

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

Vector Group Ltd.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee paid previously with preliminary materials.

Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.

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VECTOR GROUP LTD.

4400 Biscayne Blvd.
Miami, Florida 33137

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS To Be Held June 28, 2022

To the Stockholders of Vector Group Ltd.:

The Annual Meeting of Stockholders of Vector Group Ltd., a Delaware corporation (the "Company" or "Vector"), will be held on Tuesday, June 28, 2022 at 10:00 a.m. eastern time, and at any postponement or adjournment thereof, for the following purposes:

1. To elect ten directors to hold office until the next annual meeting of stockholders and until their successors are elected and qualified;
2. To hold an advisory vote on executive compensation (the "say on pay vote");
3. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2022;
4. To consider a non-binding stockholder proposal that requests the Company to amend its governing documents to require the Chairman of the Board of Directors to be an independent director; and
5. To transact such other business as properly may come before the meeting or any adjournments or postponements of the meeting.

We have determined that the Annual Meeting will be held in a virtual meeting format only, via the Internet, with no physical in-person meeting. You may attend the virtual Annual Meeting, submit questions and vote your shares electronically during the meeting via live webcast at <https://web.lumiagm.com/254176245>. You will need the 11-digit control number printed on your proxy card to participate in the Annual Meeting and to enter the 11-digit control number printed on your proxy card or Notice of Internet Availability of Proxy materials you will receive and the meeting password, vector2022. If you are a "beneficial owner," also known as a "street name" holder, please see "Registering to Attend the Virtual Annual Meeting as a Beneficial Owner." We recommend that you log in at least 15 minutes before the Annual Meeting to ensure you are logged in when the meeting starts. You may access the meeting platform from 9:00 a.m. eastern time on the date of the annual meeting. If you encounter any technical difficulties during the log in or meeting time, please visit <https://go.lumiglobal.com/faq> for technical support.

Every holder of record of Common Stock of the Company at the close of business on May 2, 2022 (the "record date") is entitled to notice of the meeting and any adjournments or postponements thereof and to vote, at the annual meeting or by proxy, one vote for each share of Common Stock held by such holder. A list of stockholders entitled to vote at the meeting will be available to any stockholder for any purpose germane to the meeting during ordinary business hours from June 14, 2022 to June 28, 2022, at the headquarters and principal executive offices of the Company located at 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137. The list will also be available at <https://web.lumiagm.com/254176245> during the virtual Annual Meeting. A proxy statement, form of proxy and the Company's Annual Report on Form 10-K for the year ended December 31, 2021 are enclosed herewith.

By Order of the Board of Directors,



HOWARD M. LORBER
President and Chief Executive Officer

Miami, Florida
May 2, 2022

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE SIGN AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE PRE-PAID ENVELOPE.

VECTOR GROUP LTD.

**4400 Biscayne Boulevard
Miami, Florida 33137**

PROXY STATEMENT

INTRODUCTION

The board of directors (the "Board") of Vector Group Ltd., a Delaware corporation (the "Company" or "Vector"), is soliciting the proxy accompanying the proxy statement for use at the annual meeting of stockholders to be held virtually via the Internet on Tuesday, June 28, 2022, at 10:00 a.m., eastern time, and at any postponement or adjournment. The Company's principal executive offices are located at 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137, and its telephone number is (305) 579-8000.

We have determined that the annual meeting will be held in a virtual meeting format only, via the Internet, with no physical in-person meeting. You may attend the annual meeting, submit questions and vote your shares electronically during the meeting via live webcast at <https://web.lumiagm.com/254176245> by entering the 11-digit control number printed on your proxy card or Notice of Internet Availability of Proxy materials you will receive and the meeting password, vector2022. You will need the 11-digit control number printed on your proxy card to participate in the annual meeting. If you are a "beneficial owner," also known as a "street name" holder, please see "Registering to Attend the Virtual Annual Meeting as a Beneficial Owner." You may access the meeting platform from 9:00 a.m. eastern time on the date of the annual meeting. We recommend that you log in at least 15 minutes before the annual meeting to ensure you are logged in when the meeting starts. If you encounter any technical difficulties during the log in or meeting time, please visit <https://go.lumiglobal.com/faq> for technical support.

Whether or not you expect to attend the virtual meeting, please sign and return the enclosed proxy as soon as possible in the enclosed postage pre-paid envelope.

VOTING RIGHTS AND SOLICITATION OF PROXIES

Every holder of record of Common Stock of the Company at the close of business on May 2, 2022 is entitled to notice of the meeting and any adjournments or postponements and to cast, at the virtual annual meeting or by proxy, one vote for each share of Common Stock held by such holder. At the record date, the Company had outstanding 154,938,177 shares of Common Stock.

To expedite delivery, reduce our costs and decrease the environmental impact of our proxy materials, we used "Notice and Access" in accordance with a rule of the Securities and Exchange Commission ("SEC") that permits us to provide proxy materials to our stockholders over the Internet. On or before May 19, 2022, we will send a Notice of Internet Availability of Proxy Materials (a "Notice") to certain of our stockholders containing instructions on how to access our proxy materials online. Our Notice of Annual Meeting of Stockholders, Proxy Statement, form of Electronic Proxy Card and Annual Report on Form 10-K are available for viewing online at <http://www.astproxyportal.com/ast/03819/>. If you receive a Notice, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy materials. The Notice also instructs you on how you may submit your proxy via the Internet. If you received a Notice and would like to receive a copy of your proxy materials, follow the instructions contained in the Notice to request a copy electronically or in paper form on a one-time or ongoing basis. Stockholders who do not receive the Notice will continue to receive either a paper or electronic copy of our Proxy Statement and 2021 Annual Report to stockholders which will be sent on or before May 19, 2022.

Any stockholder who has given a proxy has the power to revoke the proxy prior to its exercise. A proxy can be revoked by an instrument of revocation delivered at, or prior to the annual meeting, to Marc N. Bell, the secretary of the Company, by a duly executed proxy bearing a date or time later than the date or time of the proxy being revoked, or at the annual meeting if the stockholder is present and elects to vote in person. Mere attendance at the annual meeting will not serve to revoke a proxy. A stockholder whose shares are held in a brokerage or bank account will need to obtain a legal proxy from the broker, bank or other intermediary in order to vote at the meeting.

The presence at the annual meeting or representation by proxy, of the holders of a majority of the issued and outstanding shares of Common Stock will constitute a quorum for the transaction of business. The affirmative vote of holders of a majority of the shares represented and voting with respect to a director's election is required for the election of that director, which includes directions to withhold authority and excludes abstentions with respect to such director's election. The affirmative vote of the holders of a majority of the shares represented and entitled to vote at the meeting is required for the advisory approval of

the say on pay vote, the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm and the stockholder's non-binding proposal requesting the Company to amend its governing documents to require the Chairman of the Board of Directors to be an independent director and abstentions will have the effect of votes against each such matter.

Except for the ratification of the auditors, shares that are held by brokers in retail accounts may only be voted if the broker receives voting instructions from the beneficial owner of the shares. Otherwise, the "broker non-votes" may only be counted toward a quorum and, in the broker's discretion, voted regarding the ratification of auditors. Broker non-votes will have no effect on any of the other matters presented at the annual meeting.

All proxies received and not revoked will be voted as directed. If no directions are specified, proxies which have been signed and returned will be voted "FOR" the election of the Board's nominees as directors, the advisory say on pay vote and the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm and "AGAINST" the stockholder's non-binding proposal requesting the Company to amend its governing documents to require the Chairman of the Board of Directors to be an independent director.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of April 28, 2022, the beneficial ownership of the Company's Common Stock, the only class of voting securities, by:

- each person known to the Company to own beneficially more than five percent of the Common Stock;
- each of the Company's directors and nominees;
- each of the Company's named executive officers shown in the Summary Compensation Table below; and
- all directors and executive officers as a group.

Unless otherwise indicated, each person possesses sole voting and investment power with respect to the shares indicated as beneficially owned. Unless otherwise noted, the business address of each listed beneficial owner is c/o Vector Group Ltd., 4400 Biscayne Boulevard, Miami, Florida 33137.

Name and Address of Beneficial Owner	Number of Shares	Percent of Class
BlackRock, Inc. (1) 55 East 52nd Street New York, NY 10055	20,488,132	13.22 %
The Vanguard Group, Inc. (2) 100 Vanguard Blvd. Malvern, PA 19355	16,466,494	10.63 %
Dr. Phillip Frost (3) 4400 Biscayne Boulevard Miami, FL 33137	14,763,520	9.53 %
Capital Research Global Investors (4) 333 South Hope Street, 55th Fl, Los Angeles, CA 90071	10,517,917	6.79 %
Renaissance Technologies LLC (5) 800 Third Avenue New York, NY 10022	8,488,473	5.48 %
Howard M. Lorber (6) (8) (9)	7,582,954	4.82 %
Bennett S. LeBow (7) (8)	1,569,764	1.01 %
Richard J. Lampen (8) (9) (12) (13)	1,314,688	(*)
Stanley S. Arkin (8)	46,567	(*)
Henry C. Beinstein (8) (10)	143,351	(*)
Ronald J. Bernstein (8)	72,630	(*)
Paul V. Carlucci (8)	15,390	(*)
Jean E. Sharpe (8) (11)	149,335	(*)
Barry Watkins (8)	14,173	(*)
Wilson L. White (8)	3,500	(*)
J. Bryant Kirkland III (9) (14)	737,946	(*)
Marc N. Bell (9) (15)	590,869	(*)
J. David Ballard (9) (16)	70,243	(*)
Nicholas P. Anson (17) (18)	27,500	(*)
All directors and executive officers as a group (14 persons)	12,338,910	7.79 %

(*) The percentage of shares beneficially owned does not exceed 1% of the outstanding Common Stock.

