Howard Hughes Corp
Form DEF 14A
April 04, 2019

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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 ý
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
ý	Definitive Proxy Statement
o	Definitive Additional Materials
o	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):

ý No fee required.

o 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:

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o Fee paid previously with preliminary materials.

o 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:

One Galleria Tower
13355 Noel Road, 22nd Floor
Dallas, Texas 75240

Letter from Our Chairman

Dear Fellow Stockholders:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders of The Howard Hughes Corporation. We will hold the meeting at 9:00 a.m., local time, on Thursday, May 16, 2019, at Pier 17 Green Room, located at Pier 17, 89 South Street, 3rd Floor, New York, New York 10038. 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 4, 2019

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One Galleria Tower
13355 Noel Road, 22nd Floor
Dallas, Texas 75240

Notice of 2019 Annual Meeting of Stockholders

Thursday, May 16, 2019	**9:00 a.m., local time**	**Pier 17 Green Room 89 South Street, 3rd Floor New York, NY 10038**

ITEMS OF BUSINESS

1	Election to our Board of Directors of the 9 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 2019
4	Transaction of such other business as may

properly come before our 2019 Annual Meeting of Stockholders

RECORD DATE

The record date for the determination of the stockholders entitled to vote at our 2019 Annual Meeting of Stockholders, or any adjournments or postponements thereof, was the close of business on March 21, 2019.

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, Secretary and General Counsel

April 4, 2019

Important Notice Regarding the Availability of Proxy Materials for our Annual Meeting to Be Held on May 16, 2019

Our Proxy Statement, 2018 Annual Report to Stockholders and other materials are available on our website at www.proxyvote.com

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Proxy Summary

This summary highlights certain information from our Proxy Statement for the 2019 Annual Meeting of Stockholders. You should read the entire Proxy Statement carefully before voting.

2019 ANNUAL MEETING INFORMATION

Thursday, May 16, 2019	**9:00 a.m., local time**	**Pier 17 Green Room 89 South Street, 3rd Floor New York, NY 10038**
Record date March 21, 2019	**Admission** Photo identification and proof of ownership as of the record date are required to attend the Annual Meeting	

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 2019 ANNUAL MEETING

	Proposal	Board Recommendation	Page
1	Election of directors	**FOR** each director nominee	27
2	Advisory vote to approve executive compensation (Say-on-Pay)	**FOR**	32
3	Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2019		33

FOR

DIRECTOR NOMINEES

Name	Age	Director Since	Independent	Principal Occupation	Audit	Compensation	Nominating & Corporate Governance	Risk	Other Current Public Company Boards
William Ackman	52	2010		Chief Executive Officer and Portfolio Manager of Pershing Square Capital Management, L.P.					None
Adam Flatto	56	2010		Chief Executive Officer and President of The Georgetown Company					None
Jeffrey Furber	60	2010		Chief Executive Officer of AEW Capital Management, L.P. and Chairman of AEW Europe					Stag Industrial
Beth Kaplan	61	2017		Managing Partner of Axcel Partners, LLC					Meredith Corporation
Allen Model	73	2010		Treasurer and Vice Chairman of Overseas Strategic Consulting, Ltd.					None
R. Scot Sellers	62	2010		Former Chief Executive Officer of Archstone					None
Steven Shepsman	66	2010		Executive Managing Director					

			of New World Realty Advisors	Spirit MTA REIT
Mary Ann Tighe	70	2011	Chief Executive Officer of CBRE's New York Tri-State Region	None
David Weinreb	54	2010	Chief Executive Officer of The Howard Hughes Corporation	None

Chair Member Financial Expert Chairman of the Board

Director Diversity

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

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	Each committee of the Board has a published charter that is reviewed annually
A majority of executive pay is tied to performance-based and long-term equity incentives	Each committee of the Board is 100% comprised of independent directors
The Board follows Corporate Governance Guidelines	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.

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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' interest. 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	Non-employee directors and executive officers are subject to stock ownership guidelines
No single-trigger change-in-control for severance pay and benefits	No tax gross-ups in executive employment agreements or incentive plan
Five-year vesting period for the performance-based component of long-term equity awards	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
A substantial portion of our long-term equity awards contain meaningful performance hurdles to achieve full vesting (100% of our CEO's long-term equity awards are subject to performance hurdles)	

HHSUSTAINABILITY

Inheriting the visionary legacy of our namesake, we have an unrelenting focus on building for the future.

With our commitment to creating long-term value, we recognize our responsibility and role in managing risks related to real estate's impact on the environment and society, as well as in helping provide solutions to the emerging challenges facing us today.

In 2017 we embarked on a portfolio-wide Sustainability Program to develop formalized policies, programs, metrics and measures to assess and accelerate our Environmental, Social and Governance ("ESG") performance. By prioritizing sustainability, it is our 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.

We have memorialized our stewardship and commitment to sustainability with our first ESG Review which we posted on our website in December 2018. The review outlines how we will continue to integrate ESG values and policies into our business. To learn more about how we track and measure our success in this area, please visit:

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

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Proxy Statement for Annual Meeting of Stockholders to Be Held on May 16, 2019

QUESTIONS AND ANSWERS REGARDING THIS PROXY STATEMENT AND THE ANNUAL MEETING

Why did I receive proxy materials in the mail?

The Company has elected to provide access to its proxy materials through the mail. These materials are being provided in connection with the solicitation of proxies by the Board for use at the Company's 2019 annual meeting of stockholders or any postponement or adjournment thereof (the "Annual Meeting"). Accordingly, the Company sent a proxy materials on or about April 4, 2019 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 held at 9:00 a.m., local time, on Thursday, May 16, 2019, at Pier 17 Green Room, 89 South Street, 3rd Floor, New York, NY 10038.

How can I get electronic access to the proxy materials?

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

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;

the Company's 2018 Annual Report to Stockholders; and

a proxy card (for stockholders of record) or a voting instruction form (for beneficial owners) for the Annual Meeting.

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PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 16, 2019

Who is entitled to vote at the Annual Meeting?

Holders of Company common stock at the close of business on March 21, 2019 are entitled to receive notice of, and to vote their shares at, the Annual Meeting. On March 21, 2019, there were 43,335,898 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.

In person at the Annual Meeting	All stockholders of record may vote in person at the Annual Meeting. You can request a ballot at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspector of election with your ballot to be able to vote at 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 15, 2019. Have your proxy card available and follow the instructions provided by the recorded message to vote your shares. If you are a beneficial owners of shares, you may vote your shares by telephone by following the instructions send 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 15, 2019. 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	All stockholders of record may vote their shares at the Annual Meeting by signing, dating and returning the enclosed proxy card in the postage paid envelope. 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.

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 15, 2019. 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.

What is householding and how does this affect me?

