 in 2019 and \$899,880 in 2018; for Mr. Riley \$599,868 in 2019 and \$599,961 in 2018; for Mr. Scherl \$374,961 in 2019 and 374,930 in 2018; and for Mr. Layne \$299,992 in 2019 and \$225,031 in 2018. See Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 for further information regarding equity awards, including the assumptions made in determining these values. Additional information on all outstanding stock awards is reflected in the 2020 Outstanding Equity Awards at Fiscal Year-End table below.
- (3) The amount reported in the “Option Awards” column represents the grant date fair value of stock options awards granted to Mr. Layne in 2018 and Messrs. O'Reilly and Cross in 2020, calculated in accordance with ASC Topic 718. Pursuant to SEC rules, the amount shown in this column excludes the impact of estimated forfeitures related to service-based vesting

conditions. See Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 for information regarding the assumptions made in determining this value.

- (4) The amounts reported in the “Non-Equity Incentive Plan Compensation” column reflect the amounts paid to certain of the NEOs under our annual incentive compensation plan for performance in the listed fiscal year. For additional information on annual incentive compensation, see “*Compensation Discussion and Analysis – Annual Incentive Compensation.*”
- (5) The amounts reported in the “All Other Compensation” column reflect, for each NEO, the amounts contributed by the Company to the Company’s 401(k) plan. For Mr. Layne, the “All Other Compensation” column also includes the severance amounts to which he was entitled in connection with his termination of employment. For further information regarding Mr. Layne’s separation payments and benefits, please refer to the discussion under “*Employment Agreements and Arrangements with the NEOs – Paul Layne Separation Agreement.*” The amounts reported in this column for fiscal 2020 are summarized in the table below:

2020 All Other Compensation

| Name | Severance (\$) | 401(k) Matching Contributions (\$) | Total (\$) |
|----------------|-------------------|---|---------------|
| David O’Reilly | — | 14,250 | 14,250 |
| L. Jay Cross | — | — | — |
| Peter F. Riley | — | 14,250 | 14,250 |
| Saul Scherl | — | 14,250 | 14,250 |
| Paul Layne | 2,630,000 | 14,250 | 2,644,250 |

EXECUTIVE COMPENSATION

2020 GRANTS OF PLAN-BASED AWARDS

The following table provides information regarding the plan-based awards granted to the NEOs in 2020.

| Name | Type of Award ⁽¹⁾ | Grant Date | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽²⁾ | | | Estimated Future Payouts Under Equity Incentive Plan Awards ⁽³⁾ | | | All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽⁴⁾ (Time-based) | All Other Option Awards: Number of Securities Underlying Options ⁽⁵⁾ | Exercise or Base of Option Awards | Grant Date Fair Value of Stock Awards and Option Awards (\$) ⁽⁶⁾ |
|----------------|------------------------------|------------|--|-------------|--------------|--|------------|-------------|--|---|-----------------------------------|---|
| | | | Threshold (\$) | Target (\$) | Maximum (\$) | Threshold (#) | Target (#) | Maximum (#) | | | | |
| David O'Reilly | AICA | — | — | 1,500,000 | — | — | — | — | — | — | — | |
| | PBRS | 02/12/2020 | — | — | — | 1,578 | 5,259 | 7,889 | — | — | — | 219,248 |
| | TBRS | 02/12/2020 | — | — | — | — | — | — | 5,258 | — | — | 659,879 |
| | OPTION | 11/30/2020 | — | — | — | — | — | — | — | 17,965 | \$72.73 | 562,484 |
| | PBRS | 11/30/2020 | — | — | — | 3,480 | 11,601 | 17,402 | — | — | — | 583,066 |
| | TBRS | 11/30/2020 | — | — | — | — | — | — | 11,601 | — | — | 843,741 |
| L. Jay Cross | OPTION | 12/01/2020 | — | — | — | — | — | — | — | 14,372 | \$72.73 | 449,987 |
| | PBRS | 12/01/2020 | — | — | — | 2,784 | 9,280 | 13,920 | — | — | — | 466,413 |
| | TBRS | 12/01/2020 | — | — | — | — | — | — | 9,280 | — | — | 693,773 |
| Peter F. Riley | AICA | — | — | 800,000 | — | — | — | — | — | — | — | — |
| | PBRS | 02/12/2020 | — | — | — | 956 | 3,187 | 4,781 | — | — | — | 132,866 |
| | TBRS | 02/12/2020 | — | — | — | — | — | — | 3,187 | — | — | 399,969 |
| Saul Scherl | AICA | — | — | 600,000 | — | — | — | — | — | — | — | — |
| | PBRS | 02/12/2020 | — | — | — | 717 | 2,390 | 3,585 | — | — | — | 122,227 |
| | TBRS | 02/12/2020 | — | — | — | — | — | — | 2,390 | — | — | 299,945 |
| | PBRS | 12/28/2020 | — | — | — | 7,500 | 25,000 | 37,500 | — | — | — | 1,714,750 |
| Paul Layne | AICA | — | — | 1,000,000 | — | — | — | — | — | — | — | — |
| | PBRS | 02/12/2020 | — | — | — | 1,375 | 4,582 | 6,873 | — | — | — | 191,024 |
| | TBRS | 02/12/2020 | — | — | — | — | — | — | 4,581 | — | — | 574,916 |

(1) Type of Award:

| | |
|--------|--|
| AICA | Annual Incentive Compensation (Cash) Award |
| OPTION | Stock Option Award |
| PBRS | Performance-Based Restricted Stock Award |
| TBRS | Time-Based Restricted Stock Award |

(2) These columns represent the annual incentive cash compensation awards that could have been earned based on performance for the 2020 fiscal year. The amounts shown reflect the awards that were possible at the target level of performance. The annual incentive award amounts actually paid to each NEO are reported in the "Non-Equity Incentive Plan Compensation" column (or, for Mr. Scherl, the "Bonus" column) of the Summary Compensation Table. For more information regarding the annual incentive compensation program, see "Compensation Discussion and Analysis – Annual Incentive Compensation."

(3) The awards represent the performance-based restricted stock awards granted in 2020 and vest based on the Company's achievement of specified TSR levels over a five-year period (or, in the case of Mr. Scherl's December 2020 award, based on the Company's achievement of specific price levels over a five-year period). The vesting schedule for each award has a specified threshold performance level such that performance below threshold results in no shares vesting. If at least the threshold performance goal is attained, the number of shares that will vest ranges from 30% to 150% of the target number of shares granted. For additional information regarding the vesting of the performance-based restricted stock, see "Compensation Discussion and Analysis – Long-Term Equity Incentives."

- (4) The awards represent the time-based restricted stock awards granted in 2020, which vest in equal annual installments over a five-year period. For additional information regarding the vesting of the time-based restricted stock, see “*Compensation Discussion and Analysis – Long-Term Equity Incentives.*”
- (5) The awards represent the time-based stock options granted in 2020 to Messrs. O’Reilly and Cross, which cliff vest over a five-year period. For additional information regarding the vesting of these stock options, see “*Compensation Discussion and Analysis – Long-Term Equity Incentives.*”
- (6) Represents the grant date fair value determined pursuant to ASC Topic 718.