- (1) Based on Schedule 13-G/A filed by BlackRock, Inc. with the Securities and Exchange Commission on January 27, 2022.
- (2) Based on Schedule 13-G/A filed by The Vanguard Group, Inc. ("Vanguard") with the SEC on February 10, 2022. Includes 147,272 shares, where Vanguard has shared voting power, 16,219,524 shares where Vanguard has sole dispositive power and 246,524 shares where Vanguard has shared dispositive power.
- (3) Based upon Schedule 13-D/A filed by Dr. Frost with the SEC on December 10, 2019, which reports ownership of 14,746,422 shares of Common Stock owned by Frost Gamma Investments Trust ("Frost Gamma Trust"), a trust organized under Florida law. Dr. Frost is the sole trustee of Frost Gamma Trust. As the sole trustee, Dr. Frost may be deemed the beneficial owner of all shares owned by Frost Gamma Trust, by virtue of his shared power to vote or direct the vote of such shares or to dispose or direct the disposition of such shares owned by these trusts. Frost Gamma Limited Partnership ("Frost Gamma LP") is the sole and exclusive beneficiary of Frost Gamma Trust. Dr. Frost is one of two limited partners of Frost Gamma LP. The general partner of Frost Gamma LP is Frost Gamma, Inc. Includes 17,098 shares owned by Dr. Frost's spouse, as to which shares Dr. Frost disclaims beneficial ownership.
- (4) Based on Schedule 13-G/A filed by Capital Research Global Investors ("CRGI") with the SEC on February 11, 2022. CRGI is a division of Capital Research and Management Company ("CRMC"), as well as its investment management subsidiaries and affiliates Capital Bank and Trust Company, Capital International, Inc., Capital International Limited, Capital International Sarl, Capital International K.K., and Capital Group Private Client Services, Inc. (together with CRMC, the "investment management entities"). CRGI's divisions of each of the investment management entities collectively provide investment management services under the name "Capital Research Global Investors."
- (5) Based on Schedule 13-G/A filed by Renaissance Technologies LLC and Renaissance Technologies Holding Corporation with the SEC on February 11, 2022.
- (6) Includes 2,727,355 shares (1,370,877 of which are subject to vesting restrictions) of Common Stock held directly by Mr. Lorber, 2,629,035 shares held by Lorber Alpha II Limited Partnership, a Nevada limited partnership and 19 shares in an Individual Retirement Account. Mr. Lorber's beneficial ownership also includes 2,226,545 shares of Common Stock that may be acquired by him within 60 days upon exercise of options. Mr. Lorber exercises sole voting power and sole dispositive power over the shares of Common Stock held by the partnership and by himself. Lorber Alpha II, LLC, a Delaware limited liability company, is the general partner of Lorber Alpha II Limited Partnership. Mr. Lorber is the managing member of Lorber Alpha II, LLC. Mr. Lorber disclaims beneficial ownership of 12,502 shares of Common Stock held by Lorber Charitable Fund, which are not included. Lorber Charitable Fund is a New York not-for-profit corporation, of which family members of Mr. Lorber serve as directors and executive officers.
- (7) Includes 1,257,278 shares held directly by Mr. LeBow, 185,462 shares of Common Stock held by LeBow Gamma Limited Partnership, a Delaware limited partnership, and 127,024 shares of Common Stock held by LeBow Alpha LLLP, a Delaware limited liability limited partnership. There are 189,823 common shares and 1,063,955 common shares held by Mr. LeBow in two separate accounts that are pledged to collateralize two separate margin loans. LeBow 2011 Management Trust is the managing member of LeBow Holdings LLC, a Delaware limited liability company, which is the sole stockholder of LeBow Gamma, Inc., a Nevada corporation, which is the general partner of LeBow Gamma Limited Partnership. Mr. LeBow is trustee of LeBow 2011 Management Trust and a director and officer of LeBow Gamma, Inc. LeBow Alpha LLLP is a Delaware limited liability limited partnership. LeBow Holdings LLC, a Delaware limited liability company, is the general partner of LeBow Alpha LLLP. LeBow 2011 Management Trust is the managing member of LeBow Holdings LLC.
- (8) The named individual is a director of the Company.
- (9) The named individual is an executive officer of the Company.
- (10) Includes 878 shares beneficially owned by Mr. Beinstein's spouse, as to which shares Mr. Beinstein disclaims beneficial ownership.
- (11) Includes 145,835 shares held by Wisdom Living Trust, of which Ms. Sharpe is a trustee and primary beneficiary.
- (12) Includes 6,179 shares held by Mr. Lampen's spouse, as to which Mr. Lampen disclaims beneficial ownership.
- (13) Includes 348,750 shares subject to vesting restrictions and 556,629 shares issuable upon exercise of outstanding options to purchase Common Stock exercisable within 60 days of the record date.
- (14) Includes 190,000 shares subject to vesting restrictions and 333,974 shares issuable upon exercise of outstanding options to purchase Common Stock exercisable within 60 days of record date.
- (15) Includes 190,000 shares subject to vesting restrictions and 298,796 shares issuable upon exercise of outstanding options to purchase Common Stock exercisable within 60 days of record date.

(16) Includes 63,750 shares subject to vesting restrictions.

(17) Includes 25,000 shares subject to vesting restrictions.

(18) The named individual is an executive officer of the Company's subsidiaries Liggett Vector Brands LLC and Liggett Group LLC.

EXECUTIVE OFFICERS OF THE COMPANY

Information regarding each of the executive officers of the Company, including name, age, positions and offices held with the Company, and term of office as an officer of the Company, is provided in Item 5 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

BOARD PROPOSAL 1 — NOMINATION AND ELECTION OF DIRECTORS

The Company's Bylaws provide, among other things, that the Board, from time to time, shall determine the number of directors of the Company. The size of the Board is presently set at ten. The present term of office of all directors will expire at the 2022 annual meeting. Ten directors are to be elected at the 2022 annual meeting to serve until the next annual meeting of stockholders and until their respective successors are duly elected and qualified or until their earlier resignation or removal.

It is intended that proxies received will be voted **"FOR"** election of the nominees named below unless marked to the contrary. In the event any such person is unable or unwilling to serve as a director, proxies may be voted for substitute nominees designated by the present Board. The Board has no reason to believe that any of the persons named below will be unable or unwilling to serve as a director if elected.

The affirmative vote of the holders of a majority of the votes cast, excluding abstentions and broker non-votes, is required to elect each nominee for director. If a nominee for director does not receive a majority of the votes cast, then that director will promptly tender a resignation notice to the Board, which will, on the recommendation of the corporate governance and nominating committee, consider whether to accept or reject the tendered resignation. For more information on the director majority voting standard, see the Company's Bylaws as listed as Exhibit 3.2 to its Current Report on Form 8-K dated April 29, 2022.

The Board of Directors recommends that stockholders vote "FOR" election of the nominees named below.

Information with Respect to Nominees

The following table sets forth certain information, as of the record date, with respect to each of the nominees. Each nominee is a citizen of the United States.

Name	Age	Principal Occupation
Bennett S. LeBow	84	Chairman of the Board; Private Investor
Howard M. Lorber	73	President and Chief Executive Officer
Richard J. Lampen	68	Executive Vice President and Chief Operating Officer
Stanley S. Arkin	84	Stanley S. Arkin PLLC and Chairman of The Arkin Group LLC
Henry C. Beinstein	79	Partner, Gagnon Securities LLC
Ronald J. Bernstein	69	Non-Executive Chairman of the Board of Managers of Liggett Vector Brands LLC and Senior Advisor to Liggett Group LLC
Paul V. Carlucci	74	Private Investor
Jean E. Sharpe	75	Private Investor
Barry Watkins	57	CEO of Clairvoyant Media Strategies
Wilson L. White	41	Vice President of Government Affairs and Public Policy, Google

Business Experience and Qualifications of Nominees

The Company believes that the combination of the various qualifications, skills and experiences of its directors contribute to an effective and well-functioning board and that individually and, as a whole, the directors possess the necessary qualifications to provide effective oversight of the business, and provide quality advice to the Company's management. Details regarding the experience and qualifications of the directors are set forth below.

Bennett S. LeBow is the Chairman of the Company's Board and has been a director of the Company since October 1986. Mr. LeBow, currently a private investor, served as the Company's Chairman and Chief Executive Officer from June 1990 to December 2005 and Executive Chairman from January 2006 until his retirement on December 30, 2008. Mr. LeBow's pertinent experience, qualifications, attributes and skills include his decades of experience as an investor and the knowledge and experience in the tobacco industry he has attained through his service as the Company's CEO from 1990 to 2005 and as Chairman of the Board since 1990.

Howard M. Lorber has been President and Chief Executive Officer of the Company since January 2006. He served as President and Chief Operating Officer of the Company from January 2001 to December 2005 and has served as a director of the Company since January 2001. Mr. Lorber also serves as Chairman of the Board of Directors, President and Chief Executive Officer of Douglas Elliman Inc. (NYSE:DOUG), the sixth-largest residential real estate brokerage company in the United States, and as Executive Chairman of its subsidiary, Douglas Elliman Realty, LLC. Mr. Lorber was Chairman of the Board of Hallman & Lorber Assoc., Inc., consultants and actuaries of qualified pension and profit sharing plans, and various of its affiliates from 1975 to December 2004 and has been a consultant to these entities since January 2005; Chairman of the Board of Directors since 1987 and CEO from November 1993 to December 2006 of Nathan's Famous, Inc., a chain of fast food restaurants; and a Director of Clipper Realty, Inc., a real estate investment trust, since July 2015. Mr. Lorber was a member of the Board of Directors of Morgans Hotel Group Co. from March 2015 until November 2016, and Chairman from May 2015 to November 2016 and was Chairman of the Board of Ladenburg Thalmann Financial Services from May 2001 to July 2006 and Vice Chairman from July 2006 to February 2020. He is also a trustee of Long Island University. Mr. Lorber's pertinent experience, qualifications, attributes and skills include the knowledge and experience in the tobacco and real estate industries he has attained through his service as our President and a member of our Board of Directors since 2001 as well as his service as a director of other publicly traded corporations.

Richard J. Lampen was appointed our Chief Operating Officer on January 14, 2021 and has served as our Executive Vice President since 1995. Mr. Lampen was elected to the Board in January 2021 in connection with his appointment as COO. Mr. Lampen also serves as Executive Vice President and COO and as a member of the Board of Directors of Douglas Elliman (NYSE:DOUG), and as a member of the Board of Managers of its subsidiary, Douglas Elliman Realty, LLC. From September 2006 to February 2020, he served as President and CEO as well as a director of Ladenburg Thalmann Financial Services ("LTS") prior to its acquisition by Advisor Group, a portfolio company of Reverence Capital Partners. Mr. Lampen also served as Chairman of LTS from September 2018 to February 2020. From October 2008 to October 2019, Mr. Lampen served as President and CEO as well as a director of Castle Brands Inc., prior to its acquisition by Pernod Ricard. Mr. Lampen's pertinent experience, qualifications, attributes and skills include the knowledge and managerial experience in the real estate and tobacco industry he has attained through his service to our business since 1995 as well as his service as CEO of LTS and Castle Brands Inc. and as a director of other publicly traded corporations.

Stanley S. Arkin has been a director since November 2011. Mr. Arkin is the founder of Stanley S. Arkin PLLC, a law practice in New York, NY, and serves as Chairman of The Arkin Group, a private intelligence agency. Mr. Arkin was a member of the Board of Directors of Authentic Fitness Corp, a fitness apparel company that ceased to be publicly traded in 1999, from 1995 to 1998. He is a member of the Council on Foreign Relations, has served on or chaired numerous committees in other professional organizations, such as the American College of Trial Lawyers, the Judicial Conference of the State of New York, the Association of the Bar of the City of New York, the American Bar Association, the New York State Bar Association, and the New York County Lawyers Association and is the author of the *Business Crime* book series and many articles published in the *New York Law Journal* and other publications. Mr. Arkin's pertinent experience, qualifications, attributes and skills include his managerial experience, financial literacy and the knowledge and experience he has attained through his career in the legal profession as well as his service as a director of a publicly traded corporation.

Henry C. Beinstein has been a director of the Company since March 2004. Since January 2005, Mr. Beinstein has been a partner of Gagnon Securities LLC, a broker-dealer and FINRA member firm, and has been a money manager and registered representative at such firm since August 2002. He retired in August 2002 as the Executive Director of Schulte Roth & Zabel LLP, a New York-based law firm, a position he had held since August 1997. Before that, Mr. Beinstein had served as the Managing Director of Milbank, Tweed, Hadley & McCloy LLP, a New York-based law firm, commencing November 1995. Mr. Beinstein was the Executive Director of Proskauer Rose LLP, a New York-based law firm, from April 1985 through October 1995. Mr. Beinstein is a certified public accountant in New York and prior to joining Proskauer was a partner and National Director of Finance and Administration at Coopers & Lybrand. He also holds the designation of Chartered Global Management Accountant from the American Institute of Certified Public Accountants. Mr. Beinstein also served as a director of

LTS and Castle Brands Inc., prior to the sale of these companies in February 2020 and October 2019, respectively. Mr. Beinstein has been licensed as a Certified Public Accountant in the state of New York since 1968. Mr. Beinstein's pertinent experience, qualifications, attributes and skills include financial literacy and expertise, managerial experience through his years at Coopers & Lybrand, Proskauer Rose LLP, Milbank, Tweed, Hadley & McCloy LLP and Schulte Roth & Zabel LLP, and the knowledge and experience he has attained through his service as a director of the Company and other publicly traded corporations.

Ronald J. Bernstein has been a director of the Company since March 2004. Until his retirement on March 31, 2020, Mr. Bernstein had served as President and CEO of Liggett Group LLC, an indirect subsidiary of the Company, since September 2000 and of Liggett Vector Brands LLC, an indirect subsidiary of the Company, since March 2002. On April 1, 2020, he became Non-Executive Chairman of Liggett Vector Brands and Senior Advisor to Liggett Group LLC. From July 1996 to December 1999, Mr. Bernstein served as General Director and, from December 1999 to September 2000, as Chairman of Liggett-Ducat Ltd., the Company's former Russian tobacco business sold in 2000. Prior to that time, Mr. Bernstein served in various positions with Liggett commencing in 1991, including Executive Vice President and Chief Financial Officer. Mr. Bernstein's pertinent experience, qualifications, attributes and skills include the knowledge and experience in the tobacco industry, which is the primary contributor to the Company's earnings, he has attained through his employment by our tobacco subsidiaries since 1991.