We have adopted a procedure approved by the Securities and Exchange Commission ("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, One Galleria Tower, 13355 Noel Road, 22nd Floor, Dallas, Texas 75240, Attention: Investor Relations.

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

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.

What shares are included in my proxy?

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.

What happens if I do not give specific voting instructions?

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 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.

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What constitutes a quorum?

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.

Who can attend the Annual Meeting?

The Annual Meeting is open to all holders of the Company's common stock. Each stockholder is permitted to bring one guest. No cameras, recording equipment, large bags, briefcases or packages will be permitted in the Annual Meeting, and security measures will be in effect to provide for the safety of attendees.

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 &	Affirmative vote of a majority of the votes	Yes	No effect	

Young LLP as our independent registered public accounting firm for 2019	cast	FOR

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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.

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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	Executive Compensation Recoupment Policy
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.e.*, no staggered board)	Director and executive stock ownership requirements
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	

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:

- the 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 facilitate the incorporation of 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

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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, Mr. Tansky and Ms. Tighe, is independent under the NYSE independence standards. Mr. Weinreb is not independent because he is the Chief Executive 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 real estate development and management, retail, marketing, capital markets, technology, financial reporting, risk management, 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 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 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 2020 Annual Meeting of Stockholders.*"

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 Compensation Committee.

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
One Galleria Tower
13355 Noel Road, 22nd Floor
Dallas, Texas 75240
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. 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.

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The Board, its Committees and its Compensation

THE BOARD

Nine of our directors who served in 2018 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 six meetings in 2018. All directors attended 75% or more of the meetings of the Board and of the

committees on which they served during 2018. All the directors then in office attended our 2018 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 which 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 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.

AUDIT

Meetings in 2018: 11

Steven Shepsman

Beth Kaplan

Allen Model

Key Skills and Experiences Represented

Audit, tax, accounting

Preparation or oversight of financial statements

Compliance

Risk management

Key Responsibilities

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

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

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").

COMPENSATION

Meetings in 2018: 6

R. Scot Sellers

William Ackman

Burton Tansky

Mary Ann Tighe

Key Skills and Experiences Represented

Setting executive compensation

Evaluating executive and Company-wide compensation programs

Human capital management

Key Responsibilities

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

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

The Board has determined that each member of the Compensation Committee qualifies as an "outside director" as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended (the "IRC").

NOMINATING AND CORPORATE GOVERNANCE

Meetings in 2018: 4

Jeffrey Furber

Adam Flatto

Allen Model

R. Scot Sellers

Steven Shepsman

Key Skills and Experiences Represented

Corporate governance

Current and prior public company board service

Key Responsibilities

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

RISK

Meetings in 2018: 4

Allen Model

Beth Kaplan

R. Scot Sellers

Steven Shepsman

Key Skills and Experiences Represented

Understanding of how risk is undertaken, mitigated and controlled

Real estate operating experience

Key Responsibilities

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

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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.

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

2018 DIRECTOR COMPENSATION

The Compensation Committee engaged Meridian Compensation Partners, LLC ("Meridian") to conduct a review of the Company's non-employee director compensation program. Upon assessment of common market practices obtained from various sources, including published compensation surveys and information taken from SEC filings of a number of similarly situated companies compiled by Meridian, the Compensation Committee determined that our non-employee director compensation should be revised to better reflect common market practices which will allow us to attract and retain highly qualified directors. The revisions to the non-employee director compensation increased the overall retainers for the Board and committees and eliminated meeting fees. The Board eliminated the meeting fees because it recognizes that Board service extends beyond meeting attendance and for compensation certainty, simplicity and consistency. On May 16, 2018, the Board, acting upon the recommendation of the Compensation Committee, adopted the non-employee director compensation program described below.

ANNUAL COMPENSATION

The table below summarizes the Company's non-employee director compensation program in effect after May 16, 2018.

	Total
Annual retainer	$220,000
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

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THE BOARD, ITS COMMITTEES AND ITS COMPENSATION

The table below summarizes the Company's non-employee director compensation program in effect before May 16, 2018.

	Total
Annual retainer	$165,000
Meeting fee (in person)	$2,000
Meeting fee (telephonic)	$750
Audit Committee Chair	$30,000
Audit Committee Member	$15,000
Compensation Committee chair	$15,000
All other Committee chairs	$7,500
All other Committee members	$3,750
Audit Committee meeting fee (in person or telephonic meetings requiring significant preparation, *i.e.*, review of periodic reports)	$1,500
In-person Audit Committee meeting fee	$1,000
Audit Committee telephonic meeting fee	$750
All other in-person Committee telephonic meeting fees	$1,000
All other Committee telephonic meeting fees	$500

Under our new 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 Board may meet in asset subcommittees to discuss actions for certain of our assets. Under the director compensation program in effect prior to May 16, 2018, the members of an asset subcommittee were eligible to be paid $1,000 for an in-person meeting

and $500 for a telephonic meeting. These meeting fees were also eliminated under the new director compensation program.

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.

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DIRECTOR COMPENSATION TABLE

The table below sets forth the compensation earned by each of the Company's directors during 2018.

Name[(1)]	Fees Earned or Paid in Cash ($)[(2)]	Stock Awards[(3)] ($)	Total ($)
William Ackman[(4)]			
Adam Flatto	89,875	145,000	234,875
Jeffrey Furber	93,000	145,000	238,000
Beth Kaplan	69,000	145,000	214,000
Allen Model	83,375	145,000	228,375
R. Scot Sellers	111,250	145,000	256,250
Steven Shepsman	136,000	145,000	281,000
Burton Tansky	100,375	145,000	245,375
Mary Ann Tighe	87,875	145,000	232,875

(1) Mr. Weinreb, a director and Chief Executive Officer of the Company, is not included in this table because he is an employee of the Company and receives no additional compensation for his service as a director. The compensation earned by Mr. Weinreb as an employee of the Company during 2018 is shown in "Executive Compensation Summary Compensation Table."

(2) Ms. Tighe and Messrs, Furber, Sellers and Tansky elected to receive $75,000 of their annual cash retainer in restricted stock. Mr. Model elected to receive $37,500 of his annual cash retainer in restricted stock.

(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, 2018, the number of shares of restricted stock held by each of the non-management directors was as follows: Mr. Flatto (1,086), Mr. Furber (1,648), Ms. Kaplan (1,086), Mr. Model (1,367), Mr. Sellers (1,648), Mr. Shepsman (1,086), Mr. Tansky (1,648) and Ms. Tighe (1,648). 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 and Messrs, Furber, Sellers and Tansky, including restricted stock that was received in lieu of annual retainer fees, was $220,000. The grant date fair value of the restricted stock granted to Mr. Model, including restricted stock that was received in lieu of annual retainer fees, was $182,500.