EMPLOYMENT AGREEMENTS AND ARRANGEMENTS WITH THE NEOS

David O’Reilly

On December 1, 2020, the Company entered into a Second Amended and Restated Employment Agreement with Mr. O’Reilly to serve as the Company’s Chief Executive Officer (“Mr. O’Reilly’s Employment Agreement”). Mr. O’Reilly’s Employment Agreement has an initial term of five years, expiring on November 30, 2025, subject to earlier termination events described below. Upon the expiration of the initial term of five years, Mr. O’Reilly’s Employment Agreement will automatically renew for additional one-year periods, unless either party provides the other party with at least 60 days’ prior written notice that it does not wish to automatically renew the term.

Under Mr. O’Reilly’s Employment Agreement, Mr. O’Reilly is entitled to an annual base salary of \$750,000 and, subject to achievement of certain performance goals that will be established annually by the Compensation Committee, eligible to earn an annual cash bonus with a target amount of \$1,500,000. (If the Compensation Committee sets a minimum overall goal under the annual incentive program with respect to any performance year, and that minimum overall goal is achieved, the bonus payable would range from a threshold value of 80% of target to a maximum value of 120% of target.) In addition, Mr. O’Reilly is eligible to receive an annual equity award (an “Annual LTIP Award”), which shall be awarded each year by the Compensation Committee based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time. The Annual LTIP Award shall be a long-term equity or equity-based incentive award with an aggregate targeted grant value (with respect to the portion of the Annual LTIP Award that is subject to performance metrics, based on the achievement of the applicable performance metrics that cause the award to vest at the level of 100%, and without taking into account the probability of the award vesting at that level on the date of grant) on the date of grant equal to \$2,250,000, with the number of shares of the Company’s common stock subject to such annual equity award determined by dividing the aggregate grant value by the closing price per share of the common stock on the date of grant. Fifty percent (50%) of each Annual LTIP Award granted to Mr. O’Reilly shall provide for pro rata time vesting over five years in accordance with the terms of the applicable award agreement (an “O’Reilly Time Vesting LTIP Award”) and the other fifty percent (50%) of such award shall provide for performance-based vesting (an “O’Reilly Performance Vesting LTIP Award”). All Annual LTIP Awards shall be subject to the terms and conditions of the Company’s 2020 Equity Incentive Plan and any applicable award agreements thereunder. Under his employment agreement, Mr. O’Reilly was also provided with the initial grant of time-based stock options and time-based restricted stock (each treated as an O’Reilly Time Vesting LTIP Award for purposes of the accelerated vesting described below) and performance-based restricted stock (treated as an O’Reilly Performance Vesting LTIP Award for purposes of the accelerated vesting described below), each as described above under “*Compensation Discussion and Analysis – Long-Term Equity Incentives.*”

SEVERANCE AND CHANGE IN CONTROL BENEFITS

Termination Without Cause or for Good Reason

Pursuant to Mr. O’Reilly’s Employment Agreement, in the event that Mr. O’Reilly terminates his employment for “good reason” or is terminated by the Company without “cause” (other than due to non-renewal, death or disability), the Company will pay and provide Mr. O’Reilly, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed;

EXECUTIVE COMPENSATION

- (2) an amount equal to the sum of Mr. O'Reilly's annual base salary and target annual cash bonus; and
- (3) all outstanding and unvested O'Reilly Time Vesting LTIP Awards, if any, will fully vest and all outstanding O'Reilly Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Non-Renewal of Employment Agreement

Pursuant to Mr. O'Reilly's Employment Agreement, in the event that Mr. O'Reilly's employment terminates due to the Company's non-renewal of Mr. O'Reilly's Employment Agreement after the expiration of the initial five-year term or any subsequent one-year renewal period, the Company will pay and provide Mr. O'Reilly, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed; and
- (2) all outstanding and unvested O'Reilly Time Vesting LTIP Awards, if any, will fully vest and all outstanding O'Reilly Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Death or Disability

Pursuant to Mr. O'Reilly's Employment Agreement, in the event that Mr. O'Reilly's employment terminates by reason of his death or as a result of disability, the Company will pay and provide Mr. O'Reilly (or his estate), in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed in the calendar year that Mr. O'Reilly was employed; and
- (2) all outstanding and unvested O'Reilly Time Vesting LTIP Awards, if any, will fully vest and all outstanding O'Reilly Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Change in Control Termination

Pursuant to Mr. O'Reilly's Employment Agreement, in the event that Mr. O'Reilly terminates his employment for "good reason" or is terminated by the Company without "cause," in either case, in connection with, or within 12 months following, a change in control, the Company will pay and provide Mr. O'Reilly, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus based upon the number of days elapsed during the applicable calendar year in which he was employed;
- (2) an amount equal to two times (2x) the sum of Mr. O'Reilly's annual base salary and the target annual cash bonus; and
- (3) all outstanding and unvested O'Reilly Time Vesting LTIP Awards, if any, will fully and immediately vest and all outstanding O'Reilly Performance Vesting Equity LTIP will vest at the greater of (a) 100% of the number of shares of common stock granted pursuant to each such award and (b) the performance level achieved as of the termination date.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. O'Reilly executing and not revoking a release of claims in favor of the Company.

Under Mr. O'Reilly's Employment Agreement, he also is subject to certain restrictive covenants regarding confidentiality, non-disparagement, non-solicitation and non-competition. The non-solicitation and non-competition covenants apply during the term of Mr. O'Reilly's employment and for the 12-month period following his termination for any reason.

WARRANT AGREEMENT

In connection with Mr. O'Reilly's initial employment in 2016, the Company entered into a warrant purchase agreement with Mr. O'Reilly pursuant to which Mr. O'Reilly purchased for \$1.0 million the right to acquire 50,125 shares of Company common stock at an exercise price of \$112.08 per share. The warrant was fully vested at the time of purchase and becomes exercisable on April 6, 2022, unless earlier in the event of a "change in control," termination of Mr. O'Reilly's employment with the Company without "cause," or the separation of Mr. O'Reilly from the Company for "good reason." The warrant will expire on October 2, 2022. The Company will have the right to repurchase all or a portion of the shares issuable upon exercise of the warrant if Mr. O'Reilly's employment with the Company is terminated for any reason prior to October 2, 2022. The warrant is subject to anti-dilution adjustments in connection with stock splits, tender offers and certain other events.

L. Jay Cross

On December 1, 2020, the Company entered into an Employment Agreement with Mr. Cross to serve as the Company's President ("Mr. Cross' Employment Agreement"). Mr. Cross' Employment Agreement has an initial term of five years, expiring on November 30, 2025, subject to earlier termination events described below. Upon the expiration of the initial term of five years, his employment agreement will automatically renew for additional one-year periods, unless either party provides the other party with at least 60 days' prior written notice that it does not wish to automatically renew the term.