Paul V. Carlucci has been a director of the Company since March 2018 and was the Chairman and CEO of News America Marketing, a subsidiary of News Corporation (NASDAQ: NWSA) and a single-source provider of consumer advertising and promotional services, from October 1997 until his retirement in June 2014. He also served as publisher of the New York Post from September 2005 to September 2012 and was a member of the Executive Committee of News Corporation from October 1996 until his retirement in June 2014. He continued to consult to News Corporation until June 2017. He was also President and CEO of News America Publishing, Inc. (the parent company of TV Guide, Weekly Standard and News America New Media), and has held executive positions in Caldor, Inc., a 175-store general merchandise chain, RH Macy's and the New York Daily News. He has also served on the Boards of Directors of Herald Media, Inc., the American Jewish Committee, the Children's Miracle Network and the Guardian Angels. Mr. Carlucci's pertinent experience, qualifications, attributes and skills include managerial experience and the knowledge and experience he has attained through his service as an executive officer of large media corporations and his expertise in marketing and communications involving various industries, including the U.S. tobacco industry.

Jean E. Sharpe has been a director of the Company since May 1998. Ms. Sharpe is a private investor and has engaged in various philanthropic activities since her retirement in September 1993 as Executive Vice President and Secretary of the Company and as an officer of various of its subsidiaries. Ms. Sharpe previously served as a director of the Company from July 1990 until September 1993. Ms. Sharpe has been a member of the New York State Bar Association since 1979. Ms. Sharpe's pertinent experience, qualifications, attributes and skills include the knowledge and managerial experience she attained from serving as our general counsel from 1988 until 1993 and her service as a director of the Company.

Barry Watkins has been a director of the Company since March 2018 and has been CEO of Clairvoyant Media Strategies, one of the country's most in-demand media training companies, since 2018. From 1997 to November 2017, Mr. Watkins was head of communications for Madison Square Garden Company L.P. ("MSG") and served as Executive Vice President and Chief Communications Officer from 2010 until November 2017. In his role, Mr. Watkins oversaw MSG's communications and government relations activities, as well as its extensive philanthropic efforts, and, from 2010 to 2014, the human resources department of the MSG companies. Since 2014, Mr. Watkins has also served as Chairman of the Garden of Dreams Foundation, a non-profit organization that works with the MSG companies (including their successors) to positively impact the lives of children facing obstacles. The pertinent experience, qualifications, attributes and skills of Mr. Watkins include his managerial experience as well as the knowledge and experience in communications, government relations and human resources that he attained through his service as an executive officer of publicly traded corporations.

Wilson L. White has been a director of Vector since June 2021. Mr. White currently serves as Vice President of Government Affairs and Public Policy at Google, a subsidiary of Alphabet Inc. (NASDAQ: GOOG, GOOGL), where he is the global policy lead for Google's Android, Hardware and Advanced Research business units. Mr. White also serves as a member of the Board of Directors of Douglas Elliman (NYSE:DOUG). In addition to his employment at Google, Mr. White is engaged in numerous philanthropic and community activities. He serves as Board Chair of the Black Bank Fund, which aims to raise and invest \$250 million into Black banks throughout the United States by 2025. Mr. White also serves on the Boards of the University of North Carolina School of Law Foundation and the South Carolina Governor's School for Science & Mathematics Foundation. Mr. White earned a Bachelor of Science in Computer Engineering from North Carolina State University, where he was a Park Scholar, and received his Juris Doctor, with honors, from the University of North Carolina at Chapel Hill. Prior to being named to his current position in 2013, he served as Patent Litigation Counsel at Google from 2011 to 2013 and was a Senior Associate at Kilpatrick Townsend & Stockton LLP from 2007 to 2011. He also served as a judicial law clerk to the Honorable Alexander Williams, Jr. of the U.S. District Court of Maryland from 2006 to 2007. Mr. White has achieved the

designation of NACD Directorship Certification, which is the premier director designation available in the United States, and has also earned his NACD CERT in Cybersecurity Oversight. In addition to Mr. White's NACD Directorship Certification and NACD CERT in Cybersecurity Oversight, his pertinent experience, qualifications, attributes and skills include a strong background in computer engineering and the technology and legal sectors.

Board of Directors and Committees

The Board held eight meetings in 2021 and currently has ten directors. Each director attended at least 75% of the aggregate number of meetings of the Board and of each committee on which the director served as a member during such period. To ensure free and open discussion and communication among the independent directors of the Board, the independent directors meet in executive sessions periodically, with no members of management present. The chair of the corporate governance and nominating committee presides at the executive sessions.

The Company's Corporate Governance Guidelines provide that the Board shall be free to choose its chair in any way it deems best for the Company at any time. The Board believes that it is desirable to have the flexibility to decide whether the roles of Chairman of the Board and Chief Executive Officer should be combined or separate in light of the Company's circumstances from time to time. The roles of CEO and Chairman of the Board are presently held by two different directors. The CEO is responsible for setting the strategic direction of the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the CEO, reviews the agenda for Board meetings and presides over meetings of the full Board.

The Board oversees the risks that could affect the Company through its committees and reports from officers responsible for particular risks within the Company.

The Board has four committees established in accordance with the Company's Bylaws: an executive committee, an audit committee, a compensation and human capital committee, and a corporate governance and nominating committee. The Board has determined that, other than Ronald J. Bernstein, the Company's non-employee directors (Stanley S. Arkin, Henry C. Beinstein, Paul V. Carlucci, Bennett S. LeBow, Jean E. Sharpe, Barry Watkins and Wilson L. White) have no material relationship with the Company and meet the New York Stock Exchange listing standards for independence. Each of the members of the audit committee, compensation and human capital committee, and corporate governance and nominating committee meets the New York Stock Exchange listing standards for independence.

The executive committee, whose members are presently Messrs. LeBow, chairman, and Lorber, did not meet in 2021. The executive committee exercises, in the intervals between meetings of the Board, all the powers of the Board in the management and affairs of the Company, except for matters expressly reserved by law for Board action.

The audit committee, whose members are presently Messrs. Beinstein, chairman, Carlucci and White (effective with his election to the board in June 2021); and Ms. Sharpe, met eight times in 2021. The committee is governed by a written charter which requires that it discuss policies and guidelines to govern the process by which risk assessment and risk management are handled and that it meet periodically with management to review and assess the Company's major financial risk exposures and the manner in which such risks are being monitored and controlled. Accordingly, in addition to its other duties, the audit committee periodically reviews the Company's risk assessment and management, including in the areas of legal compliance, cybersecurity, internal auditing and financial controls. In this role, the audit committee considers the nature of the material risks the Company faces, and the adequacy of the Company's policies and procedures designed to respond to and mitigate these risks and receives reports from management and other advisors. Although the Board's primary risk oversight has been assigned to the audit committee, the full Board also receives regular reports from members of senior management on areas of material risk to the Company, including operational, financial, competitive and legal risks. In addition to an ongoing compliance program, the Board encourages management to promote a corporate culture that understands risk management and incorporates it into the overall corporate strategy and day-to-day business operations. The Board and its audit committee regularly discuss with management the Company's major risk exposures, their potential financial impact on the Company, and the steps (both short-term and long-term) the Company takes to manage them. The audit committee oversees the Company's financial statements, system of internal controls, and auditing, accounting and financial reporting processes and risks related thereto; the audit committee appoints, compensates, evaluates and, where appropriate, replaces the Company's independent accountants; reviews annually the audit committee charter; and reviews and pre-approves audit and permissible non-audit services. See "Audit Committee Report." Each of the members of the audit committee is financially literate as required of audit committee members by the New York Stock Exchange and independent as defined by the rules of the New York Stock Exchange and the SEC. The Board has determined that Mr. Beinstein is an "audit committee financial expert" as defined by the rules of the SEC. Mr. White holds a certification as an NACD CERT in Cybersecurity Oversight and the Board has determined that he is a cybersecurity expert.

The compensation and human capital committee, whose members are presently Messrs. Arkin, chairman, and Carlucci, and Ms. Sharpe, met four times in 2021. The committee is governed by a written charter. The compensation and human capital committee is responsible for risks relating to employment policies and the Company's compensation and benefits systems. To aid the compensation and human capital committee with its responsibilities, the compensation and human capital committee retains an independent consultant, as necessary, to understand the implications of compensation decisions being made. Commencing in June 2019, the compensation and human capital committee engaged FTI Consulting, Inc. to provide consulting

services with respect to the Company's compensation program in the 2020 and subsequent compensation years. Additionally, in 2020, the compensation and human capital committee directed FTI Consulting to benchmark the Company's compensation practices and structures against competitors. The compensation and human capital committee has assessed the independence of FTI Consulting pursuant to SEC and New York Stock Exchange rules and concluded that work performed by FTI Consulting for the compensation and human capital committee does not raise any conflict of interest. The compensation and human capital committee reviews, approves and administers management compensation and executive compensation plans and is responsible for management development and succession planning, overseeing human capital management initiatives (including diversity and inclusion), overseeing the Executive Compensation Clawback Policy and overseeing stockholder communications and engagement efforts with stockholders on executive compensation. The compensation and human capital committee also administers the Company's Amended and Restated 1999 Long-Term Incentive Plan (the "1999 Plan") and the Senior Executive Incentive Compensation Plan (the "Bonus Plan") and the 2014 Management Incentive Plan (the "2014 Plan"). See "Compensation Discussion and Analysis" for more information. In March 2009, the compensation and human capital committee formed a Performance-Based Compensation Subcommittee (the "Subcommittee"), which consists of Messrs. Arkin and Carlucci. Prior to 2022, the Subcommittee administered the participation of named executive officers in the Bonus Plan, the 1999 Plan and the 2014 Plan.

The corporate governance and nominating committee, whose members are presently Ms. Sharpe, chair, and Messrs. Arkin, Beinstein and Watkins, met five times in 2021. The committee is governed by a written charter. This committee is responsible for the oversight of risks relating to Board succession planning. The committee assists the Board in identifying individuals qualified to become directors and recommends to the Board the nominees for election as directors at the next annual meeting of stockholders, develops and recommends to the Board the corporate governance guidelines and code of business conduct and ethics applicable to the Company, and oversees the evaluation of the Board and management. In recommending candidates for the Board, the committee takes into consideration applicable to independence criteria and the following criteria established by the Board in the Company's corporate governance guidelines:

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;
- ability and willingness to commit adequate time to Board and committee matters;
- the fit of the individual's skills and personality with those of other directors and potential directors in building a board that is effective, collegial and responsive to the needs of the Company; and
- diversity of viewpoints, background, experience and other demographics.

The committee also considers such other factors as it deems appropriate, including judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other directors, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The committee does not assign specific weights to particular criteria and no particular criteria is necessarily applicable to all nominees. The composition of our current Board includes both gender and racial diversity.

In June 2021, the Board elected Mr. White as a director by expanding the size of the Board from nine members to ten members upon the recommendation of the corporate governance and nominating committee. Mr. Lorber introduced Mr. White to the Board upon the recommendation of outside counsel. The Company believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. The committee will consider nominees recommended by stockholders, which nominations should be submitted by directing an appropriate letter and resume to Marc N. Bell, the secretary of the Company, 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137. If the Company were to receive recommendations of candidates from the Company's stockholders, the committee would consider such recommendations in the same manner as all other candidates.

Corporate Governance Updates

In June 2019, the Board asked management and outside counsel to review the Company's governance practices and propose enhancements that align with market better-practices. Although this review remains ongoing, in April 2022, the Board approved certain amendments to the Company's Bylaws to adopt a majority voting standard for director elections. This followed the Board's action, in March 2020, to approve certain other amendments to the Company's Bylaws to, among other things, adopt a market-standard proxy access bylaw. Proxy access permits a stockholder (or a group of up to 20 stockholders), owning at least three percent of the Company's outstanding shares of Common Stock continuously for at least three years to nominate and include in the Company's proxy materials, director nominees constituting the greater of two directors or twenty percent of the total number of directors of the Company, provided the stockholder or group of stockholders and nominees satisfy the requirements set forth in Section 14 of Article II of the Company's Bylaws.