(4) Mr. Ackman waived all compensation relating to his service as a director of the Company and has not been awarded any equity compensation.

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 Company's common stock on the applicable determination date. Each director is compliant with the stock ownership guidelines.

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Security Ownership of Management and Certain Beneficial Holders

The tables below provide information regarding the beneficial ownership of the Company's common stock as of March 21, 2019, by:

- each director of the Company;
- each of the executive officers named in the Summary Compensation Table;
- 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 43,335,898 shares of common stock outstanding as of March 21, 2019. 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]	1,209,757	2.79%
Adam Flatto[2]	19,142	*
Jeffrey Furber[2]	18,210	*
Beth Kaplan[2]	1,409	*
Allen Model[2]	17,124	*
R. Scot Sellers[2]	34,221	*

Steven Shepsman(2)(3)	13,446	*
Burton M. Tansky(2)	12,021	*
Mary Ann Tighe(2)(4)	21,407	*
David R. Weinreb(5)	1,351,227	3.12%
Grant Herlitz(6)	260,400	*
David O'Reilly(7)	20,032	*
Peter Riley(8)	55,502	*
Paul Layne(9)	59,664	*
Simon Treacy(10)	6,411	*
All directors and executive officers as a group (21 persons)	3,228,961	7.45%

* Less than 1%.

(1) Mr. Ackman, who is a director of the Company, may be deemed to be the beneficial owner of 1,194,793 of these shares by virtue of his position as Chief Executive Officer of Pershing Square Capital Management, L.P. ("Pershing Square"), the investment advisor to the Pershing Square Funds (as defined below), and as managing member of PS Management GP, LLC, the general partner of Pershing Square, and Pershing Square GP, LLC ("Pershing Square GP"), the general partner of Pershing Square L.P. ("PS"). PS, Pershing Square International, Ltd (together with its wholly-owned subsidiary, PSRH, Inc. ("Pershing Square International") and Pershing Square Holdings, Ltd ("PSH" and together with PS and Pershing Square International, the "Pershing Square Funds") also have additional economic exposure to approximately 4,189,446 shares of common stock of the Company under certain cash-settled total return swaps.

(2)

Includes shares of restricted stock for which the following directors have sole voting power, but no dispositive power: Mr. Flatto (1,086), Mr. Furber (1,648), Ms. Kaplan (1,086), Mr. Model (1,367), Mr. Sellers (1,648), Mr. Shepsman (1,086), Mr. Tansky (1,648) and Ms. Tighe (1,648). These shares of restricted stock will vest on May 16, 2019.

(3)

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.

(4)

Includes 9,386 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.

(5)

Includes: (a) 25,738 shares of performance-based restricted stock granted to Mr. Weinreb in August 2017 in connection with entering into his new employment agreement with the Company of which he has sole voting power, but no dispositive power; (b) 24,636 shares of performance-based restricted stock granted to Mr. Weinreb in February 2018 which he has sole voting power, but no dispositive power; and (c) 26,050 shares of performance-based restricted stock granted to Mr. Weinreb in February 2019 which he has sole voting power, but no dispositive power.

(6)

Includes: (a) 10,121 shares of time-based restricted stock and 10,121 shares of performance-based restricted stock granted to Mr. Herlitz in February 2015 for which he has sole voting power, but no dispositive power; (b) 13,040 shares of time-based restricted stock and 13,041 shares of performance-based restricted stock granted to Mr. Herlitz in February 2016 for which he has sole voting power, but no dispositive power; (c) 6,177 shares of time-based restricted stock and 10,295 shares of performance-based restricted stock granted to Mr. Herlitz in February 2017 for which he has sole voting power, but no dispositive power; (d) 42,764 shares of time-based restricted stock granted to Mr. Herlitz in October 2017 in connection with entering into his new employment agreement with the Company of which he has sole voting power, but not dispositive power; (e) 8,622 shares of time-based restricted stock and 10,779 shares of performance-based restricted stock granted to Mr. Herlitz in February 2018 for which he has sole voting power, but no dispositive power; (f) 93,275 shares indirectly held by Mr. Herlitz through a family limited partnership; and (g) 13 shares held indirectly by his daughter.

(7)

Includes: (a) 3,941 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; and (b) 5,210 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.

(8)

Includes: (a) 3,372 shares of time-based restricted stock and 3,373 shares of performance-based restricted stock granted to Mr. Riley in February 2015 for which he has sole voting power, but no dispositive power; (b) 4,075 shares of time-based restricted stock and 4,076 shares of performance-based restricted stock granted to Mr. Riley in February 2016 for which he has sole voting power, but no dispositive power; (c) 2,574 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; (d) 2,628 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; (e) 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; and (f) 3,473 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.

(9)

Includes: (a) 669 shares of time-based restricted stock and 669 shares of performance-based restricted stock granted to Mr. Layne in February 2015 for which her has sole voting power, but no dispositive power; (b) 1,086 shares of time-based restricted stock and 1,087 shares of performance-based restricted stock granted to Mr. Layne in February 2016 for which her has sole voting power, but no dispositive power; (c) 771 shares of time-based restricted stock and 1,287 shares of performance-based restricted stock granted to Mr. Layne in February 2017 for which her has sole voting power, but no dispositive power; (d) 984 shares of time-based restricted stock and 1,232 shares of performance-based restricted stock granted to Mr. Layne in February 2018 for which her has sole voting power, but no dispositive power; (e) 1,736 shares of time-based restricted stock and 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 (f) 40,179 options that are currently exercisable.

(10) Includes: 2,170 shares of time-based restricted stock and 2,171 shares of performance-based restricted stock granted to Mr. Treacy in 2019 for which he has sole voting power, but no dispositive power.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL HOLDERS

In June 2017, the Company granted Mr. Weinreb a warrant to acquire 1,965,409 shares in exchange for a fair market value purchase price of $50.0 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, and the warrant grant was approved by stockholders at the Company's annual meeting on May 18, 2017. The exercise price of the warrant and the shares underlying the warrant is $124.64, which was the closing trading price of the Company's common stock on the NYSE on June 15, 2017.

In October 2017, the Company granted Mr. Herlitz a warrant to acquire 87,951 shares in exchange for a fair market value purchase price of $2.0 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, and the warrant grant was approved by stockholders at the Company's annual meeting on May 18, 2017. The exercise price of the warrant and the shares underling the warrant is $117.01, which was the closing trading

price of the Company's common stock on the NYSE on October 3, 2017.

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.