Under Mr. Cross' Employment Agreement, Mr. Cross is entitled to an annual base salary of \$750,000 and, subject to achievement of certain performance goals that will be established annually by the Compensation Committee, eligible to earn an annual cash bonus with a target amount of \$1,950,000. (If the Compensation Committee sets a minimum overall goal under the annual incentive program with respect to any performance year, and that minimum overall goal is achieved, the bonus payable would range from a threshold value of 80% of target to a maximum value of 120% of target.) In addition, commencing in 2022, Mr. Cross shall be eligible to receive an Annual LTIP Award, which shall be awarded each year by the Compensation Committee based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time. The Annual LTIP Award shall be a long-term equity or equity-based incentive award with an aggregate targeted grant value (with respect to the portion of the Annual LTIP Award that is subject to performance metrics, based on the achievement of the applicable performance metrics that cause the award to vest at the level of 100%, and without taking into account the probability of the award vesting at that level on the date of grant) on the date of grant equal to \$1,800,000, with the number of shares of the Company's common stock subject to such annual equity award determined by dividing the aggregate grant value by the closing price per share of the common stock on the date of grant. Fifty percent (50%) of each Annual LTIP Award granted to Mr. Cross shall provide for pro rata time vesting over five years in accordance with the terms of the applicable award agreement (the "Cross Time Vesting LTIP Award") and the other fifty percent (50%) of such award shall provide for performance-based vesting (the "Cross Performance Vesting LTIP Award"). All Annual LTIP Awards shall be subject to the terms and conditions of the Company's 2020 Equity Incentive Plan and any applicable award agreements thereunder. Under his employment agreement, Mr. Cross was also provided with the initial grant of time-based stock options and time-based restricted stock (each treated as a Cross Time Vesting LTIP Award for purposes of the accelerated vesting described below) and performance-based restricted stock (treated as a Cross Performance Vesting LTIP Award for purposes of the accelerated vesting described below), each as described above under "*Compensation Discussion and Analysis – Long-Term Equity Incentives.*"

SEVERANCE AND CHANGE IN CONTROL BENEFITS

Termination Without Cause or for Good Reason

Pursuant to Mr. Cross' Employment Agreement, in the event that Mr. Cross terminates his employment for "good reason" or is terminated by the Company without "cause" (other than due to non-renewal, death or disability), the Company will pay and provide Mr. Cross, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed;

EXECUTIVE COMPENSATION

- (2) an amount equal to the sum of Mr. Cross' annual base salary and target annual cash bonus; and
- (3) all outstanding and unvested Cross Time Vesting Equity Awards, if any, will fully vest and all outstanding Cross Performance Vesting Equity Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Non-Renewal of Employment Agreement

Pursuant to Mr. Cross' Employment Agreement, in the event that Mr. Cross' employment terminates due to the Company's non-renewal of his employment agreement after the expiration of the initial five-year term or any subsequent one-year renewal period, the Company will pay and provide Mr. Cross, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed; and
- (2) all outstanding and unvested Cross Time Vesting LTIP Awards, if any, will fully vest and all outstanding Cross Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Death or Disability

Pursuant to Mr. Cross' Employment Agreement, in the event that Mr. Cross' employment terminates by reason of his death or as a result of disability, the Company will pay and provide Mr. Cross (or his estate), in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed in the calendar year that Mr. Cross was employed; and
- (2) all outstanding Cross Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Change in Control Termination

Pursuant to Mr. Cross' Employment Agreement, in the event that Mr. Cross terminates his employment for "good reason" or is terminated by the Company without "cause," in either case, in connection with, or within 12 months following, a change in control, the Company will pay and provide Mr. Cross, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus based upon the number of days elapsed during the applicable calendar year in which he was employed;
- (2) an amount equal to two times (2x) the sum of Mr. Cross' annual base salary and the target annual cash bonus; and
- (3) all outstanding and unvested Cross Time Vesting LTIP Awards, if any, will fully and immediately vest and all outstanding Cross Performance Vesting LTIP Awards will vest at the greater of (a) 100% of the number of shares of common stock granted pursuant to each such award and (b) the performance level achieved as of the termination date.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Cross executing and not revoking a release of claims in favor of the Company.

Under Mr. Cross' Employment Agreement, Mr. Cross is also subject to certain restrictive covenants regarding confidentiality, non-disparagement, non-solicitation and non-competition. The non-solicitation and non-competition covenants apply during the term of Mr. Cross' employment and for the 12-month period following his termination for any reason.

Peter F. Riley

On November 6, 2017, the Company entered into an Employment Agreement with Mr. Riley to continue to serve in his current role as the Company's Senior Executive Vice President, Secretary and General Counsel ("Mr. Riley's

Employment Agreement”). Mr. Riley’s Employment Agreement had an initial term of five years, expiring on November 6, 2022, subject to earlier termination events described below. Under Mr. Riley’s Employment Agreement, Mr. Riley is entitled to an annual base salary of \$550,000 and, subject to achievement of certain performance goals that will be established annually by the Compensation Committee, eligible to earn an annual cash bonus with a target amount of \$800,000. (If the Compensation Committee sets a minimum overall goal under the annual incentive program with respect to any performance year, and that minimum overall goal is achieved, the bonus payable would range from a threshold value of 80% of target to a maximum value of 140% of target.)

On November 13, 2019, the Company entered into a letter agreement (the “Letter Agreement”) with Mr. Riley, amending certain provisions of Mr. Riley’s Employment Agreement in connection with the Company’s relocation of its headquarters from Dallas, Texas to The Woodlands, Texas. The Letter Agreement provides that the term of Mr. Riley’s employment will be extended until December 31, 2025 (“Extended Expiration Date”). In addition, (i) if Mr. Riley remains employed with the Company through November 6, 2022, his annual base salary and annual target bonus will each increase by five percent, to \$577,500 and \$840,000, respectively (with the annual target bonus for calendar year 2022 prorated among the target in effect for January 1 through November 5 of such year and the new target bonus in effect for the remainder of such year), and (ii) if Mr. Riley voluntarily retires from employment with the Company on or after December 31, 2025, he will continue to be eligible to vest in his outstanding equity awards on their regularly scheduled vesting dates (with vesting of any performance-based awards subject to achievement of the applicable performance goals). Finally, if Mr. Riley is terminated by the Company without “cause” prior to December 31, 2025, then Mr. Riley’s severance package in the employment agreement will also include (i) a repurchase of Mr. Riley’s principal residence in Houston, Texas by the Company for fair market value, and (ii) reimbursement of Mr. Riley’s reasonable, documented, and out-of-pocket costs for relocating back to the Dallas, Texas metropolitan area.

Mr. Riley is also eligible to receive an annual equity award, which will be awarded each year by the Compensation Committee based upon its evaluation of performance measures and objectives established by the Compensation Committee from time to time. The annual equity award will be a long-term equity or equity-based incentive award with an aggregate grant value (with respect to the portion of the annual equity award that is subject to performance metrics, based on the achievement of the applicable performance metrics that cause the award to vest at the level of 100%) on the date of grant equal to \$800,000, with the number of shares of common stock subject to such annual equity award determined by dividing the aggregate grant value by the closing price per share of the Company’s common stock or as otherwise provided for in the Incentive Plan on the date of grant. Fifty percent of the annual equity award provides for pro rata time vesting over five years (“Riley Time Vesting LTIP Awards”) and the other 50% of such award will provide for performance-based vesting (“Riley Performance Vesting LTIP Awards”), and in each case will be subject to the terms and conditions of our then-current equity incentive plan and the applicable award agreement.

INITIAL EQUITY AWARD

In connection with entering into Mr. Riley’s Employment Agreement, on November 8, 2017, the Company granted to Mr. Riley an initial one-time restricted share award of 10,000 shares of common stock (the “Initial LTIP Award”). The Initial LTIP Award provides for 100% vesting on the fifth anniversary of the grant date of such award, subject to Mr. Riley continuing to be an employee of the Company through the vesting date and subject to the terms of Mr. Riley’s Employment Agreement. The Initial LTIP Award is also subject to the terms and conditions of the Company’s 2010 Incentive Plan and the applicable restricted stock award agreement.