Under the Company's Equity Retention and Hedging Policy, adopted in January 2013 and amended in April 2020, each executive officer is required to retain at least 25% (after taxes and exercise costs) of shares of Common Stock acquired by them under an incentive equity or option award granted to them after January 1, 2013 ("Award Shares") and executive officers are prohibited from participating in certain trading activities with respect to Award Shares, that by their nature would constitute hedging. Directors are prohibited from participating in certain trading activities with respect to Common Stock granted to them in connection with their service on the Board that by their nature would constitute hedging.

For both executive officers and directors, prohibited activities under the Company's Equity Retention and Hedging Policy include:

- Trading in publicly traded options;
- Trading in puts;
- Trading in calls; or
- Trading in other derivative instruments.

In 2021, the Board approved a number of updates to the Company's Audit Committee Charter, which delegated the Audit Committee with oversight over cybersecurity and data privacy risks. In 2020, the Board approved a number of updates to the Company's Corporate Governance Guidelines and Code of Business Ethics. In addition, both the compensation and human capital committee and the corporate governance and nominating committee adopted revised charters in 2020.

The Company's Corporate Governance Guidelines, Codes of Business Conduct and Ethics, Equity Retention, Hedging and Pledging Policy, Stock Ownership Guidelines, Executive Compensation Clawback Policy and current copies of the charters of the Company's audit committee, compensation and human capital committee, and corporate governance and nominating committee are all available in the investor relations section of the Company's website (<http://www.vectorgrouppltd.com/investor-relations/corporate-governance/>) and are also available in print to any stockholder who requests them.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

In 2021, Vector delivered strong outperformance relative to its peers and the broader market, evidenced by a 44.76% total return for the year versus 28.68% for the S&P 500, 26.74% for the S&P SmallCap 600, and 18.46% for the NYSE ARCA Tobacco Index. In 2021, Vector's Tobacco segment reported record Tobacco Segment operating income.

Additionally, the Company's board created significant stockholder value as it successfully completed the distribution of Douglas Elliman Inc. in December 2021, which allowed the Company's Tobacco Segment to continue to capitalize on opportunities in the discount cigarette segment, while leveraging our value brand portfolio and broad national distribution to meet evolving market demands.

2021 Total Shareholder Return



Response to 2021 Say on Pay Vote Results

At the 2021 annual meeting of stockholders, the Company held its annual say on pay vote and approximately 46.2% of the Company's stockholders voted in favor of the advisory proposal, which was an improvement from the Company's 2020 vote. The Company's compensation and human capital committee thoughtfully considered the result of the 2021 vote in conducting the ongoing review and oversight of our compensation practices. We value our stockholders' perspectives and have continued our expanded outreach to stockholders to solicit their feedback.

As part of this commitment, the Company regularly requests meetings with each institutional stockholder owning more than two percent (2%) of our Common Stock. When appropriate, the engagement team includes independent directors and feedback received is conveyed to the Board and relevant committees. The table below summarizes our history of responsiveness to stockholder feedback.

WHAT WE HEARD	WHAT WE DID
Benchmark against relevant industry peers	Implemented formal benchmarking (2019) Adjusted peer group after distribution of Douglas Elliman (2022) Reduced CEO and COO base salaries to reflect the distribution of Douglas Elliman (2022)
Emphasis on performance-based incentives	Increased performance-based equity awards for CEO as percentage of total compensation (2021)
Align interest with long-term stockholders	Updated executive stock retention policy (2020) Increased at-risk compensation (2021)
Increase board diversity	Added a diverse, independent Director (2021)
Update corporate governance practices	Adopted proxy access (2020) Adopted majority voting standard for director election (2022)

Board Actions Explained

Appropriate Benchmarking. In response to stockholder feedback, despite at the time operating in two disparate industries, the compensation and human capital committee adopted a formal compensation benchmarking policy as detailed in our prior proxy statements. The benchmarking analysis not only adopted a 14-company peer group but also incorporated a comparison of compensation practices across the two industries. Following the distribution of Douglas Elliman in December 2021, the committee has adjusted the peer group to better reflect the companies in the tobacco and real estate industries and the companies with which we directly compete for talent. The revised peer group is discussed on page 21 of this proxy statement below. Following the distribution, the compensation and human capital committee reduced the CEO's base salary from \$3,426,270 to \$1,837,500 and the COO's base salary from \$1,250,000 to \$650,000 to reflect each of Messrs. Lorber and Lampen will spend a portion of their business time serving as CEO and COO of Douglas Elliman.

Performance-Based Incentives. In response to stockholder feedback that more compensation should be tied to performance, the compensation and human capital committee amended the 2021 executive compensation pay mix to provide that performance-vesting equity comprised 50% of the CEO's long-term equity compensation award, with an increased focus on long-term equity incentive awards for the Company's COO, CFO and General Counsel. For 2022, the compensation and human capital committee will use a similar pay mix.

Alignment of Interests. In recent years, the compensation and human capital committee has consistently increased its emphasis on performance-based incentives – cash and equity incentives – to ensure a steady increase in the at-risk compensation percentage. In line with these efforts, the at-risk percentage of CEO compensation has increased from 55.6% in 2012 to 77.0% in 2021. Our robust stock ownership guidelines, holding requirements, and our policy to prohibit hedging of Company Common Stock further aligns the interests of executives with those of long-term stockholders.

Increased Board Diversity. In June 2021, the Board appointed Wilson L. White, currently Vice President of Government Affairs and Public Policy at Google, to the Board. Mr. White has achieved the designation of NACD Directorship Certification, which is the premier director designation available in the United States and also earned his NACD CERT in Cybersecurity Oversight.

Corporate Governance Updates. In response to stockholder feedback, the Board formally adopted a market-standard proxy access bylaw in March 2020. In addition, also in response to stockholder feedback, in April 2022, the Board adopted a majority voting standard for uncontested director elections, which applies to the election to be held at the 2022 annual meeting.

Executive Compensation Philosophy

The Company's overall compensation philosophy is intended to reward its executives with fully competitive compensation, while providing opportunities to reward outstanding performance and align the interests of our executives with those of stockholders. More specifically, the compensation and human capital committee's primary objectives for our executive compensation program are:

- to ensure alignment of pay and performance against preset annual and long-term goals;
- to provide long-term and short-term incentives that pay out in alignment with stockholder value creation;
- to provide competitive levels of compensation; and

- to attract talented executives and retain them for the benefit of the Company and its subsidiaries.

The Company strives to achieve these objectives through a compensation structure that ensures a substantial portion of the executives' overall compensation remains at risk with compensation earned only if pre-established performance goals are achieved.

Compensation After the Distribution of Douglas Elliman

Prior to the distribution of Douglas Elliman, Vector was a complex and diversified company that operated in two challenging industries – tobacco and real estate brokerage services. The compensation and human capital committee established levels of executive compensation it believed were appropriate and reflective of Vector's well-established record of strong operating performance. Following the distribution, the base salary for the CEO was reduced from \$3,426,270 to \$1,837,500. The compensation and human capital committee also made appropriate changes to compensation for other executives, benchmarking pay against a revised peer group that focuses primarily on companies in the tobacco industry as well as other companies that Vector competes with for talent.

Compensation Practices Align with Stockholder Interests

Following the distribution of Douglas Elliman, the compensation and human capital committee's executive compensation philosophy will remain the same – therefore, changes implemented in recent years that align with stockholder feedback will continue to drive the design of our compensation program. In short, executive compensation will continue its focus on maximizing stockholder returns and delivering compensation in a manner that supports long-term value creation for the Company. Therefore, compensation for the Company's named executive officers will remain substantially at-risk; annual incentive awards will remain contingent upon the Company meeting various performance goals that are consistent with the Company's business plan; and, annual long-term equity incentive awards will continue to be granted in the form of restricted stock awards that vest ratably over four years (with, in the case of the CEO, 50% of such award subject to performance-based vesting) to further align management with the interests of the Company's long-term stockholders.

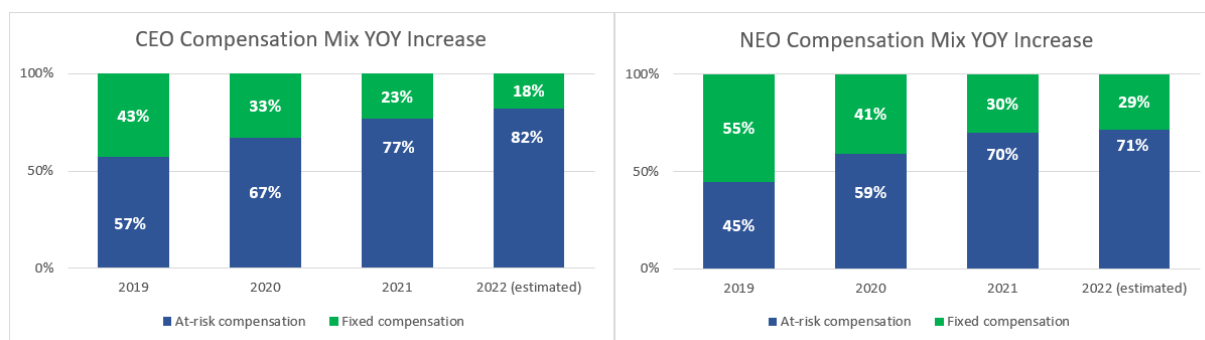
Another critical aspect that will remain unchanged is the compensation and human capital committee's focus on compensation risk mitigation and its efforts to further align the interests of management with those of long-term stockholders. Since 2013, the Company has implemented significant enhancements to discourage excessive risk-taking by our executives, including adopting an Executive Compensation Clawback Policy, an Equity Retention and Hedging Policy that prohibits hedging by executive officers and requires executive officers to retain at least 25% (after taxes and exercise costs) of the shares of Common Stock acquired under an incentive, equity or option award granted to them after January 1, 2013 and Stock Ownership Guidelines that require each executive officer to hold a specified amount of Common Stock until normal retirement age. In addition, from 2013 to 2019, the Company's annual award of long-term equity compensation to its named executive officers (other than Mr. Anson) was in the form of stock options that cliff vest on the fourth anniversary of the date of grant. In 2020 and 2021, the Company granted restricted stock, which vests ratably over four years, to its named executive officers (other than Mr. Anson in 2020). These vesting schedules were chosen to incentivize executives to focus on long-term strategic directives.

Compensation Highlights

What we do	What we don't
<i>Pay for performance and align interests of executives with those of long-term stockholders</i>	<i>No single-trigger cash severance upon a change in control</i>
<i>Majority of executive pay is in the form of at-risk compensation</i>	<i>No repricing of stock options</i>
<i>Hold-until-retirement requirements applicable to 25% of all equity granted to executives</i>	<i>No hedging of stock permitted</i>
<i>Clawback policy — which provides for recoupment of previously earned incentives — is a precondition to receiving incentive-based compensation</i>	
<i>Independent compensation consultant</i>	

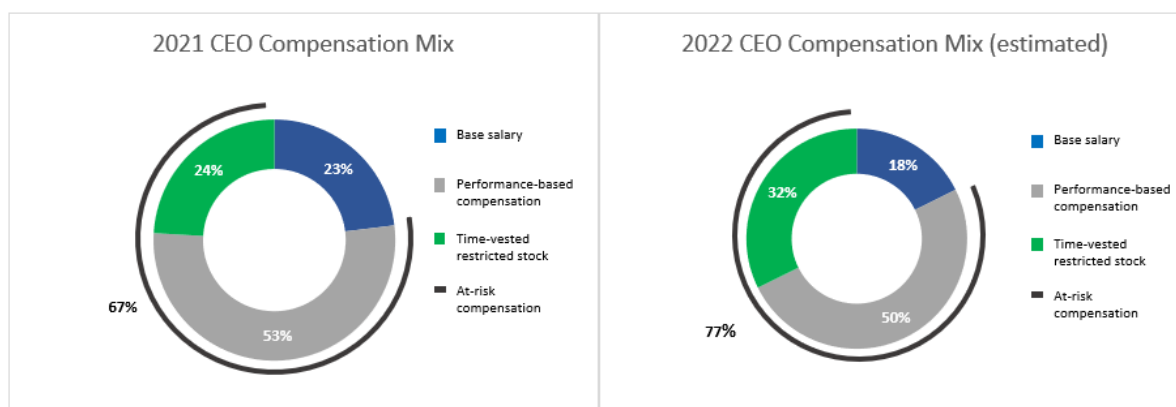
Year-Over-Year Compensation Mix

As a result of the incremental compensation changes thoughtfully implemented each year, the Company's executive compensation mix has transitioned to being comprised significantly of at-risk compensation as compared to fixed compensation. The following charts illustrate the consistent shift of the compensation mix between fixed (i.e., base salary) and at-risk (i.e., annual cash bonus and long-term equity incentives) compensation elements for our CEO and the other named executive officers.