Each of these warrants fully vested with the recipients at the time of purchase. In accordance with Rule 13d-3 of the Exchange Act, the shares of Company common stock underlying the warrants issued to Mr. O'Reilly in 2016 and Mr. Weinreb and Mr. Herlitz in 2017 are not included in the table above because the warrants are 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 March 21, 2019.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent
The Vanguard Group[(1)] 100 Vanguard Boulevard Malvern, Pennsylvania 19355	5,716,532	13.2%

(1) According to a Schedule 13G/A filed by The Vanguard Group, Inc. ("Vanguard") with the SEC on February 12, 2019. Vanguard has sole voting power with respect to 20,064 shares of our common stock, shared voting power with respect to 4,778 shares of our common stock, sole dispositive power with respect to 5,695,814 shares of our common stock and shared dispositive power with respect to 20,718 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 2018 all Section 16(a) filing requirements applicable to its directors, executive officers and greater than 10% stockholders were in compliance with Section 16(a).

Compensation Committee Interlocks and Insider Participation

Messrs. Ackman, Sellers and Tansky and Ms. Tighe served on the compensation committee in 2018. None of the members of the Compensation Committee are or have been an officer or an employee of the Company. In addition, during 2018, 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 key terms of the agreements between Pershing Square and the Company that remain effective are summarized below. See "Security Ownership of Management and Certain Beneficial Holders Five Percent Holders" for the current beneficial ownership of Company common stock held by Pershing Square.

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

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.

Stockholder Agreement

In November 2010, the Company entered into an agreement with Pershing Square. Under this agreement, subject to certain exceptions, if the Company makes a public or non-public offering of its common stock (or securities convertible or exchangeable into common stock), Pershing Square has a right to acquire the securities for the same price and on the same terms up to the amount needed for it to maintain its aggregate proportionate common stock-equivalent interest in the Company on a fully diluted basis. This agreement automatically terminated in 2018 when Pershing Square's beneficial ownership fell below 5% of the Company's outstanding shares on a fully diluted basis (as defined in the agreement).

Standstill Agreement

In November 2010, the Company entered into an agreement with Pershing Square to, among other things:

- limit Pershing Square's economic interest in Company common stock to 40% of the
- Company's outstanding common stock and set forth required approvals for Pershing Square to increase its economic interest above the agreed upon limit;
- require Pershing Square, with respect to any matter the Board has recommended our stockholders not approve, to vote any of its shares in excess of 30% of the Company's common stock against such matter or in proportion to other stockholders;
- set forth required Board and stockholder approvals for certain change in control transactions and related party transactions involving Pershing Square; and
- restrict certain transfers of Company common stock by Pershing Square.

Additionally, the terms of the agreement ensure that Pershing Square does not take any action inconsistent with its support for the following corporate governance principles:

- the Board will have nine members, unless otherwise approved by 75% of the Board members;
- a majority of the directors on the Board will be independent; and
- a majority of the members of the Nominating and Corporate Governance Committee will be disinterested directors (as defined in the agreement).

Further, in connection with the election of directors, Pershing Square may vote all of its shares in its sole discretion with respect to its designees and, with respect to other director nominees, may vote 10% of the Company's outstanding common stock in its sole discretion, but must vote the remainder of its shares in proportion to the votes cast by the Company's other stockholders. This agreement automatically terminated in 2018 when Pershing Square's beneficial ownership fell below 10% of the Company's outstanding shares on a fully diluted basis (as defined in the agreement).

TRANSACTIONS AFTER THE SPIN-OFF

Weinreb Warrants

In June 2017, the Company granted Mr. Weinreb a warrant to acquire 1,965,409 shares in exchange for a fair market value purchase price of $50.0 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, and the warrant grant was approved by stockholders at the Company's annual meeting on May 18, 2017. The exercise price of the warrant is $124.64, which was the closing trading price of the Company's common stock on the NYSE on June 15, 2017.

Herlitz Warrants

In October 2017, the Company granted Mr. Herlitz a warrant to acquire 87,951 shares in exchange for a fair market value purchase price of $2.0 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, and the warrant grant was approved by stockholders at the Company's annual meeting on May 18, 2017. The exercise price of the warrant is $117.01, which was the closing trading price of the Company's common stock on the NYSE on October 3, 2017.

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 Sale of Shares

On January 2, 2018, the Company entered into an underwriting agreement (the "Underwriting Agreement") with J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC (collectively, the "Underwriters") and certain affiliates of Pershing Square. Pursuant to the Underwriting Agreement, Pershing Square agreed to sell 2,500,000 shares of the Company's common stock to the Underwriters at a price of $127.86 per share. The Audit Committee reviewed the underwriting agreement and determined that there was no conflict of interest.

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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. Burton Tansky has decided not to stand for re-election after the end of his current term. Mr. Tansky is a talented business leader and we thank him for his valuable contribution to the success of our Company.

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 2020 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, marketing, technology, financial reporting, risk management, business strategy and ESG. All nine of the nominees possess these attributes. The specific experiences, qualifications, attributes and skills of each individual which lead 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 52

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. Pershing Square is a concentrated research-intensive, fundamental value investor in long and occasionally short investments in publicly traded companies.

Mr. Ackman served as a director of Valeant Pharmaceuticals International, Inc. from 2016 to May 2017, and served as a director of Canadian Pacific Railway Ltd. from May 2012 to September 2016. Mr. Ackman served as a director of J.C. Penney Company, Inc. from February 2011 to August 2013 and as a director of Justice Holdings Limited from April 2011 to June 2012. From June 2009 to March 2010, Mr. Ackman served as a director of General Growth Properties, Inc. Mr. Ackman is also a

member of the Board of Dean's Advisors of the Harvard Business School, a Trustee of The Pershing Square Foundation, a charitable foundation that he founded in 2006, and a Trustee of The Rockefeller University. Mr. Ackman is also a member of the Investor Advisors Committee on Financial Markets for the Federal Reserve Bank of New York.

Qualifications

Mr. Ackman's management experience, his prior service on boards of directors of public companies and is 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 56

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 studios, retail shopping malls, arenas, hotels, apartment buildings, mixed-use master planned communities and others. 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 60

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 61

Independent director since
December 2017

Committees

Audit

Risk

Background

Beth Kaplan was appointed to the Board in December 2017. Ms. Kaplan is the Managing Member of Axcel Partners, LLC, a venture capital firm investing in early stage and growth companies founded and led by women. Since January 2017, Ms. Kaplan has served as a director and a member of the Audit and Finance Committees of Meredith Corporation, a publicly traded company. Ms. Kaplan also serves as the Chairman of the Board of Framebridge, an early stage disrupter in the home design space, and as a member of the Wharton Board of Overseers. Ms. Kaplan served as President and COO at Rent the Runway from 2013 to 2015, and continues to serve on its Board of Directors. She also served as President and Chief Merchandising and Marketing Officer from 2008 to 2011, and as a director, of General Nutrition Centers, Inc. ("GNC"), where she played an integral role in the company's 2011 initial public offering. Prior to GNC, Ms. Kaplan served as Executive Vice President and General Manager at Bath & Body Works; Executive Vice President of Marketing and Merchandising at Rite Aid Drugstores; and President and General Manager of the U.S. Cosmetics and Fragrance division at Procter & Gamble.