SEVERANCE AND CHANGE IN CONTROL BENEFITS

Termination Without Cause or for Good Reason

Pursuant to Mr. Riley’s Employment Agreement, in the event that Mr. Riley terminates his employment for “good reason” or is terminated by the Company without “cause,” the Company will pay and provide Mr. Riley, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, subject to the achievement of the applicable minimum performance goals and based upon the number of days elapsed during the applicable calendar year in which he was employed;

EXECUTIVE COMPENSATION

- (2) an amount equal to one times (1x) the sum of Mr. Riley's annual base salary and target annual cash bonus;
- (3) 100% of the common stock subject to the Initial LTIP Award will fully vest; and
- (4) all outstanding and unvested Riley Time Vesting LTIP Awards, if any, will fully vest and all outstanding Riley Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Non-Renewal of Mr. Riley's Employment Agreement

Pursuant to Mr. Riley's Employment Agreement, in the event that Mr. Riley's employment terminates due to the Company's non-renewal of Mr. Riley's Employment Agreement upon expiration of its current term or any subsequent one-year renewal period, the Company will pay and provide Mr. Riley, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, subject to the achievement of the applicable minimum performance goals and based upon the number of days elapsed during the applicable calendar year in which he was employed;
- (2) to the extent not fully vested as of the termination date, the Initial LTIP Award will fully and immediately vest; and
- (3) all outstanding and unvested Riley Time Vesting LTIP Awards, if any, will fully vest and all outstanding Riley Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Death or Disability

Pursuant to Mr. Riley's Employment Agreement, in the event that Mr. Riley's employment terminates by reason of his death or as a result of disability, the Company will pay and provide Mr. Riley (or his estate), in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed in the calendar year that Mr. Riley was employed;
- (2) a prorated portion of the Initial LTIP Award that is subject to forfeiture on the termination date will vest based on the number of full years that have elapsed since the beginning of the vesting period through the termination date divided by five; and
- (3) all outstanding Riley Performance Vesting LTIP Awards will remain outstanding and continue to vest based on the achievement of the performance metrics (and, pursuant to an amendment to his award agreements made in November 2020, all outstanding Riley Time Vesting LTIP Awards will vest in full).

Change in Control Termination

Pursuant to Mr. Riley's Employment Agreement, in the event that Mr. Riley terminates his employment for "good reason" or is terminated by the Company without "cause," in either case, in connection with, or within 12 months following, a change in control, the Company will pay and provide Mr. Riley, in addition to his previously accrued benefits and compensation, the following:

- (1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed;
- (2) an amount equal to two times (2x) the sum of Mr. Riley's annual base salary and the target annual cash bonus;
- (3) to the extent not fully vested as of the termination date, the Initial LTIP Award will fully and immediately vest; and

- (4) all outstanding and unvested Riley Time Vesting LTIP Awards, if any, will fully and immediately vest and all outstanding Riley Performance Vesting LTIP Awards will vest at the greater of (a) 100% of the number of shares of common stock granted pursuant to each such award and (b) the performance level achieved as of the termination date.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Riley executing and not revoking a release of claims in favor of the Company.

Under Mr. Riley's Employment Agreement, Mr. Riley is also subject to certain restrictive covenants regarding confidentiality, non-disparagement, non-solicitation and non-competition. The non-solicitation and non-competition covenants apply during the term of Mr. Riley's employment and for the 12-month period following his termination for any reason.

Saul Scherl

On March 10, 2021, the Company entered into a new offer letter (the "Offer Letter") with Saul Scherl, our President—New York Tri-State Region. Pursuant to the Offer Letter, Mr. Scherl's base salary will continue to be \$600,000 with an annual target bonus of \$600,000, subject to satisfaction of overall Company and individual performance goals. Based on the fact that Mr. Scherl's currently intended retirement date is December 31, 2022, Mr. Scherl will be eligible for an additional cash incentive for fiscal 2022 performance of up to 100% of base salary in lieu of an annual equity award, based on achievement of overall Company and individual performance goals.

Under the Offer Letter, Mr. Scherl is eligible for an annual restricted stock award, with an annual target equal to 100% of his base salary, in each of 2021 and 2022 (granted for 2020 and 2021 performance, respectively). One-half of the 2021 award will be eligible to vest at the end of a two-year performance period, subject to achievement of applicable performance goals, and the remaining one-half of the 2021 award will be eligible to vest in equal annual installments over a two-year period. One-half of the 2022 award will be eligible to vest at the end of a one-year performance period, subject to achievement of applicable performance goals, and the remaining one-half of the 2022 award will be eligible to vest on December 31, 2022.

In addition, under the Offer Letter, Mr. Scherl will be eligible to receive a stock award with an issue date of December 31, 2022 in a value of up to \$1,500,000 upon the achievement of one or more performance goals to be established by the Compensation Committee.

Upon the termination of Mr. Scherl's employment for any reason, other than for cause or due to Mr. Scherl's death or disability, or by Mr. Scherl for good reason, the Offer Letter provides that Mr. Scherl will be eligible to receive a cash payment in exchange for his then-outstanding time-based restricted stock awards, determined using the fair market value of the shares on the applicable date of forfeiture, will continue to be eligible to vest in all outstanding performance-based restricted stock awards based on achievement of the applicable performance metrics, and would vest in any outstanding stock options. In addition, under his forms of equity award agreement, Mr. Scherl would be eligible to vest in any outstanding time-based restricted stock awards and performance-based restricted awards at the "target" level upon a termination of employment by reason of death or disability.

SEPARATION BENEFITS PLAN

Mr. Scherl is a participant under the Separation Benefits Plan. In connection with an involuntary termination by the Company, subject to the execution and non-revocation of a release of claims in favor of the Company, Mr. Scherl is entitled to a lump sum payment equal to 12 weeks of continued base salary payments plus an additional four weeks of continued base salary payments for each year of employment with the Company. The maximum severance payment under this plan was \$500,000 in 2020. The Separation Benefits Plan also provides that if any of the payments or benefits provided or to be provided by the Company to Mr. Scherl, pursuant to the Separation Benefits Plan or otherwise, would be subject to the excise tax imposed under Section 4999 of the IRC, the separation benefit will be reduced to the minimum extent necessary to ensure that no portion of the separation benefit is subject to the excise tax.

EXECUTIVE COMPENSATION

Paul Layne

SEPARATION AGREEMENT

On September 25, 2020, in connection with Mr. Layne's retirement and departure from the Company effective September 17, 2020 (the "Termination Date"), the Company and Mr. Layne entered into a separation and release agreement (the "Layne Separation Agreement"). The parties agreed to treat Mr. Layne's departure as a termination without "cause" under Mr. Layne's Employment Agreement, and in lieu of the 60-day notice period provided thereunder, the Company paid Mr. Layne's base salary through November 16, 2020, permitted Mr. Layne to continue participating in the Company's employee benefit plans through November 16, 2020, and credited Mr. Layne for service through November 16, 2020 for purposes of determining the prorated target bonus included in his severance payment under his former employment agreement with us.

As a result, in accordance with the Separation Agreement and Mr. Layne's former employment agreement with us, Mr. Layne received a severance payment consisting of a lump sum amount equal to: (i) his annual base salary of \$750,000; (ii) his target annual cash bonus of \$1,000,000; and (iii) a prorated target annual cash bonus for fiscal 2020 of \$880,000. In addition, all of Mr. Layne's outstanding time-based equity awards vested in full as of the Termination Date and all of Mr. Layne's outstanding performance-based equity awards remain outstanding and eligible to vest in accordance with their terms.