CEO Year-Over-Year Compensation Mix

In addition to becoming more at-risk, the CEO's compensation mix has also become more performance-based to increase alignment with stockholder interests. Specifically, as outlined above, the compensation and human capital committee has implemented changes to the structure of CEO compensation to require that 50% of his equity compensation will be denominated in performance-based equity. The chart below illustrates the significant increase in the CEO's target compensation being comprised of performance-based incentives:



Compensation Components

The key components of the Company's executive compensation program consist of a base salary, an annual performance-based bonus pursuant to the 2014 Plan, equity awards under the 2014 Plan and various benefits, including the Company's Supplemental Retirement Plan, the Liggett Vector Brands Inc. Savings Plan (the "401(k) Plan") and certain perquisites, including business and personal use of corporate aircraft by each of the CEO and COO. The employment agreements with the Company's named executive officers also provide for severance compensation in the event of termination other than for cause during the term of the agreement or, in certain cases, following a change in control of the Company during the term of the agreements.

Base Salary

Base salaries for the Company's named executive officers are established based on their overall business experience and managerial competence in their respective roles, as well as their personal contributions to the Company and are intended to provide competitive levels of fixed compensation. The compensation and human capital committee believes that executive base salaries should be set at competitive levels and reward our executives for our long-term outstanding performance with above-average total compensation. Base salaries are reviewed annually by the compensation and human capital committee, based on recommendations by the Company's CEO with respect to the salaries of executive officers other than himself, and may be

increased based on review of the Company's results and individual executive performance. As previously disclosed, following the successful distribution of Douglas Elliman, the base salaries for the CEO and COO were reduced to reflect that these executives will be devoting a portion of their business time to Douglas Elliman. These reduced salaries are disclosed in the table below.

	2020	2021	2022	Δ vs 2021
Howard M. Lorber	\$3,371,649	\$3,426,270	\$1,837,500	(46) %
Richard J. Lampen	\$900,000	\$1,250,000	\$650,000	(48) %
J. Bryant Kirkland III	\$550,000	\$550,000	\$575,000	5%
Marc N. Bell	\$475,000	\$475,000	\$500,000	5%
Nicholas P. Anson	\$500,000	\$650,000	\$650,000	None

Annual Incentive Awards

The Company's executive officers are eligible to earn annual cash incentive awards under the 2014 Plan. Prior to 2022, the compensation and human capital committee has delegated to its Performance-based Compensation Subcommittee (the "Subcommittee"), which consists of Messrs. Arkin and Carlucci, the authority to select participants in the 2014 Plan, determine the amount of their annual award opportunities, select the applicable performance criteria and performance goals for each year, determine whether the performance goals for particular awards have been met and administer and interpret the 2014 Plan with respect to performance-based compensation. An eligible executive may (but need not) be selected to receive annual incentive awards under the 2014 Plan.

In 2021, each of the Company's named executive officers participated in the annual cash incentive program under the 2014 Plan. For Messrs. Lorber, Lampen, Kirkland and Bell, the following performance metrics were established for 2021: 37.5% of the payment was based on adjusted earnings before interest and taxes, or Adjusted EBIT, as defined in the 2014 Plan, of Liggett; 37.5% of the payment was based on distributions to stockholders of the Company; and 25% of the payment was based on Douglas Elliman EBITA. For Mr. Anson, the following performance metrics were established for 2021: 50% of the payment was based on Liggett Adjusted EBIT of Liggett and 50% was based on Liggett Volume. The Subcommittee selected Liggett Adjusted EBIT as a performance criterion for 2021 as it is commonly used to measure performance in the tobacco industry and Adjusted EBITA is commonly used to measure performance in the real estate brokerage industry; while selecting complementary metrics that incentivize management to seek strong stockholder returns and prioritize the Company's long-term performance notwithstanding the continued impact of the COVID-19 pandemic.

For 2021, like 2020 and prior years and in accordance with the terms of their respective employment agreements, Messrs. Lorber, Lampen, Kirkland and Bell remained eligible to receive a target annual incentive opportunity of 100%, 75%, 33.33% and 25% of their respective base salaries. In connection with Mr. Lampen's appointment as COO, the compensation and human capital committee increased Mr. Lampen's target annual incentive opportunity to 75% of base salary (from his prior target bonus opportunity of 50% of base salary), effective January 1, 2021. In 2021, Mr. Anson became eligible to receive a target annual incentive opportunity of 50% of his respective base salary. The Company has not increased the target percentage annual incentive opportunity for any of its other named executive officers from the percentage set forth in each named executive officer's employment agreements, as amended.

Depending on the level of achievement of the performance criteria, the actual annual incentive payments could exceed the target annual incentive amount for each of Messrs. Lorber, Lampen, Kirkland and Bell up to a maximum payout of 125% of target, whereas Mr. Anson's maximum payout is 200% of target (see "Grants of Plan-Based Awards in 2021"). The Subcommittee may exercise negative discretion with respect to any award to reduce any amount that would otherwise be payable under the annual incentive program granted under the 2014 Plan.

The 2021 performance necessary for Messrs. Lorber, Lampen, Kirkland, Bell and Anson to receive annual incentive awards at the target level were set at levels which were believed to be rigorous, but achievable, based on internal corporate plans.

For Messrs. Lorber, Lampen, Kirkland and Bell, the performance necessary to achieve the minimum, target or maximum awards in 2021 was as follows:

- percentages of the target cash incentive opportunity based on Liggett Adjusted EBIT were \$300,000,000 (50%), \$310,000,000 (100%), and \$320,000,000 and above (125%); the actual Liggett Adjusted EBIT for 2021 were \$361,904,000 resulting in a 125% payment on this metric;

- percentages of the target cash incentive opportunity based on cash dividends per share of the Company were \$0.70 (50%), \$0.80 (100%), and \$0.90 and above (125%); the actual cash dividends paid in 2021 were \$0.80 per share and the distribution of Douglas Elliman resulted in stockholders receiving an additional \$5.67 per share, based on the average of the trading prices of Douglas Elliman on the date of the distribution, resulting in a 125% payment on this metric; and,
- percentages of the target cash incentive opportunity based on Douglas Elliman Adjusted EBITA were \$19,000,000 (50%), \$24,000,000 (100%), and \$29,000,000 and above (125%); the actual Douglas Elliman Adjusted EBITA for 2021 were \$127,143,000. The compensation and human capital committee considered the cyclical nature of the real estate market in the U.S. including, among other things, the impact of the COVID-19 pandemic on the residential real estate brokerage business in the United States as well as the limitation on the income tax deductibility in the U.S. of state and local taxes on the New York metropolitan market, where the majority of Douglas Elliman's revenues occurred before 2020, when the target cash incentive opportunity for Douglas Elliman Adjusted EBITA were reduced from prior year levels.

For Mr. Anson, the performance necessary to achieve the minimum, target or maximum awards in 2021 was as follows:

- percentages of the target cash incentive opportunity based on Liggett Adjusted EBIT were \$300,000,000(100%) and \$320,000,000 and above (200%); the actual Liggett Adjusted EBIT for 2021 were \$361,904,000 resulting in a 200% payment on this metric; and
- percentages of the target cash incentive opportunity based on Liggett Volume (in billions of units) were 8.00 (100%), \$8.5 billion (200%); the actual Liggett Volume was 8.629 billion resulting in a 200% payment on this metric.

Based on actual 2021 results compared to the established performance criteria, annual cash incentive payments equal to 125% of target amounts were achieved and awarded to Messrs. Lorber, Lampen, Kirkland and Bell and 200% for Mr. Anson.

Annual cash incentive payment amounts for achieving performance criteria in between the amounts listed above are determined by linear interpolation between the higher and lower amounts. The actual performance-based incentive payments made to the selected participants for the years ended December 31, 2019, 2020 and 2021 are set forth in the column labeled "Non-Equity Incentive Plan Compensation" in the Summary Compensation Table. Annual incentive compensation earned by named executive officers after February 26, 2014 is subject to the Company's Executive Compensation Clawback Policy.

Following the distribution of Douglas Elliman and based off the reduced executive base salaries, the annual incentive opportunities are disclosed in the table below (at 100% of target), based on the same target annual incentive opportunity, as a percentage of base salary, in 2021 and 2022.

	% of Base Salary	2021	2022	Δ vs 2021
Howard M. Lorber	100%	\$3,426,270	\$1,837,500	(46) %
Richard J. Lampen	75%	\$937,500	\$487,500	(48) %
J. Bryant Kirkland III	33.33%	\$183,315	\$191,648	5%
Marc N. Bell	25%	\$118,750	\$125,000	5%
Nicholas P. Anson	50%	\$325,000	\$325,000	None

Equity Compensation

Long-term equity compensation is intended to provide a variable pay opportunity that rewards long-term performance by the Company as a whole and serves as a significant incentive to remain with the Company. In establishing long-term equity compensation awards, the compensation and human capital committee has considered the historical returns generated by the Company. In 2021, the Company's annual long-term equity compensation program for its named executive officers consisted of restricted stock awards.

On February 24, 2021, the Subcommittee granted restricted stock awards to Messrs. Lorber (500,000 shares with 250,000 of such shares subject to performance based vesting conditions), Lampen (150,000 shares), Kirkland (80,000 shares), Bell (80,000 shares) and Anson (10,000 shares) to recognize past and current performance and to serve as a means of incentivizing and retaining these key employees. The restricted shares vest in four equal annual installments commencing on the first anniversary of the date of grant subject to continued employment through each vesting date subject to earlier vesting upon his death or disability, a termination of employment without cause or resignation for good reason or a change in control. Shares

received in respect of the February 24, 2021 restricted stock grants will be subject to the Company's Equity Retention, Hedging and Pledging Policy. See "Equity Retention Policy."

Dividend Equivalents

In 2021, quarterly cash dividends were paid at \$0.20 per common share and, in connection with the distribution of Douglas Elliman, each stockholder of the Company received one share of Douglas Elliman for every two shares of the Company's Common Stock owned at the record date and the time of the distribution.

Under the terms of certain equity awards made to the Company's named executive officers under the Company's stock plans, dividend equivalent payments and distributions are made to the executive officers with respect to the shares of Common Stock underlying the unexercised and unvested portion of the equity awards. These payments and distributions are made at the same rate as dividends and other distributions paid on shares of the Company's Common Stock. In 2021, named executive officers earned cash dividend equivalent payments on unexercised stock options and unvested restricted stock (granted in 2020 and 2021) is as follows: Mr. Lorber — \$2,353,736; Mr. Lampen — \$666,553; Mr. Kirkland — \$388,679; Mr. Bell — \$360,537; and Mr. Anson — \$8,000. In addition, in 2021, in connection with the distribution of Douglas Elliman named executive officers earned dividend equivalent distributions of shares of Douglas Elliman on unexercised stock options and unvested restricted stock (granted in 2020 and 2021) as follows: Mr. Lorber — \$17,995,116 (1,588,272 common shares of Douglas Elliman); Mr. Lampen — \$4,693,475 (414,252 common shares of Douglas Elliman); Mr. Kirkland — \$2,738,160 (241,674 common shares of Douglas Elliman); Mr. Bell — \$2,538,877 (224,085 common shares of Douglas Elliman); and Mr. Anson — \$56,650 (5,000 common shares of Douglas Elliman). In accordance with the disclosure rules of the SEC, these amounts have not been separately reported in the 2021 Summary Compensation Table because the value of the dividend equivalent rights was included in the initial grant date fair value of the underlying option and restricted stock grants which was reported in the Summary Compensation Table at the time of grant.