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

Meredith Corporation

ALLEN MODEL

Age 73

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.

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.

R. SCOT SELLERS

Age 62

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. Mr. Sellers served as Chief Executive Officer of Archstone, one of the world's largest apartment companies, from January 1997 until February 2013, and prior to that was Archstone's Chief Investment Officer since 1995. 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. During his 36-plus year career in the apartment business, 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. Mr. Sellers served as the Chairman of the National Association of Real Estate Investment Trusts from November 2005 to November 2006. Since June 2013, Mr. Sellers has served on the International Board of Directors of Habitat for Humanity. Mr. Sellers also serves on the Board of Directors of The Irvine Company and Inspirato LLC.

Qualifications

Mr. Sellers' extensive experience in the real estate industry, which coincided with the broad growth of Archstone, and his service on industry committees provide him with insight into operations, development and growth of the real estate industry and make him particularly suited to provide guidance to the Board.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

STEVEN SHEPSMAN

Age 66

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. Mr. Shepsman served as chair of the Official Committee of Equity Holders in the Chapter 11 proceedings of General Growth Properties, Inc. 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. Since May 2018, Mr. Shepsman has served as a director and a member of the Spirit MTA REIT. 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 70

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 34 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.

DAVID R. WEINREB

Age 54

Director since
November 2010

Committees

None

Background

David R. Weinreb has served as a director and Chief Executive Officer since November 2010. Known for his passion, tenacity and entrepreneurial spirit, Mr. Weinreb has directed the Company's efforts since its emergence in 2010, building a competitive portfolio of some of the most sought-after real estate in the country. His vision, leadership and acumen led him to be honored as the 2013 Ernst and Young Entrepreneur Of The Year® Award in Real Estate for the region. In 2012, he was named as one of the Top 200 CEOs in the U.S. by ExecRank and in 2015 he was listed in the 2015 Commercial Observer Power 100 as one of the 100 most powerful people in New York City real estate.

A real estate industry veteran for over 30 years, Mr. Weinreb spent 17 years as Chairman and CEO of TPMC Realty Corporation, a company he built into a multi-faceted investment firm prior to joining the Company. Located in Dallas, Texas, TPMC, whose tenant roster included many Fortune 500 companies, specialized in the acquisition and repositioning of

underperforming real estate and real estate related assets across the United States. In addition to development, ownership and management of real estate, the firm's activities included mezzanine financing and private equity investing. Mr. Weinreb attended New York University and began his real estate career in the 1980's in New York City. He is a member of the International Council of Shopping Centers and the Urban Land Institute. He also serves on the Advisory Council of the Lusk Center for Real Estate at the University of Southern California. His philanthropic interests are both local and national.

Qualifications

Mr. Weinreb's extensive 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.

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

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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 2020 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 (100% of our CEO's long-term equity incentive awards are subject to performance hurdles);

- minimum stock ownership guidelines for the Chief Executive Officer; President; Chief Financial Officer; and Senior Executive Vice President, Secretary and General Counsel;

- 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 2019

The Audit Committee has selected Ernst & Young LLP ("EY") as the Company's independent registered public accounting firm for fiscal 2019. 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 2019.

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 2019.

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 2019

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, 2018 and December 31, 2017.

	December 31,	
	2018	**2017**
Audit Fees[(1)]	$ 2,395,000	$ 2,727,225
Audit-Related Fees[(2)]	$ 105,000	$ 96,250
Tax Fees[(3)]	$ 44,554	$ 80,750
All Other Fees		
Total Fees[(4)]	$ 2,544,554	$ 2,904,225

(1) Includes fees and expenses incurred for services related to the annual audit of the consolidated financial statements, required statutory audits, reviews of the Company's quarterly reports on Form 10-Q, the registered public accounting firm's report on the Company's internal control over financial reporting, as required under Section 404 of the Sarbanes-Oxley Act of 2002, comfort letters and consents during the respective periods.

(2) Includes fees for the audit of the December 31, 2018 financial statements of DLV/HHPI Summerlin, LLC and the audit of the December 31, 2018 and 2017 financial statements of Discovery Property Company, LLC, both joint ventures of the Company.

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

(4) The decrease in fees in 2018 as compared to 2017 is attributable to fees related to a statutory audit of The Woodlands conducted by EY in 2017 and two comfort letters issued by EY in 2017.

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.

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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 2019. 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 2018. 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 2019, 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 2019.

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.

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AUDIT COMMITTEE REPORT

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 Company's internal control over financial reporting as of December 31, 2018 and its consolidated financial statements as of December 31, 2018 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, 2018 and its consolidated financial statements as of December 31, 2018 and for the year ended prior to their issuance. During 2018, 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, whose names are listed below, 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, 2018 for filing with the SEC.

Members of the Audit Committee

Steven Shepsman, Chair
Beth Kaplan
Allen Model

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Executive Officers

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

DAVID R. WEINREB

CHIEF EXECUTIVE OFFICER AND
A DIRECTOR

Age 54

Background

David R. Weinreb has served as a director and Chief Executive Officer since November 2010. Known for his passion, tenacity and entrepreneurial spirit, Mr. Weinreb has directed the Company's efforts since its emergence in 2010, building a competitive portfolio of some of the most sought-after real estate in the country. His vision, leadership and acumen led him to be honored as the 2013 Ernst and Young Entrepreneur Of The Year® Award in Real Estate for the region. In 2012, he was named as one of the Top 200 CEOs in the U.S. by ExecRank and in 2015 he was listed in the 2015 Commercial Observer Power 100 as one of the 100 most powerful people in New York City real estate.

A real estate industry veteran for over 30 years, Mr. Weinreb spent 17 years as Chairman and CEO of TPMC Realty Corporation, a company he built into a multi-faceted investment firm prior to joining the Company. Located in Dallas, Texas, TPMC, whose tenant roster included many Fortune 500 companies, specialized in the acquisition and repositioning of underperforming real estate and real estate related assets across the United States. In addition to development, ownership and management of real estate, the firm's activities included mezzanine financing and private equity investing. Mr. Weinreb attended New York University and began his real estate career in the 1980's in New York City. He is a member of the International Council of Shopping Centers and the Urban Land Institute. He also serves on the Advisory Council of the Lusk Center for Real Estate at the University of Southern California. His philanthropic interests are both local and national.

Qualifications

Mr. Weinreb's extensive 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.