Employment Agreements – Definitions

The following defined terms generally apply to the employment agreements of Messrs. O'Reilly, Cross and Riley and the warrant grant agreement for Mr. O'Reilly.

- **"Cause"** generally means, as determined in good faith by the board of directors, and where the Executive and the Executive's counsel had an opportunity (on at least 15 days prior notice) to be heard before the board of directors, the Executive's: (i) conviction, plea of guilty or no contest to any felony; (ii) gross negligence or willful misconduct in the performance of his duties; (iii) drug addiction or habitual intoxication; (iv) commission of fraud, embezzlement, misappropriation of funds, breach of fiduciary duty, material violation of law, or a material act of dishonesty against the Company, in each case that the board of directors determines was willful; (v) material and continued breach of the employment agreement, after notice for substantial performance is delivered by the Company in writing that identifies in reasonable detail the manner in which the Company believes the Executive is in breach of this employment agreement; (vi) willful material breach of Company policy or code of conduct; or (vii) willful and continued failure to substantially perform the Executive's duties under the employment agreement (other than such failure resulting from the Executive's incapacity due to physical or mental illness), in each case, subject to certain cure periods by the Executive.
- **"Change in Control"** generally means the occurrence of any of the following events: (i) the date that any one person, or more than one person acting as a group (in the case of the warrants, excluding Pershing Square Management, L.P. and its affiliates), acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company, subject to certain exceptions; (ii) the date that either (A) any one person, or more than one person acting as a group (in the case of the warrants, excluding Pershing Square Management, L.P. and its affiliates), acquires ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, subject to certain exceptions, or (B) a majority of the Board is replaced in a 12-month period (which is not endorsed by a majority of the Board); (iii) the occurrence of any of the transactions contemplated by (i) or (ii) above in which the common stock of the Company ceases to be publicly traded on a national securities exchange; or (iv) the date that any one person, or more than one person acting as a group (in the case of the warrants, excluding Pershing Square Management, L.P. and its affiliates), acquires assets of the Company that have a total gross fair market value equal to or more than 60% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions.

- **“Good Reason”** generally means the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the Executive’s base compensation; (ii) a material diminution in the Executive’s authority, duties or responsibilities or change in the Executive’s reporting relationship; or (iii) any other action or inaction that constitutes a material breach by the Company of the employment agreement.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table provides information on the outstanding equity awards held by the NEOs at December 31, 2020.

| Name | Option Awards | | | | Stock Awards | | | |
|----------------|---|---|----------------------------|------------------------|--|---|--|---|
| | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested ⁽¹⁾ (#) | Market Value of Shares or Units of Stock That Have Not Vested* (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested ⁽²⁾ (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested* (\$) |
| David O’Reilly | | | | | | | | |
| 11/30/2020 | – | – | – | – | 11,601 ⁽³⁾ | 915,667 | – | – |
| 11/30/2020 | – | – | – | – | – | – | 3,480 | 274,676 |
| 11/30/2020 | – | 17,965 ⁽⁴⁾ | 72.73 | 11/30/2030 | – | – | – | – |
| 02/12/2020 | – | – | – | – | 4,207 ⁽⁵⁾ | 332,059 | – | – |
| 02/12/2020 | – | – | – | – | – | – | 1,578 | 124,552 |
| 02/20/2019 | – | – | – | – | 3,126 ⁽⁶⁾ | 246,735 | – | – |
| 02/20/2019 | – | – | – | – | – | – | 1,563 | 123,368 |
| 02/16/2018 | – | – | – | – | 1,971 ⁽⁷⁾ | 155,571 | – | – |
| 02/16/2018 | – | – | – | – | – | – | 1,478 | 116,659 |
| L. Jay Cross | | | | | | | | |
| 12/01/2020 | – | – | – | – | 9,280 ⁽³⁾ | 732,470 | – | – |
| 12/01/2020 | – | – | – | – | – | – | 2,784 | 219,741 |
| 12/01/2020 | – | 14,372 ⁽⁴⁾ | 72.73 | 12/01/2030 | – | – | – | – |
| Peter F. Riley | | | | | | | | |
| 02/12/2020 | – | – | – | – | 2,550 ⁽⁵⁾ | 201,272 | – | – |
| 02/12/2020 | – | – | – | – | – | – | 956 | 75,457 |
| 02/20/2019 | – | – | – | – | 2,084 ⁽⁶⁾ | 164,490 | – | – |
| 02/20/2019 | – | – | – | – | – | – | 1,041 | 82,166 |
| 02/16/2018 | – | – | – | – | 1,314 ⁽⁷⁾ | 103,714 | – | – |
| 02/16/2018 | – | – | – | – | – | – | 986 | 77,825 |
| 11/08/2017 | – | – | – | – | 10,000 ⁽⁸⁾ | 789,300 | – | – |
| 02/23/2017 | – | – | – | – | 858 ⁽⁹⁾ | 67,722 | – | – |
| 02/23/2017 | – | – | – | – | – | – | 1,287 | 101,583 |
| Saul Scherl | | | | | | | | |
| 12/28/2020 | – | – | – | – | – | – | 7,500 | 591,975 |
| 02/12/2020 | – | – | – | – | 1,912 ⁽⁵⁾ | 150,914 | – | – |
| 02/12/2020 | – | – | – | – | – | – | 717 | 56,593 |
| 02/21/2019 | – | – | – | – | 6,016 ⁽⁶⁾ | 474,843 | – | – |
| 02/20/2019 | – | – | – | – | 1,302 ⁽⁶⁾ | 102,767 | – | – |
| 02/20/2019 | – | – | – | – | – | – | 651 | 51,383 |
| 02/16/2018 | – | – | – | – | 821 ⁽⁷⁾ | 64,802 | – | – |
| 02/16/2018 | – | – | – | – | – | – | 615 | 48,542 |
| 02/23/2017 | – | – | – | – | 429 ⁽⁹⁾ | 33,861 | – | – |
| 02/23/2017 | – | – | – | – | – | – | 643 | 50,752 |
| 01/25/2016 | 100,000 | – | 112.64 | 01/25/2026 | – | – | – | – |
| Paul Layne | | | | | | | | |
| 02/12/2020 | – | – | – | – | – | – | 1,375 | 108,529 |
| 02/20/2019 | – | – | – | – | – | – | 521 | 41,123 |
| 02/16/2018 | – | – | – | – | – | – | 370 | 29,204 |
| 02/23/2017 | – | – | – | – | – | – | 386 | 30,467 |

* Pursuant to SEC rules, market value in these columns was determined by multiplying the number of shares of stock by \$78.93, the closing price of our common stock on December 31, 2020, the last trading day of the year.