Supplemental Retirement Plan

Retirement benefits are designed to reward long and continuous service by providing post-employment security and are an essential component of a competitive compensation package. The Company's named executive officers and certain other management employees are eligible to participate in the Supplemental Retirement Plan, which was adopted by the Board in January 2002 to promote retention of key executives and to provide them with financial security following retirement. As described more fully and quantified in "Pension Benefits at 2021 Fiscal Year End," the Supplemental Retirement Plan provides for the payment to a participant at his or her normal retirement date of a lump sum amount that is the actuarial equivalent of a single life annuity commencing on that date. The single life annuity amounts for the named executives were determined by the Company's Board considering a variety of pertinent factors including (but not limited to) the executive's level of annual compensation.

Other Benefits

The Company's executive officers are eligible to participate in all its employee benefit plans, such as medical, dental, vision, group life, disability and accidental death and dismemberment insurance and the 401(k) Plan. These benefits are designed to provide a safety net of protection against the financial catastrophes that can result from illness, disability or death. The Company also provides vacation and other paid holidays to its executive officers, as well as certain other perquisites further described below and in the Summary Compensation Table.

Perquisites

The Company's corporate aircraft are available for the personal use of Mr. Lorber and other executive officers at Mr. Lorber's discretion. The Company's corporate aircraft policy permits personal use of corporate aircraft by executives, subject to an annual limit of \$200,000 and \$50,000 for personal use by Messrs. Lorber and Lampen, respectively. For purposes of determining the amounts allowable under this policy, the value of the personal usage is calculated using the applicable standard industry fare level formula established by the Internal Revenue Service (as distinguished from the aggregate incremental cost approach used for determining the value included in the Summary Compensation Table), and Mr. Lorber and any other executive officers pay income tax on such value. In addition, Mr. Lorber is entitled to a car and driver provided by the Company, a \$3,750 per month allowance for lodging and related business expenses (effective January 1, 2022, which has been reduced from \$7,500 in 2021), and one club membership (effective January 1, 2022, which has been reduced from two, in 2021) and Mr. Lampen is reimbursed for automobile and club expenses on an after-tax basis. See the Summary Compensation Table for details regarding the value of perquisites received by the named executive officers.

Use of Peer Group

As previously disclosed, in direct response to stockholder feedback, the compensation and human capital committee undertook a multi-step process to design an appropriate peer group that reflected that, in 2021, Vector operated as a complex and diversified company that operated in two challenging industries – tobacco and real estate brokerage services.

Peer group design considerations included:

- Peer Group Size: an appropriate peer group should contain between 8 and 15 companies
- Peer Company Size: peer group companies should generally be between 0.5x and 2.5x the size of Vector (as defined by market capitalization, total assets, or total revenues)
- Peer Company Industry: peer group companies should include direct competitors, similar industry focus, and comparability of size and potentially geographic considerations
- Other Considerations: other considerations include which companies would stockholders compare Vector to, which companies Vector competes for talent, and which other companies may our executives to able to serve in similar functions

The compensation and human capital committee directed its independent compensation consultant to select companies for inclusion in Vector’s 2021 peer group based on the following characteristics:

- Must be within approximately 0.5x to 2.5x compared to the Company on at least two size-related metrics, including equity market capitalization, total assets, and/or total revenues; or be located within close geographic proximity to the Company’s headquarters with whom the Company may compete for executive talent;
- Must be one or more of a:
 - Tobacco/cannabis manufacturer or supplier,
 - Real estate companies that are developers, have brokerages services, are real estate owners/managers/investors, and/or have an NYC-Metro Area portfolio, and/or
 - Consumer product companies that have manufacturing, operate as wholesaler, and/or employ a multi-brand strategy.

In developing the peer group of companies to inform 2021 compensation decisions, our compensation and human capital committee, with the assistance of FTI Consulting, established a peer group of 14 publicly traded, national and regional companies with the following characteristics:

	Implied Equity Market Cap ¹	Revenue ²
75 th Percentile	\$8,934.0	\$1,846.2
Median	\$2,944.9	\$742.1
25 th Percentile	\$2,070.6	\$493.5
Vector Group Ltd.	\$2,008.1	\$1,887.6

All financial data is \$ millions. 1. Per S&P Global Market Intelligence, as of 2/10/2021; 2. Per S&P Capital IQ, as of 2/10/2021

Based on these criteria, our peer group for 2021 was comprised of the following companies:

The Boston Beer Company, Inc.	Canopy Growth Corporation	Empire State Realty Trust, Inc.
G-III Apparel Group, Ltd.	The Howard Hughes Corporation	iStar Inc.
Kennedy-Wilson Holdings, Inc.	Lexington Realty Trust	Newmark Group, Inc.
Paramount Group, Inc.	Steven Madden, Ltd.	Tilray, Inc.
Universal Corporation	Zillow Group, Inc.	

Prior to the distribution of Douglas Elliman, the compensation and human capital committee believes the compensation practices of our peer group provide us with appropriate compensation benchmarks for evaluating the compensation of our named executive officers. Notwithstanding the similarities of the peer group to our company, due to the nature of our business, we compete for executive talent with companies that are larger and more established than we are or that possess greater resources than we do.

Following the distribution of Douglas Elliman and for the purposes of informing 2022 compensation decisions, the compensation and human capital committee, with the advice of FTI Consulting, again examined the peer group list and, with reference to market capitalization, industry and revenue and approved the following 2022 peer group:

Aurora Cannabis Inc.	Canopy Growth Corporation	G-III Apparel Group, Ltd.
Ingredion Incorporated	Steven Madden, Ltd.	The Andersons, Inc.
The Boston Beer Company, Inc.	Tilray Brands, Inc.	Turning Point Brands, Inc.
Universal Corporation		

Change in Control Provisions

The employment agreement between the Company and Mr. Lorber contains change in control provisions. In the event of a change in control that results in a termination of employment by the Company without cause or a resignation for good reason (a “double trigger” change in control provision), Mr. Lorber will receive severance benefits as set forth below in “Potential Termination and Change in Control Payments.” The purpose of these provisions is to avoid the distraction and loss of key management personnel that may occur in connection with rumored or actual corporate transactions and/or other fundamental corporate changes and to provide adequate protection to key management personnel if their employment is terminated following a change in control. A change in control provision protects stockholder interests by enhancing employee focus during rumored or actual change in control activity through incentives to remain with the Company despite uncertainties while a transaction is under consideration or pending by assurance of the payment of severance and benefits for terminated executives. A detailed summary of these provisions is set forth under the heading “Payments Made Upon a Change in Control.” In addition, any outstanding stock options and restricted stock awards held by named executive officers vest upon a change in control.

Inter-Relationship of Elements of Compensation Packages

The various elements of the compensation packages for the Company’s executive officers are not directly inter-related. For example, if it does not appear as though the target annual cash incentive award will be achieved, the number of options or restricted shares that will be granted is not affected. If shares of restricted stock that are granted in one year decline in value due to a decline in the Company’s stock price, the amount of the annual cash incentive award or compensation to be paid the executive officer for the next year is not impacted. Similarly, if shares of restricted stock granted to an executive in one year become extremely valuable due to a rising stock price, the amount of compensation or annual cash incentive award to be awarded for the next year is not affected. However, the compensation and human capital committee does evaluate the total value of executive remuneration when making decisions with respect to any compensation element.

Prohibition on Hedging

The Company’s Equity Retention, Hedging and Pledging Policy, adopted in January 2013 and amended in April 2020, applies to the Company’s executive officers and directors. Executive officers are prohibited from participating in certain trading activities with respect to Award Shares, that by their nature would constitute hedging. Directors are prohibited from participating in certain trading activities with respect to Common Stock granted to them in connection with their service on the Board that by their nature would constitute hedging. For both executive officers and directors, such prohibited activities, related to the Company’s equity securities, include:

- Trading in publicly traded options;
- Trading in puts;
- Trading in calls; or
- Trading in other derivative instruments.

Equity Retention Policy

Under its Equity Retention, Hedging and Pledging Policy, the Company formalized its long-standing practice of significant share retention by senior management. Until normal retirement age as defined in the Company’s Supplemental Executive Retirement Plan (age 60), each executive officer is required to retain at least 25% (after taxes and exercise costs) of the executive officer’s Award Shares.

Stock Ownership Guidelines

The Company has Stock Ownership Guidelines that are applicable to all named executive officers and each non-employee member of the Board. Under the guidelines, which are phased in within the five years after the date that a covered person becomes a named executive officer or member of the Board, the following ownership requirements exist.

Title	Value of Shares Owned	
Chief Executive Officer	3.0 X	Base Salary
Executive Vice Presidents	1.5 X	Base Salary
Other named executive officers	1.0 X	Base Salary
Non-employee directors	2.0 X	Annual Retainer

“Shares owned” for purposes of the policy include shares of the Company’s stock owned outright, any shares held under an employee benefit plan, and restricted shares. The valuation of shares includes all shares held beneficially or directly by any covered person or the person’s family members or trusts but excludes pledged shares. Compliance is assessed on the last day of each quarter. As of December 31, 2021, all covered individuals were following the guidelines.

Executive Compensation Clawback Policy

The Company has an Executive Compensation Clawback Policy (the “Clawback Policy”), which requires, as a condition to receive bonus or incentive-based compensation from the Company, that each named executive officer must have entered into an agreement with the Company providing that any performance-based compensation awarded, paid or payable by the Company or any of its subsidiaries subsequent to the date of adoption of the Clawback Policy shall be subject to recovery or “clawback” by the Company. Under the Clawback Policy, if the Company’s financial results are restated, the result of which is that any performance-based compensation would have been lower had it been calculated based on such restated results, the compensation and human capital committee shall review the performance-based compensation received by the named executive officers. If the compensation and human capital committee determines that the performance-based compensation would have been lower and that a named executive officer who received such compensation engaged in fraud, material financial or ethical misconduct or recklessness in the performance of the named executive officer’s duties or intentional illegal conduct which materially contributed to the restatement, then the compensation and human capital committee may seek to recover the after-tax portion of the excess amount of performance-based compensation. Under the Clawback Policy, the compensation and human capital committee has the discretion to determine to seek recovery of the performance-based compensation after notice and an opportunity to be heard is provided to the named executive officer.

Role of Independent Compensation Consultant

The compensation and human capital committee may retain independent compensation consultants to render advice and guidance in assessing whether the Company’s compensation program is reasonable and competitive.

Since June 2019, the compensation and human capital committee has engaged FTI Consulting to conduct a competitive market assessment of the Company’s executive compensation levels and structure, including an examination of market trends and best practices in the Company’s primary industries, as well as advise on the design and structure of incentive compensation programs for executives.

FTI Consulting is directed by, and only provides services to, the compensation and human capital committee.

Tax and Accounting Implications

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), generally limits the deductibility of compensation paid to certain executive officers in excess of \$1 million during a year. The exemption from the deduction limit for performance-based compensation has generally been repealed, effective for years beginning after December 31, 2017, and the group of covered executive officers has been expanded to include the chief financial officer and certain former executive officers. Therefore, compensation (including performance-based compensation) paid to covered executive officers in excess of \$1 million in calendar year 2018 and subsequent calendar years generally will not be deductible unless it qualifies for transition relief. Significant aspects of the Company’s compensation programs were designed to permit (but not require) compensation to qualify for this performance-based compensation exception. To accomplish this, the Company previously asked stockholders to approve compensation plans that included limitations and provisions required to be included under Section 162(m) and established a the subcommittee to administer such plans. Now that the performance-based compensation exception is no longer available, the Company will no longer require such specific limitations or provisions for performance-based compensation or request stockholder approval for this purpose. However, performance-based compensation remains an important component of

our compensation program and in response to stockholder feedback, the compensation and human capital committee adjusted the CEO's 2021 executive compensation pay mix such that 50% of the CEO's long-term equity compensation award is subject to performance-based vesting conditions, which was continued in 2022. The Company will continue to consider the tax consequences when determining the compensation of named executive officers, including changes to Section 162(m) and will continue to seek stockholder approval of certain compensation plans as may be required by applicable law or regulation.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation, including stock option and restricted stock awards under the Company's stock plans, in accordance with the requirements of Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718").