GRANT HERLITZ

PRESIDENT

Age 47

Background

Grant Herlitz has served as President since November 2010. Mr. Herlitz was Interim Chief Financial Officer of the Company from January 31, 2011 to March 23, 2011. Mr. Herlitz oversees the daily operations and works closely with the Chief Executive Officer in developing the strategy for the Company. Known for his dynamic leadership style and ability to develop and inspire talent, Mr. Herlitz has direct oversight over a committed and passionate team of professionals that lead the Company's acquisition, development, leasing and operating platforms. Mr. Herlitz' experience negotiating the separation agreements and emerging the Company gave him in-depth knowledge of its assets that made him uniquely qualified to manage operational and strategic matters impacting the Company.

Previously, Mr. Herlitz was President and Chief Financial Officer of TPMC Realty Corporation. Mr. Herlitz joined TPMC in 2000 as Vice President of Investments using his varied financial and management experience and business acumen to position himself for multiple roles within the company. Mr. Herlitz handled the acquisition and disposition of assets within TPMC's portfolio.

Mr. Herlitz started his career in finance working for the European Community Observer Mission to South Africa, an organization set up in conjunction with the United Nations to observe political change in South Africa. After moving to the United States in 1994, Mr. Herlitz worked as a tax accountant in both public and corporate accounting before joining the Dallas-based FirstPlus Financial Group, Inc. in 1997. As Assistant to the Chairman and CEO of the company, Mr. Herlitz managed the day-to-day investments of a family limited partnership. While with FirstPlus, he

EXECUTIVE OFFICERS

researched and implemented all new ventures, and analyzed and managed equity positions in real estate funds, hedge funds and equity portfolios. He was also responsible for due diligence review on all new investments.

Mr. Herlitz earned a Bachelor of Commerce Degree (US Equivalent of Bachelor of Business Administration) from the University of Witwatersrand, Johannesburg, South Africa. In addition, he is an active member of the Dallas Chapter of the Young Presidents Organization.

DAVID O'REILLY

CHIEF FINANCIAL OFFICER

Age 45

Background

David O'Reilly joined the Company in October 2016 as the Chief Financial Officer. He is responsible for managing the company's investment and financial strategy, working with the executive team to unlock meaningful long-term value across the company's portfolio.

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. He served in the position from November 2011 through October 2014 and was appointed Chief Financial Officer in August 2012. He also served as the company's Interim Chief Financial Officer from May 2012 through 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 single asset and pooled CMBS transactions. Mr. O'Reilly currently serves as a director of Kite Realty Group Trust.

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

PETER RILEY

SENIOR EXECUTIVE VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL

Age 63

Background

Peter Riley serves as Senior Executive Vice President, Secretary and General Counsel and joined the Company in May 2011. Mr. Riley is responsible for overseeing all legal matters for the Company. 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 received his L.L.M. in Taxation from New York University School of Law, his J.D. from Boston College Law School and his B.B.A. from The University of Notre Dame.

SAUL SCHERL

PRESIDENT, NEW YORK TRI-STATE REGION

Age 53

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 graduated from Emory University with a B.B.A. in Accounting and received his J.D. from George Washington University.

REUBEN DAVIDSOHN

CHIEF ADMINISTRATIVE OFFICER

Age 46

Background

Reuben Davidsohn has served as Chief Administrative Office since 2012. Mr. Davidsohn is responsible for managing the treasury and banking functions as well as overseeing the human resources operation.

Prior to joining the Company, Mr. Davidsohn was Vice President of TPMC Realty Corporation, where he utilized his strong background in finance and accounting to oversee all financial aspects of the company's commercial portfolio. He was part of the Company's emergence team and has been involved in every aspect of the company's operation and evolution.

Mr. Davidsohn received his M.B.A. from the Neely School of Business at Texas Christian University and has a B.S. in Business and Healthcare Management from the University of Alabama.

PAUL LAYNE

PRESIDENT, CENTRAL REGION

Age 61

Background

Paul Layne serves as President, Central Region and joined the Company 2012. He is responsible for overseeing the operations of the master planned communities of The Woodlands, Bridgeland and The Woodlands Hills in Houston, TX, and 110 N. Wacker office development in Chicago, IL. He also provides strategic involvement for Summerlin and Columbia along with other assets within the Company's portfolio.

For more than 35 years, Mr. Layne has been a vital leader in Houston's commercial real estate community as well as in national real estate. Prior to joining the Company, Mr. Layne was Executive Vice President at Brookfield Properties Corporation, overseeing a 9.7 million square-foot portfolio in Houston's Central Business District. He was responsible for all of the region's activities including leasing, operations, property management, legal, accounting, development and construction as well as being a member of Brookfield's global partnership task force.

KEVIN ORROCK

PRESIDENT, SUMMERLIN

Age 68

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 community for more than two decades.

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EXECUTIVE OFFICERS

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 49

Greg Fitchitt is 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 holds 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.

MICHAEL SLOSSER

PRESIDENT, HOSPITALITY

Age 61

Background

Michael Slosser serves as President, Hospitality and joined the Company in 2016. He is responsible for leading the company's hospitality portfolio which currently includes 1,000 guest rooms across three resort and conference centers.

Prior to joining the Company, he spent the past 16 years with Destination Hotels and Resorts where he oversaw the greater southern California market, including L'Auberge Del Mar, Paradise Point Resort and Spa, Sheraton Universal, Estancia La Jolla Hotel and the Town and Country Resort and Convention Center. He was responsible for two of the world's top resorts, the Manele Bay Hotel and The Lodge at Koele, where he served as Vice President of Resorts for the Lanai Company, a subsidiary of Castle and Cooke. These two resorts were recognized by Conde' Nast Traveler as the #1 and #3 ranked golf resorts in the world during his tenure. Additionally, his experience includes time at the Westin Hotels, Hilton Hotels and Stouffer Hotels. Other notable properties include the Beverly Hilton Hotel and the famed La Costa Resort and Spa.

Mr. Slosser graduated from Michigan State University with a B.A. in Business Administration and School of Hotel and Restaurant Administration.

SIMON TREACY

PRESIDENT, HAWAII

Age 50

Background

Simon Treacy serves as President, Hawaii and joined the Company in 2018. Mr. Treacy has 20 years of global real estate experience across Asia, Europe and the US. He has lived in Australia, Singapore, Thailand, Hong Kong, Japan, and China, and spent the past four years in New York as BlackRock Real Estate's Managing Director, Global Chief Investment Officer and Head of US Equity. Prior to BlackRock, Mr. Treacy was a Founding Shareholder and Global CEO of MGPA, which was acquired by BlackRock in 2013, and had $14 billion of funds under management in Asia and Europe. Mr. Treacy is also a global governing trustee in ULI and a leader in urban planning and land use.