EXECUTIVE COMPENSATION

- (1) This column reflects outstanding grants of restricted stock (time-based vesting).
- (2) This column reflects the total amount of restricted stock (performance-based vesting) that vest depending upon the attainment of specified levels of TSR (or, in the case of Mr. Scherl's December 2020 award, based on the Company's achievement of specific price levels over a five-year period). The amount and value of restricted stock (performance-based vesting) reported are based on achieving the threshold performance level. See Footnote 3 of the 2020 Grants of Plan-Based Awards table for additional information regarding the vesting of performance-based restricted stock.
- (3) These shares of restricted stock vest in five equal installments with 20% vesting on each of November 30, 2021, November 30, 2022, November 30, 2023, November 30, 2024 and November 30, 2025.
- (4) These stock options cliff vest on November 30, 2025.
- (5) These shares of restricted stock vest in five equal installments. Twenty percent vested on December 31, 2020, and 20% will vest on each of December 31, 2021, December 31, 2022, December 31, 2023 and December 31, 2024.
- (6) These shares of restricted stock vest in five equal installments. Twenty percent vested on each of December 31, 2019 and December 31, 2020, and 20% will vest on each of December 31, 2021, December 31, 2022 and December 31, 2023.
- (7) These shares of restricted stock vest in five equal installments. Twenty percent vested on each of December 31, 2018, December 31, 2019, and December 31, 2020, and 20% will vest on each of December 31, 2021 and December 31, 2022.
- (8) These shares of restricted stock vest 100% on November 8, 2022.
- (9) The shares of restricted stock subject to this grant vest in five equal installments. Twenty percent vested on each of December 31, 2017, December 31, 2018, December 31, 2019, and December 31, 2020, and 20% will vest on December 31, 2021.

2020 OPTION EXERCISES AND STOCK VESTED

The following table sets forth information regarding options exercised and stock awards vested during fiscal year 2020 with respect to our NEOs.

| Name | Option Awards | | Stock Awards | |
|----------------|---|---------------------------------|--|---|
| | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) ⁽¹⁾ |
| David O'Reilly | – | – | 3,079 | 243,025 |
| L. Jay Cross | – | – | – | – |
| Peter Riley | – | – | 6,922 | 546,353 |
| Saul Scherl | – | – | 4,473 | 353,054 |
| Paul Layne | – | – | 8,308 | 508,367 |

(1) Represents the total vested amount and value of restricted shares. Value for each NEO is calculated based on the closing price of our common stock on the vesting date of December 31, 2020 (\$78.93), except for Mr. Layne. The value for Mr. Layne is calculated based on the closing price of our common stock on September 17, 2020, the date of Mr. Layne's termination of employment (\$61.19).

NONQUALIFIED DEFERRED COMPENSATION

The following table sets forth information regarding the earnings credited to the accounts of the NEOs under nonqualified deferred compensation plans and plan balances as of December 31, 2020. The nonqualified deferred compensation plan was established in 2015. Although the Company has the flexibility to make discretionary contributions to the nonqualified deferred compensation plan, it has not made any such contributions. Each participant's deferral account in the plan is credited or debited for gains and losses associated with his or her account's notional (not actual) investment in investment options selected by the participant from a menu established from time to time by the Board (or a committee thereof). Participants are not provided with above-market or preferential earnings on their deferral accounts and are only entitled to receive distributions of their account balances in accordance with their deferral elections in effect from time to time and the terms of the plan.

| Name | Executive Contributions in Last FY (\$) | Registrant Contributions in Last FY (\$) | Aggregate Earnings in Last FY (\$) | Aggregate Withdrawals/ Distributions (\$) | Aggregate Balance at Last FYE (\$) |
|----------------|---|--|------------------------------------|---|------------------------------------|
| David O'Reilly | – | – | – | – | – |
| L. Jay Cross | – | – | – | – | – |
| Peter F. Riley | 120,000 | – | 85,852 | – | 842,288 |
| Saul Scherl | – | – | – | – | – |
| Paul Layne | – | – | – | – | – |

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table reflects the estimated compensation and other benefits payable to each NEO (other than Mr. Layne) upon termination of employment, including in connection with a "change in control" of the Company. The amounts shown in the table assume that the triggering event was effective as of December 31, 2020 and that the price of our common stock on which certain of the calculations are based was the closing price of \$78.93 per share

EXECUTIVE COMPENSATION

on December 31, 2020. These amounts are estimates of the incremental amounts and benefits that would be payable to each NEO upon each triggering event. The actual amounts to be paid out can only be determined at the time of the triggering event, if any. The table does not include amounts that would be payable to Messrs. O'Reilly, Cross and Riley under each of their employment agreements in the event of termination due to the Company's non-renewal of such employment agreements after the expiration of the initial term because none of the employment agreements had expired as of December 31, 2020. For additional information, see "Employment Agreements and Arrangements with the NEOs."

| Name and Benefit | Termination Without Cause or for Good Reason (\$) | Death or Disability (\$) | Termination Without Cause or for Good Reason in connection with Change in Control ⁽⁷⁾ (\$) |
|-------------------------------|---|--------------------------|---|
| David O'Reilly | | | |
| Cash Severance | 3,750,000 ⁽¹⁾ | 1,500,000 ⁽²⁾ | 6,000,000 ⁽³⁾ |
| Equity Awards ⁽²⁾ | 3,892,265 ⁽⁴⁾ | 3,892,265 ⁽⁴⁾ | 3,892,265 ⁽⁴⁾ |
| Total estimated value | 7,642,265 | 5,392,265 | 9,892,265 |
| L. Jay Cross | | | |
| Cash Severance | 4,650,000 ⁽¹⁾ | 1,950,000 ⁽²⁾ | 7,350,000 ⁽³⁾ |
| Equity Awards ⁽²⁾ | 1,554,046 ⁽⁴⁾ | 732,470 ⁽⁵⁾ | 1,554,046 ⁽⁴⁾ |
| Total estimated value | 6,204,046 | 2,682,470 | 8,904,046 |
| Peter Riley | | | |
| Cash Severance | 2,150,000 ⁽¹⁾ | 800,000 ⁽²⁾ | 3,500,000 ⁽³⁾ |
| Equity Awards ⁽²⁾ | 2,449,935 ⁽⁴⁾ | 2,134,215 ⁽⁴⁾ | 2,449,935 ⁽⁴⁾ |
| Total estimated value | 4,599,935 | 2,934,215 | 5,949,935 |
| Saul Scherl | | | |
| Cash Severance ⁽⁶⁾ | 373,077 | — | 373,077 |
| Equity Awards | 3,491,337 ⁽⁴⁾ | 3,491,337 ⁽⁴⁾ | 3,491,337 ⁽⁴⁾ |
| Total estimated value | 3,864,414 | 3,491,337 | 3,864,414 |

(1) Amount represents cash severance outside of a change in control as described under above under "Employment Agreements And Arrangements With The NEOs," including (i) a cash payment equal to the sum of base salary and target bonus, and (ii) a prorated target bonus for the year of termination.

(2) Amount represents a prorated target bonus for the year of termination.

(3) Amount represents cash severance in connection with a change in control as described under above under "Employment Agreements And Arrangements With The NEOs," including (i) a cash payment equal to two times the sum of base salary and target bonus, and (ii) a prorated target bonus for the year of termination.

(4) Amount represents accelerated vesting of time-based equity awards and the value of performance-based equity awards eligible to vest (assuming performance at the "target" level). (For Mr. Riley, in the case of death or disability, this amount includes only a prorated portion of his Initial LTIP Award that would be eligible to vest, as further described above under "Employment Agreements And Arrangements With The NEOs.") Acceleration of stock options is shown using their intrinsic (or "spread") value, if any.

(5) Amount represents the value of performance-based equity awards eligible to vest (assuming performance at the "target" level).

(6) The amounts in this row represent cash severance payable to Mr. Scherl in connection with an involuntary termination by the Company pursuant to the Separation Benefits Plan.