Compensation and Human Capital Committee Report

The compensation and human capital committee has reviewed and discussed the Compensation Discussion and Analysis set forth above with management and, based on such review and discussion, has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION AND HUMAN CAPITAL COMMITTEE

Stanley S. Arkin, Chairman

Jean E. Sharpe

Paul V. Carlucci

2021 SUMMARY COMPENSATION TABLE FOR YEARS

The following table summarizes the compensation of the named executive officers for the years ended December 31, 2021, 2020 and 2019. The named executive officers are the Company's Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers ranked by their total compensation in the table below (not taking into account the amount in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column).

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Stock Awards (\$)(2)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)	Total (\$)
Howard M. Lorber	2021	\$ 3,426,270	\$ —	\$ 7,155,000	\$ —	\$ 4,282,838	\$ 2,707,353	\$ 300,197 (5)	\$ 17,871,658
President and Chief	2020	\$ 3,371,649	\$ —	\$ 3,001,250	\$ —	\$ 3,898,469	\$ 5,153,781	\$ 340,104	\$ 15,765,253
Executive Officer	2019	\$ 3,299,716	\$ —	\$ —	\$ 589,774	\$ 3,815,297	\$ 3,581,571	\$ 389,113	\$ 11,675,471
Richard J. Lampen	2021	\$ 1,250,000	\$ —	\$ 2,146,500	\$ —	\$ 1,171,875	\$ 320,232	\$ 163,093 (6)	\$ 5,051,700
Executive Vice	2020	\$ 900,000	\$ —	\$ 900,375	\$ —	\$ 520,313	\$ 609,601	\$ 88,075	\$ 3,018,364
President and Chief									
Operating Officer	2019	\$ 900,000	\$ —	\$ —	\$ 147,444	\$ 520,313	\$ 423,636	\$ 8,400	\$ 1,999,793
J. Bryant Kirkland III	2021	\$ 550,000	\$ —	\$ 1,144,800	\$ —	\$ 229,144	\$ 78,146	\$ 8,700 (7)	\$ 2,010,790
Senior Vice President,	2020	\$ 550,000	\$ —	\$ 480,200	\$ —	\$ 211,958	\$ 330,737	\$ 8,550	\$ 1,581,445
Chief Financial Officer and									
Treasurer	2019	\$ 500,000	\$ —	\$ —	\$ 152,993	\$ 192,689	\$ 418,166	\$ 8,400	\$ 1,272,248
Marc N. Bell	2021	\$ 475,000	\$ —	\$ 1,144,800	\$ —	\$ 148,438	\$ —	\$ 8,700 (7)	\$ 1,776,938
Senior Vice President,	2020	\$ 475,000	\$ —	\$ 480,200	\$ —	\$ 137,305	\$ 606,881	\$ 8,550	\$ 1,707,936
General Counsel and									
Secretary	2019	\$ 425,000	\$ —	\$ 480,750	\$ 152,993	\$ 122,584	\$ 767,308	\$ 8,400	\$ 1,957,035
Nicholas P. Anson (8)	2021	\$ 650,000	\$ —	\$ 143,100	\$ —	\$ 650,000	\$ —	\$ 8,700 (7)	\$ 1,451,800
President and Chief	2020	\$ 475,000	\$ 650,000	\$ —	\$ —	\$ —	\$ —	\$ 8,550	\$ 1,133,550
Operating Officer of Liggett									
Vector Brands and Liggett									

- (1) Reflects actual base salary amounts paid for 2021, 2020 and 2019, unless otherwise indicated.
- (2) Represents the aggregate grant date fair value of restricted stock or stock options granted under the 2014 Plan, respectively, during the years ended December 31, 2021, 2020 and 2019 as determined in accordance with FASB ASC Topic 718, rather than an amount paid to or realized by the named executive officer. Assumptions used in the calculation of such amount are included in note 14 to the Company's audited financial statements for the year ended December 31, 2021 included in its Annual Report on Form 10-K filed with the SEC on March 2, 2022. These grants are subject to continued service conditions; consequently, FASB ASC Topic 718 amounts included in the table may never be realized by the named executive officer.
- (3) These amounts reflect performance-based cash awards under the 2014 Plan paid during 2022, 2021 and 2020 in respect of service performed in 2021, 2020 and 2019, respectively. This plan is discussed in further detail under the heading "Annual Incentive Awards."
- (4) Amounts reported represent the increase in the actuarial present value of benefits associated with the Company's pension plans. Assumptions for 2021 amounts are further described in "Pension Benefits at 2021 Fiscal Year End." The amounts reflect the increase in actuarial present value for the named executive officer's benefits under the Supplemental Retirement Plan determined using interest rate, retirement date and mortality rate assumptions consistent with those used in the Company's financial statements. The amount for Mr. Bell has been reported as \$0 because the actuarial value of his benefit declined by \$61,962 in 2021, primarily due to increases in assumed interest rates in 2021. No amount is payable from this plan before a participant attains age 60 during active service except in the case of death, disability or termination without cause. There can be no assurance that the amounts shown will ever be realized by the named executive officers.
- (5) Represents perquisites consisting of \$161,857 for use of corporate aircraft in 2021, a \$90,000 allowance paid for lodging and related business expenses and \$39,640 for use of a Company-provided car and driver (which amount covers the cost of fuel, parking, tolls, depreciation expense and related expenses for Mr. Lorber's personal and business-related use) in 2021. Also includes \$8,700 for 401(k) Plan matching contributions in 2021. For purposes of determining the value of corporate aircraft use, the personal use is calculated based on the aggregate incremental cost to the Company. For flights on corporate aircraft, aggregate incremental cost for purposes of this table is calculated based on a cost-per-flight-mile

charge developed from internal Company data. The charge reflects the direct operating cost of the aircraft, including fuel, additives and lubricants, airport fees and catering. In addition, the charge also reflects an allocable allowance for maintenance and engine restorations.

- (6) Represents perquisites consisting of \$119,781 for personal use of corporate aircraft in 2021 (computed using the same assumptions as in footnote (5)), \$30,140 for reimbursement of automobile expenses, \$4,472 for reimbursement of club expenses and \$8,700 for 401(k) Plan matching contributions in 2021.
- (7) Represents 401(k) plan matching contributions.
- (8) Mr. Anson became an executive officer on April 1, 2020. Amounts reported in 2020 are for the entire year and Mr. Anson's base annual salary was increased from \$400,000 to \$500,000, effective April 1, 2020, and \$650,000, effective January 1, 2021, in connection with his appointment as President and COO of Liggett Vector Brands LLC and Liggett Group LLC. The "bonus" column for Mr. Anson reflects the value of the annual bonus payment in respect to 2020 paid to Mr. Anson in 2021, which was determined at the discretion of the compensation and human capital committee based on Liggett's operating performance in 2020.

Employment Agreements and Severance Arrangements

Compensation arrangements, as reflected in the employment agreements with the Company's executive officers, are usually negotiated on an individual basis between the CEO and each of the other executives. While the compensation and human capital committee has delegated to the CEO the responsibility of negotiating these employment agreements and his input is given significant consideration by the compensation and human capital committee, the compensation and human capital committee and the Board have final authority over all executive compensation matters.

On January 27, 2006, the Company and Howard M. Lorber entered into an amended and restated employment agreement (the "Amended Lorber Agreement"), which replaced his prior employment agreements. The Amended Lorber Agreement had an initial term of three years effective as of January 1, 2006, with an automatic one-year extension on each anniversary of the effective date unless notice of non-extension is given by either party within 60 days before this date. Under the Amended Lorber Agreement, Mr. Lorber's base salary is subject to an annual cost of living adjustment. In addition, the Company's Board must periodically review his base salary and may increase, but not decrease, his base salary in its sole discretion. Mr. Lorber is eligible on an annual basis to receive a target bonus of 100% of his base salary under the Company's non-equity incentive bonus plan. During the period of his employment, Mr. Lorber is entitled to various benefits, including a Company-provided car and driver, a \$7,500 per month allowance for lodging and related business expenses, two club memberships and dues, and use of corporate aircraft in accordance with the Company's Corporate Aircraft Policy. Following termination of his employment by the Company without cause (as specified in the Amended Lorber Agreement), termination of his employment by him for good reason (as specified in the Amended Lorber Agreement) or upon death or disability, he (or his beneficiary in the case of death) would continue to receive for a period of 36 months following the termination date his base salary and the bonus amount earned by him for the prior year (with such bonus amount limited to 100% of base salary). In addition, except as otherwise provided in an award agreement, all of Mr. Lorber's outstanding equity awards would be vested and any stock options granted after January 27, 2006 would continue to be exercisable for no less than two years or the remainder of the original term if shorter. Following termination of his employment for any of the reasons described above (other than death or disability) within two years after a change in control (as defined in the Amended Lorber Agreement) or before a change in control that actually occurs in anticipation of or at the request of a third party effectuating such change in control, he would receive a lump sum payment equal to 2.99 times the sum of his then current base salary and the bonus amount earned by him for the prior year (with such bonus amount limited to 100% of base salary). In addition, Mr. Lorber will be indemnified in the event that excise taxes are imposed on change in control payments under Section 4999 of the Code.

In connection with the distribution of Douglas Elliman, Vector has entered into a letter agreement with Mr. Lorber to acknowledge that he will also serve as Douglas Elliman Inc.'s President and CEO and Chairman of its Board of Directors following the Distribution. In addition, Mr. Lorber's letter agreement provided that his base salary with the Company following the distribution of Douglas Elliman was reduced from \$3,642,270 per annum to \$1,800,000 per annum. On April 29, 2022, the letter agreement with Mr. Lorber was amended to change the reference of Mr. Lorber's annual cost of living adjustment from the New York metropolitan area to the South Florida metropolitan area and increase Mr. Lorber's base salary from \$1,800,000 to \$1,837,500.

On January 27, 2006, the Company entered into employment agreements (the "Other Executive Agreements") with Richard J. Lampen, the Company's Executive Vice President and COO, J. Bryant Kirkland III, the Company's Senior Vice President, Treasurer and Chief Financial Officer, and Marc N. Bell, the Company's Senior Vice President, General Counsel and Secretary. The Other Executive Agreements replaced prior employment agreements. The Other Executive Agreements had an initial term of two years effective as of January 1, 2006, with an automatic one-year extension on each anniversary of the effective date unless notice of non-extension is given by either party within 60 days before this date. As of January 1, 2022, the

annual base salaries provided for in these Other Executive Agreements were \$650,000 for Mr. Lampen (decreased, in connection with the distribution of Douglas Elliman from \$1,250,000), \$575,000 for Mr. Kirkland and \$500,000 for Mr. Bell. In addition, the Board must periodically review these base salaries and may increase, but not decrease them, their base salaries in its sole discretion. These executives are eligible to receive a target bonus of 75% for Mr. Lampen, 33.33% for Mr. Kirkland and 25% for Mr. Bell, of their base salaries under the Company's non-equity incentive bonus plan. Following termination of their employment by the Company without cause (as defined in the Other Executive Agreements), termination of their employment by the executives for good reason (as defined in the Other Executive Agreements) or upon death or disability, they (or their beneficiaries in the case of death) would continue to receive for a period of 24 months following the termination date their base salary and the bonus amount earned by them for the prior year (with such bonus amount limited to 75% of base salary for Mr. Lampen, 33.33% of base salary for Mr. Kirkland and 25% of base salary for Mr. Bell).

In connection with the distribution of Douglas Elliman, the Company has entered into letter agreements with each of Messrs. Lampen, Kirkland and Bell, respectively, to acknowledge that they will also serve as Douglas Elliman's Executive Vice President and COO, Senior Vice President, CFO and Treasurer and Senior Vice President, Secretary and General Counsel, respectively, following the distribution. In addition, Mr. Lampen's letter agreement provided that his annual base salary with the Company following the distribution was reduced from \$1,250,000 to \$650,000 to reflect that he will be devoting a portion of his business time to Douglas Elliman.