SARAH VASQUEZ

EXECUTIVE VICE PRESIDENT, MANAGEMENT AND OPERATIONS

Age 57

Background

Sarah Vasquez has served as Executive Vice President of Management and Operations, since 2013. Ms. Vasquez is responsible for the results of the operating assets within the portfolio. In addition, she works closely with all other departments, including development, in assessing operational needs for the Company. Currently she has oversight of field management, tenant coordination, operating property marketing, operations administration and finance. Since joining the Company, she has also overseen the opening of Downtown Summerlin and The Outlet Collection at Riverwalk.

Ms. Vasquez has over 25 years of work experience. Prior to joining the Company, Ms. Vasquez served in several roles with Westfield Corporation over a 15-year span with her last position as Senior Vice President, Los Angeles Management and National Operations. Additionally, she has played an active role in over 20 development projects, ranging from $50 million to $700 million. Some of these critical projects included iconic centers such as Westfield San Francisco Center, Valley Fair, Topanga and Culver during her time at Westfield Corporation. Ms. Vasquez graduated from Santa Clara University in California with a B.S. in Finance. She is an active member of the International Council of Shopping Centers and has served on the CSM Committee for four terms. She is active with the REAP program in Dallas and has served on many program committees as well as a member of PEO, a women's philanthropic organization.

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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 term "NEOs" means Named Executive Officers. The six executive officers listed below are our NEOs for fiscal 2018. For fiscal 2018, we have determined to include one additional NEO than is required by the SEC rules because of a sign-on equity grant made to an executive officer that would have otherwise caused Mr. Riley to no longer be listed as an NEO. While the additional disclosure regarding Mr. Riley's compensation arrangements is not required by the SEC rules, we believe this additional disclosure provides a more fulsome description of our executive compensation program, particularly since Mr. Riley is likely to be required to be listed as an NEO in the future.

Named Executive Officer	**Position**
David Weinreb	Chief Executive Officer ("CEO")
Grant Herlitz	President
David O'Reilly	Chief Financial Officer ("CFO")
Peter Riley	Senior Executive Vice President, Secretary and General Counsel
Paul Layne	President, Central Region
Simon Treacy	President, Hawaii

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. The Compensation Committee believes that executive compensation should align the interests of our executives and other key employees with those of the Company and its stockholders. 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 stock, warrants to purchase stock, and 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.

Stockholders should note that, although the Compensation Committee considers the compensation paid to executives by our peer group companies 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 as it believes that the Company is competing more with these types of organizations for top-tier talent than it is with our peer group companies.

Financial and Operational Highlights

The Company delivered strong results in 2018. The Company increased operating assets net operating income by 13.1% over 2017 levels to $179.3 million, increased master planned community earnings before taxes by 6.6% over 2017 levels to $203 million and contracted to sell 668 condominiums at Ward Village, representing $569 million of gross sales. The Company also completed construction on: (i) Seaport District NYC Pier 17, which includes approximately 213,000 square feet of experiential retail, studio and creative office space; (ii) Mr. C Seaport, our joint venture project for redevelopment of the 66-room Mr. C Seaport hotel, which serves as an amenity in the Seaport District; (iii) Creekside Apartments, a 292-unit apartment complex in The Woodlands; (iv) Two Summerlin, a 144,615 square foot Class-A office building located just east of Downtown Summerlin; and (v) Aristocrat, a 12-acre build-to-suit project in Summerlin. The Company also delivered Ae`o, a 465-unit condominium tower in Ward Village.

The charts below summarize our growth in key financial metrics from fiscal 2017 to fiscal 2018:

Dollar amounts below are in thousands.

Operating Assets Net Operating Income ("Operating Assets NOI")

Master Planned Community Segment Earnings Before Taxes ("MPC EBT")

* Annex A includes a reconciliation of non-GAAP Operating Assets NOI to Operating Assets Segment Earnings Before Taxes.

** Annex A includes a reconciliation of non-GAAP MPC EBT to Net Income.

Financial Results Under Incentive Plans

The charts below compare fiscal 2018, 2017 and 2016 metrics that the Compensation Committee uses to determine annual incentive payouts and long-term equity incentives. Note that these financial measures differ from the comparable GAAP and Non-GAAP measures reported above and in our financial statements.

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NEO PERFORMANCE MEASURES

Dollar amounts below are in thousands.

Cumulative Contracted Condominium Sales ***Operating Assets Net Operating Income**** ***MPC Net Operating Income*****

* Annex B includes a reconciliation of Operating Assets NOI for NEO Goals to Operating Assets NOI.

** Annex C includes a reconciliation of MPC Net Operating Income to MPC EBT.

2018 Compensation Highlights

Our 2018 financial performance, along with the individual performance of our NEOs, served as key factors in determining compensation for 2018 and executing on other compensation practice initiatives, including as follows:

Compensation Practice	**Rationale for Practice**
We granted annual long-term equity incentive awards, 50% of which are performance-based, except with respect to Mr. Weinreb who received 100% performance-based incentive awards.	We tie a significant portion of compensation to long-term performance.
Payouts based on interpolation between performance targets for the performance-based equity awards.	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.

Majority of annual compensation for our NEOs is tied to incentive compensation.	Our NEOs have a performance-based annual incentive compensation opportunity that is assessed annually to ensure alignment with our compensation objectives.

Prior to the 2018 annual meeting of stockholders, at which approximately 73.4% of the votes cast were in favor of our "say-on-pay" stockholder advisory vote in support of executive compensation, our management engaged with stockholders holding a majority of our outstanding shares to discuss our executive compensation program. We undertook this engagement to inform the Compensation Committee's discussions and better assess stockholder views on our executive compensation program. In response to stockholder input and feedback, we reassessed certain aspects of the compensation structure for our NEOs and its disclosure, seeking to address the following concerns expressed by our stockholders.

Stockholder Concern	How We Addressed Concern
Annual incentive awards are largely discretionary	We established specific, predetermined financial goals for key components of the Company's business that substantially drive long-term performance and value creation. Annual incentive payouts in 2018 were awarded based on how well the NEOs performed against the predetermined financial goals.
Disclosure relating to assessment of annual incentive payouts	The Company enhanced its disclosure related to the alignment between Company performance and incentive payouts.

Proxy advisors and certain stockholders also expressed concerns regarding the specific compensation mix for the CEO and the Compensation Committee's rationale for the mix. Specifically, the concern related to the dollar value of the CEO's target annual incentive award, which is 500% of base salary, relative to the value of his annual long-term equity awards. The Compensation Committee thoughtfully designed the CEO's compensation to be competitive with the market and to recognize Mr. Weinreb's significant experience, entrepreneurial acumen and high performance, while taking into account his unique circumstances, particularly his significant personal ownership of shares and warrants (as further described under " Compensation Philosophy and Objectives," below).