- (7) For Messrs. O'Reilly, Cross and Riley, each of their employment agreements provides that if the NEO becomes entitled to receive or if he receives any payments and benefits that would become subject to the excise tax under Section 4999 of the IRC, the payments and benefits will be reduced such that the excise tax does not apply, unless he would be better off on an after-tax basis receiving all of the payments and benefits. For Mr. Scherl, the Separation Benefits Plan provides that if any of the payments or benefits provided or to be provided by the Company to Mr. Scherl pursuant to the Separation Benefits Plan or otherwise, would be subject to the excise tax imposed under Section 4999 of the IRC, the separation benefit will be reduced to the minimum extent necessary to ensure that no portion of the separation benefit is subject to the excise tax. The figures in the table above disregard the potential impact of any potential reductions in connection with these provisions.

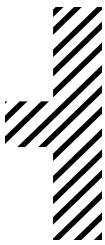
As described above under "*Paul Layne – Separation Agreement*," in connection with his termination of employment with us, Mr. Layne became entitled to receive (i) cash severance equal to the sum of his annual base salary and target bonus (for an aggregate of \$1,750,000); and (ii) a prorated target annual cash bonus for fiscal 2020 of \$880,000. In addition, all of Mr. Layne's outstanding time-based equity awards vested in full as of his termination date (worth \$508,367 in the aggregate) and all of Mr. Layne's outstanding performance-based equity awards remain outstanding and eligible to vest in accordance with their terms (as of December 31, 2020, these performance awards were worth approximately \$697,743, assuming the "target" level of achievement). Mr. Layne's outstanding unvested time-based stock options were forfeited in connection with his termination, but in any event had an intrinsic (or "spread") value of \$0 at that time, because the exercise price exceeded the trading price of our common stock.

PAY RATIO DISCLOSURE

We determined that the 2020 annual total compensation of the median of all our employees who were employed as of December 31, 2020 (other than the CEO) was \$94,583. As both Mr. O'Reilly and Mr. Layne served in the role of CEO for 2020, the SEC provides that the CEO pay ratio may be calculated by annualizing Mr. O'Reilly's annual total compensation to reflect an amount that he would have received had he been in the role of CEO for full fiscal 2020. As a result, Mr. O'Reilly's 2020 annual total compensation was \$5,132,668, which differs from his 2020 total compensation set forth in the Summary Compensation Table to include an annualized base salary of \$750,000. Based on this information, for 2020, the ratio of the compensation of our CEO and Interim CFO to the median annual total compensation of all other employees was estimated to be 54 to 1.

To identify the median compensated employee, we used Box 5, W2 data for all individuals employed as of December 31, 2020, annualizing this data for those employees who joined the Company in 2020.

We believe our pay ratio presented above is a reasonable estimate. Because SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies, exemptions, estimates and assumptions, our pay ratio may not be comparable to the pay ratio reported by other companies.



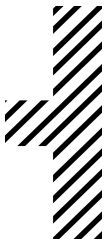
Stockholder Proposals for 2022 Annual Meeting of Stockholders



In order to be included in the Company's proxy materials for the 2021 annual meeting of stockholders, a stockholder proposal must be received in writing by the Company at The Howard Hughes Corporation, 9950 Woodloch Forest Dr., Suite 1100 The Woodlands, Texas 77380, Attention: Corporate Secretary, by December 20, 2021, and otherwise comply with all requirements of the SEC for stockholder proposals.

If you do not wish to submit a proposal for inclusion in next year's proxy materials, but instead wish to present it directly at the 2021 annual meeting of stockholders,

you must give timely written notice of the proposal to the Company's Corporate Secretary. To be timely, the notice (including a notice recommending a director candidate) must be delivered to the above address no earlier than 120 days (January 27, 2022) nor later than 90 days prior (February 26, 2022) to the first anniversary date of the preceding year's annual meeting. The notice must describe the stockholder proposal in reasonable detail and provide certain other information required by the Company's by-laws. A copy of the Company's by-laws is available upon request from the Company's Corporate Secretary.



Other Matters



This Proxy Statement is being furnished in connection with the solicitation of proxies by the Company. All the expenses involved in soliciting proxies for the Annual Meeting will be paid by the Company. We may reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for expenses reasonably incurred by them in sending proxy materials to beneficial owners of our common stock. The solicitation of proxies will be conducted primarily by mail, but may include telephone, email, or oral communications by directors, officers, or regular employees of the Company, acting without special compensation.

The Board is not aware of any other business that may be brought before the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is intended that the enclosed proxy will be voted in accordance with the judgment of the persons voting the proxy.

By Order of the Board of Directors,

Peter F. Riley
Senior Executive Vice President, Secretary
and General Counsel

The Woodlands, Texas

April 12, 2021

ANNEX A
REPORTED SEGMENT EBT AND RECONCILIATION OF SEGMENT EBT TO OPERATING ASSETS NOI
(amounts in thousands)

Segment Operating Results as Reported in the Form 10-K:

| | Operating Assets Segment | MPC Segment | Seaport District Segment | Strategic Developments Segment | Total |
|--|--------------------------------|----------------|--------------------------------|--------------------------------------|-------------|
| Year ended December 31, 2020 | | | | | |
| Total revenues | \$ 372,057 | \$ 283,953 | \$ 23,814 | \$ 19,407 | \$ 699,231 |
| Total operating expenses | (185,480) | (128,597) | (46,112) | (135,160) | (495,349) |
| Segment operating income (loss) | 186,577 | 155,356 | (22,298) | (115,753) | 203,882 |
| Depreciation and amortization | (162,324) | (365) | (41,602) | (6,545) | (210,836) |
| Interest income (expense), net | (91,411) | 36,587 | (12,512) | 6,312 | (61,024) |
| Other income (loss), net | 540 | – | (2,616) | 2,165 | 89 |
| Equity in earnings (losses) from real estate and other affiliates | (7,366) | 17,845 | (9,292) | 269,912 | 271,099 |
| Gain (loss) on sale or disposal of real estate and other assets, net | 38,232 | – | – | 21,710 | 59,942 |
| Gain (loss) on extinguishment of debt | (1,521) | – | (11,648) | – | (13,169) |
| Provision for impairment | (48,738) | – | – | – | (48,738) |
| Segment EBT | \$ (86,011) | \$ 209,423 | \$(99,968) | \$ 177,801 | \$ 201,245 |
| Corporate income, expenses and other items | | | | | (204,418) |
| Net income (loss) | | | | | (3,173) |
| Net (income) loss attributable to noncontrolling interests | | | | | (22,981) |
| Net income (loss) attributable to common stockholders | | | | | \$ (26,154) |

ANNEX A
REPORTED SEGMENT EBT AND RECONCILIATION OF SEGMENT EBT TO OPERATING ASSETS NOI
(amounts in thousands)

Reconciliation of Operating Assets Segment EBT to Operating Assets NOI:

| | Year Ended December 31, 2020 |
|--|---|
| Total Operating Assets segment EBT⁽¹⁾ | \$ (86,011) |
| Add back: | |
| Depreciation and amortization | 162,324 |
| Interest (income) expense, net | 91,411 |
| Equity in (earnings) losses from real estate and other affiliates | 7,366 |
| (Gain) loss on sale or disposal of real estate and other assets, net | (38,232) |
| (Gain) loss on extinguishment of debt | 1,521 |
| Provision for impairment | 48,738 |
| Impact of straight-line rent | (7,630) |
| Other | 99 |
| Total Operating Assets NOI – Consolidated | 179,586 |
| Dispositions | |
| 100 Fellowship Drive | (1,011) |
| Total Operating Asset Dispositions NOI | (1,011) |
| Consolidated Operating Assets NOI excluding properties sold or in redevelopment | 178,575 |
| Company's Share NOI – Equity Investees ⁽²⁾ | 7,750 |
| Distributions from Summerlin Hospital Investment | 3,724 |
| Total Operating Assets NOI | \$190,049 |

(1) Segment EBT excludes corporate expenses and other items that are not allocable to the segments.