Given Mr. Weinreb's ownership of approximately $129.4 million of shares (inclusive of restricted shares subject to performance-based vesting) in the Company as of December 31, 2018, which is materially greater than the ownership by CEOs of other companies (see charts below), and his $50.0 million warrant purchase, the Compensation Committee determined that the following two compensation elements were necessary to provide balanced alignment with the Company's annual and long-term performance:

- an annual incentive award sufficient to drive the achievement of key short-term financial and operational performance that compensates Mr. Weinreb for our Company's significant achievements on a "real time" basis; and

- performance contingent restricted stock that only vests based on sustained share growth, which acknowledges that the growth of real estate development businesses is generally realized over the long-term.

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 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 and have led to the transformation of the Company over the last several years. 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.

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COMPENSATION DISCUSSION AND ANALYSIS

Performance-based annual incentive compensation is a key component of our compensation program.
For fiscal 2018, 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 goals established by the Compensation Committee in the first quarter of the performance year. The predetermined financial goals are based on the Company's annual budget for the performance year, which is approved by the Board. In addition, we consider the achievement of specfic property development objectives, relative to expectations at the start of each year.

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.

W use equity incentive awards as a recruitment and retention incentive and to align the interests of our NEOs with stockholder interests. The Compensation Committee continues to grant awards under the annual long-term equity incentive program that was adopted in 2010. 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 the 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, Messrs. Weinreb, Herlitz, and O'Reilly are aligned with our stockholders through their substantial personal investment in warrants to purchase shares of our common stock and/or shares of common stock as set forth in the table below.

Name	Type of Security	Acquisition Date	Number of Shares/Shares Underlying Warrants	Exercise Price	Fair Market Value at Time of Acquisition
Weinreb	Common Shares	11/9/2018	50,000	N/A	$ 5,469,500
	Warrants	6/16/2017	1,965,409	$ 124.64	$ 50,000,000
	Common Shares	6/3/2013	10,000	N/A	$ 995,364
Herlitz	Common Shares	12/17/2018	5,091	N/A	$ 500,394
	Warrants	10/2/2017	87,951	$ 117.01	$ 2,000,000
O'Reilly	Warrants	10/17/2016	50,125	$ 112.08	$ 1,000,000

Not only does the per share price of our common stock need to exceed the applicable exercise price of each warrant for the warrant to have value, the per share price of our common stock needs to exceed approximately $150, $140, and $132 in the case of Messrs. Weinreb's, Herlitz's, and O'Reilly's warrants, respectively, for the warrants to have enough value to recoup the applicable purchase price that each paid to obtain his warrant. Because Messrs. Weinreb's, Herlitz's, and O'Reilly's warrants are generally not exercisable until June 2022, October 2022, and April 2022, respectively, unless there is an intervening change of control or qualifying termination event prior to such date, these "break-even" prices encourage Messrs. Weinreb, Herlitz, and 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. Riley and Layne also have a significant ownership stake in our common stock (through both ownership of unrestricted shares and awards of equity incentive grants), as described above under " Security Ownership of Management and Certain Beneficial Holders." Messrs. Weinreb, Herlitz, O'Reilly 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 2018, the Compensation Committee reviewed the internal evaluations of the NEOs and certain other executive officers, and market data provided by management and our compensation consultant, Meridian Compensation Partners, LLC ("Meridian"). The Compensation Committee believes that NEO compensation for 2018 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.

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 2018 compensation:

- providing the Compensation Committee with relevant market data;

updating the Compensation Committee on related trends and developments;

advising the Compensation Committee on program design; and

providing input on compensation decisions for NEOs.

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 2018, 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 2018 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 14 public companies recommended by Meridian and approved by the Compensation Committee. 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 2018 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
Forest City Realty Trust, Inc.	Regency Centers Corporation	

The following Three-Year and One-Year Performance Total Stockholder Return tables shows where we ranked among the following pure real estate development companies: Meritage Homes Corporation; Toll Brothers, Inc.; and Beazer Homes USA, Inc.

The Compensation Committee considers the Company total stockholder return ("TSR") and TSR performance relative to other real estate development companies as relevant context in determining compensation levels for our NEOs. Our TSR performance is reflected in the value of each NEOs' long-term incentive compensation. One hundred percent of the restricted stock granted to our CEO and 50% of the restricted stock granted to the other NEOs is eligible to cliff-vest after five years only if the Company achieves specified cumulative TSR growth percentages over a five-year period. At an 11% cumulative TSR growth rate 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 performance-based vesting would vest if TSR growth rate is below 11% over a five-year period.

EMPLOYMENT AGREEMENTS

Each of Messrs. Weinreb, Herlitz, O'Reilly 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. For a description of the material terms of these employment agreements, see "Executive Compensation Employment Agreements 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	Attract and retain highly qualified executives to drive our success
Annual Incentive Compensation	Cash	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	Restricted Stock (time-based and performance-based vesting)	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	Provide tax-deferred methods for general savings and retirement

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

2018 ANNUAL COMPENSATION MIX

Consistent with the Compensation Committee's compensation philosophy and objectives, the following sets forth the 2018 compensation decisions that were approved for our NEOs as result of Company and individual performance achievements and the total mix of variable compensation paid or granted to NEOs as reflected in the Summary Compensation Table under the header "Executive Compensation" and elsewhere in this Proxy Statement.

	Key Responsibilities	2018 Annual Compensation Mix
David Weinreb Chief Executive Officer	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. **Key 2018 Performance Achievements** Led the Company's strong financial and operational performance, including the increases of Operating Assets NOI and MPC EBT. Advanced and cultivated the Company's vision for the Seaport District, which included, the opening of 10 Corso Como and the ESPN Studio and the inaugural Summer Concert Series on Pier 17. Presided over another year of strong condominium sales at Ward Village and the delivery of Ae'o. **Compensation Decisions** Base Salary $1,000,000 Annual Incentive Compensation $5,000,000 Long-Term Equity Incentive $1,329,359	

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COMPENSATION DISCUSSION AND ANALYSIS

Grant Herlitz

President

Key Responsibilities

Our President is responsible for managing our day-to-day business operations and executing on Company-wide initiatives.

Key 2018 Performance Achievements

Led the Company's strong financial and operational performance, including the increases of Operating Assets NOI and MPC EBT.

Provided leadership and strategic direction to other executives.

Continued to work with MPC Segment executives in managing our lot prices and cash flow.

Continued to lead the capital markets department in obtaining property financing across the portfolio.

Compensation Decisions

Base Salary	$750,000
Annual Incentive Compensation	$2,625,000
Long-Term Equity Incentive	$1,894,072

2018 Annual Compensation Mix

David O'Reilly

Key Responsibilities

Our CFO is responsible for managing the Company's overall 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

2018 Annual Compensation Mix

Chief Financial Officer	investors. **Key 2018 Performance Achievements**