(2) The Company's share of NOI related to 110 North Wacker is calculated using our stated ownership of 18% and does not include the impact of the partnership distribution waterfall.

ANNEX B
RECONCILIATION OF OPERATING NOI AND MPC EBT FOR NEO GOALS
TO OPERATING ASSETS NOI AND MPC SEGMENT EBT IN FORM 10-K
(amounts in thousands)

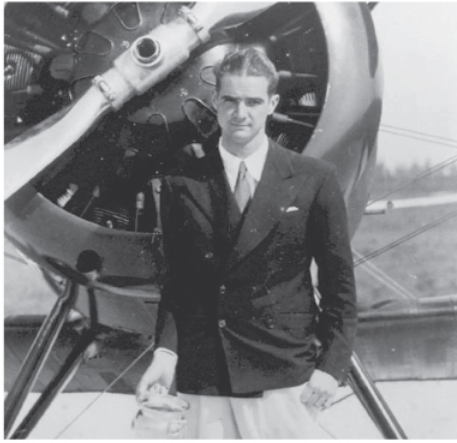
| | <u>Actual 2020</u> |
|---|------------------------|
| NEO Actual Goals – Operating NOI | \$193,532 |
| Adjustments: | |
| <u>Adjustments to Actuals</u> ⁽¹⁾ | |
| 1725 Hughes Landing Lease Term Fee | (2,398) |
| 70 CCC Lease Term Fee | (1,975) |
| Riverwalk Overage Rent | (85) |
| Overhead Expense Allocations | 3,323 |
| Accounting Non-Cash Accrual Adjustments | (2,644) |
| <u>Properties in Development</u> ⁽²⁾ | |
| 8770 New Trails | 341 |
| Millenium III – The Lane | (74) |
| Allocation of Tenant Coordination Jobs Expensed | 179 |
| Strategic Development Professional Fees | 29 |
| <u>HHC Share of JV / Equity Method NOI</u> ⁽³⁾ | |
| The Metropolitan Downtown Columbia | (3,035) |
| m.flats / TEN.M | (3,595) |
| Summerlin Hospital Investment Distributions | (3,724) |
| Woodlands Equity Investments Net Distributions | (1,490) |
| <u>Intercompany Revenue/Expenses</u> ⁽⁴⁾ | |
| Eliminations | 1,202 |
| Form 10-K – Operating Assets NOI | \$179,586 |

- (1) NEO goals were set based on a cash representation of NOI; therefore, actual NEO results were calculated excluding certain non-cash adjustments.
 - (2) Includes adjustments to remove certain assets that were assumed to be captured in the Strategic Development segment and therefore excluded from the NEO goal calculation, and/or cash expenses that were captured with Operating assets for NEO goals but were recorded as Strategic Development expenses in actuals.
 - (3) Our share of joint venture and equity method investment NOI was included in the NEO goals and actuals, but are not included in the Form 10-K – Operating Assets NOI calculation.
 - (4) Certain intercompany revenues and expenses were included in the NEO goals and actuals but are eliminated in the Form 10-K – Operating Assets NOI results.
-

ANNEX B
RECONCILIATION OF OPERATING NOI AND MPC EBT FOR NEO GOALS
TO OPERATING NOI AND MPC EBT IN FORM 10-K
(amounts in thousands)

| | <u>Actual 2020</u> |
|---|------------------------|
| MPC Segment EBT (NEO Actual)⁽¹⁾ | \$ 124,966 |
| Revenue Adjustments | |
| Deferred Land Sales | 4,715 |
| SID Bond Assumptions | <u>10,122</u> |
| Total Revenue Adjustments | 14,837 |
| Expense Adjustments | |
| Corporate Allocations | <u>4,424</u> |
| Total Expense Adjustments | 4,424 |
| Plus: | |
| Land Development Costs | 112,634 |
| JV Equity in Earnings | 17,845 |
| Interest Income / (Expense) | <u>36,587</u> |
| | 167,066 |
| Less: | |
| Cost of Sales | (101,505) |
| Depreciation & Amortization | <u>(365)</u> |
| | (101,870) |
| Form 10-K MPC Segment EBT | \$ 209,423 |

(1) MPC Segment EBT for the NEO goals was set on a cash flow basis, which included the burden of land development costs but excluded certain non-cash adjustments such as deferrals, cost of sales and depreciation.



ABOUT US

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the country. Our company is comprised of master planned communities, operating properties, development opportunities and other unique assets spanning 14 states from New York to Hawaii.

OUR VISION

To be among the leading American brands of the 21st century.

OUR MISSION

To be the preeminent developer and operator of master planned communities and mixed-use properties. We create timeless places and extraordinary experiences that inspire people while driving sustainable, long-term growth and value for our shareholders.

Howard Hughes.

www.howardhughes.com



THE HOWARD HUGHES CORPORATION
 9950 WOODLOCH FOREST DR., SUITE 1100
 THE WOODLANDS, TX 77380

VOTE BY INTERNET
 Before The Meeting - Go to www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/HHC2021

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
 Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D48858-P55263

KEEP THIS PORTION FOR YOUR RECORDS
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

THE HOWARD HUGHES CORPORATION

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

Nominees:

For Against Abstain

| | | | |
|----------------------|--------------------------|--------------------------|--------------------------|
| 1a. William Ackman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1b. Adam Flatto | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1c. Jeffrey Furber | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1d. Beth Kaplan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1e. Allen Model | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1f. David O'Reilly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1g. R. Scot Sellers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1h. Steven Shepsman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1i. Mary Ann Tighe | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1j. Anthony Williams | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Board of Directors recommends you vote FOR proposals 2 and 3.

| | | | |
|---|--------------------------|--------------------------|--------------------------|
| 2. Advisory vote to approve executive compensation (Say-on-Pay) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

| | |
|------------------------------------|------|
| | |
| Signature [PLEASE SIGN WITHIN BOX] | Date |

| | |
|--------------------------|------|
| | |
| Signature (Joint Owners) | Date |

Annual Meeting of Stockholders

www.virtualshareholdermeeting.com/HHC2021

Thursday, May 27, 2021

Meeting begins promptly at 9:00 a.m. Eastern Time

Please plan to attend the meeting virtually at www.virtualshareholdermeeting.com/HHC2021

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

D48859-P55263

**THE HOWARD HUGHES CORPORATION
Annual Meeting of Stockholders
May 27, 2021 9:00 A.M.
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) David R. O'Reilly and Peter F. Riley, or any of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of THE HOWARD HUGHES CORPORATION that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 9:00 A.M., Eastern Time, on Thursday, May 27, 2021.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations. This proxy authorizes David R. O'Reilly and Peter F. Riley to vote at their discretion on any other matter that may properly come before the meeting or any adjournment or postponement of the meeting.

Continued and to be signed on reverse side