On March 6, 2020, the Company entered into an employment agreement (the "Anson Agreement") with Nicholas P. Anson, who became President and Chief Operating Officer of Liggett Vector Brands LLC and Liggett Group LLC on April 1, 2020. The Anson Agreement had an initial term of 21 months with an automatic one-year extension on December 31, 2021 and each year thereafter unless notice of non-extension is given by either party within six months before such renewal date. The Anson Agreement provided Mr. Anson an initial annual base salary of \$500,000, which was increased by the Anson Agreement to \$650,000, effective January 1, 2021. Mr. Anson is eligible to participate in any annual bonus plan Liggett may implement for its senior executives with a target bonus of 50% of base salary. Following termination of his employment by Liggett Vector Brands without cause (as defined in the Anson Agreement), termination of his employment by him for good reason (as defined in the Anson Agreement), termination of his employment due to the nonrenewal of his agreement or upon death, he (or his beneficiaries in the case of death) would continue to receive for a period of 24 months following the termination date his base salary and continued health and insurance benefits, with the base salary payable during the second year being reduced by any salary, bonus, consulting fees or other compensation earned (irrespective of when paid) from any employment or consulting work. If Mr. Anson's employment is involuntarily terminated for any of the reasons described in the foregoing sentence, after July 1 of the applicable year, the Anson Agreement calls for Mr. Anson to receive a pro-rated bonus for such year based on days worked. The severance payments and benefits payable to Mr. Anson under the Anson Agreement are subject to Mr. Anson's execution of a release of claims in favor of Liggett and its affiliates.

CEO Pay Ratio

Pursuant to Item 402(u) of Regulation S-K and Section 953(b) of the Dodd-Frank Act, presented below is the ratio of annual total compensation of the Company's CEO to the annual total compensation of the Company's median employee (excluding the CEO) for 2021.

The ratio presented below is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. The SEC's rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported below because other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

For our 2021 analysis, the Company first determined its employee population using a determination date of December 31, 2021. The Company selected December 31, 2021 as its determination date instead of October 1, which was used in previous years, because December 31, 2021 occurred after the completion of the distribution of Douglas Elliman and is more reflective of the Company's current structure. The Company identified the median employee using a compensation measure consisting of base salary or wages (as applicable), overtime pay, and any bonuses paid during the twelve-month period preceding the determination date. Conforming adjustments were made for permanent employees who were hired during that period and did not receive pay for the full period.

The 2021 annual total compensation as determined under Item 402 of Regulation S-K for the Company's CEO was \$17,871,658, as reported in the Summary Compensation Table of this proxy statement. The 2021 annual total compensation as determined under Item 402 of Regulation S-K for the median employee identified in 2021 was \$84,263. The ratio of the

Company's CEO's annual total compensation to the Company's median employee's annual total compensation for fiscal year 2021 is 212 to 1.

GRANTS OF PLAN-BASED AWARDS IN 2021

The table below provides information with respect to incentive compensation granted to each of the named executive officers during the year ended December 31, 2021.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Shares of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$)	Grant Date Fair Value of Stock and Option Awards (\$) (2)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Howard M. Lorber	2/24/2021	—	—	—	—	—	—	500,000	—	—	\$ 7,155,000
	2/24/2021	—	\$ 3,426,270	\$ 4,282,838	—	—	—	—	—	—	—
Richard J. Lampen	2/24/2021	—	—	—	—	—	—	150,000	—	—	\$ 2,146,500
	2/24/2021	—	\$ 937,500	\$ 1,171,875	—	—	—	—	—	—	—
J. Bryant Kirkland III	2/24/2021	—	—	—	—	—	—	80,000	—	—	\$ 1,144,800
	2/24/2021	—	\$ 183,315	\$ 229,144	—	—	—	—	—	—	—
Marc N. Bell	2/24/2021	—	—	—	—	—	—	80,000	—	—	\$ 1,144,800
	2/24/2021	—	\$ 118,750	\$ 148,438	—	—	—	—	—	—	—
Nicholas P. Anson	2/24/2021	—	325,000	650,000	—	—	—	10,000	—	—	143,100

(1) Represents the annual incentive awards made under the 2014 Plan on February 24, 2021. In 2021, target levels were equal to 100% of base salary for Mr. Lorber, 75% of base salary for Mr. Lampen, 33.33% of base salary for Mr. Kirkland, 25% for Mr. Bell and 50% for Mr. Anson. The maximum amount is 125% of the target amount for Messrs. Lorber, Lampen, Kirkland and Bell; and, 200% for Mr. Anson. There is no threshold amount. The Subcommittee approved the performance criteria for determining the award opportunities for each named executive officer under the 2014 Plan. The actual bonus amounts earned for 2021 have been determined and paid in 2022 and are reflected in the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table.

(2) Represents the aggregate grant date fair value of restricted stock granted under the 2014 Plan for the year ended December 31, 2021 as determined in accordance with FASB ASC Topic 718, rather than an amount paid to or realized by the named executive officer. Assumptions used in the calculation of such amount are included in note 14 to the Company's consolidated financial statements for the year ended December 31, 2021 included in its Annual Report on Form 10-K filed with the SEC on March 2, 2022. These grants are subject to continued service conditions and their value is tied to the Company's future stock price; consequently, FASB ASC Topic 718 amounts included in the table may never be realized by the named executive officer.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2021

The table below provides information with respect to the outstanding equity awards of the named executive officers as of December 31, 2021.

Name	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Howard M. Lorber	703,547	—	—	\$11.47	2/26/2023	—	—	—	—	
	335,022	—	—	\$14.68	2/26/2024	—	—	—	—	
	319,069	—	—	\$18.12	2/24/2025	—	—	—	—	
	303,876	—	—	\$19.13	2/29/2026	—	—	—	—	
	289,406	—	—	\$19.71	2/23/2027	—	—	—	—	
	—	275,625 (1)	—	\$18.42	2/27/2028	—	—	—	—	
	—	262,500 (2)	—	\$10.92	2/27/2029	—	—	—	—	
					208,377 (3)	\$ 2,392,168	—	—		
					187,500 (4)	\$ 2,152,500	—	—		
					250,000 (4)	\$ 2,870,000	—	—		
					250,000 (5)	\$ 2,870,000	—	—		
Richard J. Lampen	175,884	—	—	\$11.47	2/26/2023	—	—	—	—	
	83,754	—	—	\$14.68	2/26/2024	—	—	—	—	
	79,766	—	—	\$18.12	2/24/2025	—	—	—	—	
	75,968	—	—	\$19.13	2/29/2026	—	—	—	—	
	72,351	—	—	\$19.71	2/23/2027	—	—	—	—	
	—	68,906 (1)	—	\$18.42	2/27/2028	—	—	—	—	
	—	65,625 (2)	—	\$10.92	2/27/2029	—	—	—	—	
					56,250 (4)	\$ 645,750	—	—		
					150,000 (4)	\$ 1,722,000	—	—		
J. Bryant Kirkland III	105,531	—	—	\$11.47	2/26/2023	—	—	—	—	
	50,251	—	—	\$14.68	2/26/2024	—	—	—	—	
	47,859	—	—	\$18.12	2/24/2025	—	—	—	—	
	45,580	—	—	\$19.13	2/29/2026	—	—	—	—	
	43,410	—	—	\$19.71	2/23/2027	—	—	—	—	
	—	41,343 (1)	—	\$18.42	2/27/2028	—	—	—	—	
—	39,375 (2)	—	\$10.92	2/27/2029	—	—	—	—		
					30,000 (4)	\$ 344,400	—	—		
					80,000 (4)	\$ 918,400	—	—		
Marc N. Bell	70,353	—	—	\$11.47	2/26/2023	—	—	—	—	
	50,251	—	—	\$14.68	2/26/2024	—	—	—	—	
	47,859	—	—	\$18.12	2/24/2025	—	—	—	—	
	45,580	—	—	\$19.13	2/29/2026	—	—	—	—	
	43,410	—	—	\$19.71	2/23/2027	—	—	—	—	
	—	41,343 (1)	—	\$18.42	2/27/2028	—	—	—	—	
—	39,375 (2)	—	\$10.92	2/27/2029	—	—	—	—		
					30,000 (4)	\$ 344,400	—	—		
					80,000 (4)	\$ 918,400	—	—		
Nicholas P. Anson	—	—	—	—	—	10,000 (4)	\$ 114,800	—	—	

(1) These option grants vested on February 27, 2022, the fourth anniversary of the grant date.

(2) These option grants vest on February 27, 2023, the fourth anniversary of the grant date.

- (3) 208,374 shares of this restricted stock award vested on each of November 15, 2016, July 1, 2017, July 1, 2018, July 1, 2019, July 1, 2020 and July 1, 2021. The remaining 208,374 unvested shares will vest, subject to Mr. Lorber's continued service to the Company through the applicable vesting date, using the following schedule: 208,374 shares will vest on July 1, 2022 because cumulative Vector Group Ltd. Adjusted EBITDA from October 1, 2015 to December 31, 2021 exceeded \$1.09375 billion. "Vector Group Ltd. Adjusted EBITDA" is defined in the Award Agreement to mean the Company's Earnings Before Interest, Income Taxes, Depreciation and Amortization excluding litigation or claim judgments or settlements and non-operating items and expenses for restructuring, productivity initiatives and new business initiatives.
- (4) These restricted shares vest in four equal annual installments commencing on the first anniversary of the date of grant provided the recipient is then still an employee of the Company, subject to earlier vesting upon the recipient's death or disability, termination of employment without cause, resignation for good reason and change in control.
- (5) This restricted stock award will vest using the following schedule: 62,500 shares vested on February 24, 2022 because Vector Group Ltd. Adjusted EBITDA from January 1, 2021 to December 31, 2021 exceeded \$276 million, 125,000 shares minus shares previously vested will vest on February 24, 2023 if cumulative Vector Group Ltd. Adjusted EBITDA from January 1, 2021 to December 31, 2022 exceeds \$552 million, 187,500 shares minus shares previously vested will vest on February 24, 2024 if cumulative Vector Group Ltd. Adjusted EBITDA from January 1, 2021 to December 31, 2023 exceeds \$728 million; and, 250,000 shares minus shares previously vested will vest on February 24, 2025 if cumulative Vector Group Ltd. Adjusted EBITDA from January 1, 2021 to December 31, 2024 exceeds \$1.104 billion. "Vector Group Ltd. Adjusted EBITDA" is defined in the Award Agreement to mean the Company's Earnings Before Interest, Income Taxes, Depreciation and Amortization excluding litigation or claim judgments or settlements and non-operating items and expenses for restructuring, productivity initiatives and new business initiatives.

OPTION EXERCISES AND STOCK VESTED IN YEAR ENDED DECEMBER 31, 2021

The table below provides information with respect to options that were exercised or restricted stock awards that vested during 2021, as well as the value realized on the vesting date, based on the average of the high and low of the Company's Common Stock on that date.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Howard M. Lorber	—	—	462,315	\$ 9,763,305
Richard J. Lampen	—	—	18,750	\$ 271,547
J. Bryant Kirkland III	—	—	10,000	\$ 144,825
Marc N. Bell	—	—	10,000	\$ 144,825
Nicholas P. Anson	—	—	—	—

Retirement Benefits

PENSION BENEFITS AT 2021 FISCAL YEAR END

The table below quantifies the benefits expected to be paid from the Company's Supplemental Retirement Plan. The terms of the plans are described below the table.

Name	Plan Name	Number of Years of Credited Service #(1)	Present Value of Accumulated Benefit \$(2),(3)	Payments During Last Fiscal Year (\$)
Howard M. Lorber	Supplemental Retirement Plan	11	\$ 49,222,691	\$0
Richard J. Lampen	Supplemental Retirement Plan	10	\$ 5,822,175	\$0
J. Bryant Kirkland III	Supplemental Retirement Plan	18	\$ 2,014,472	\$0
Marc N. Bell	Supplemental Retirement Plan	17	\$ 3,491,072	\$0
Nicholas P. Anson (4)	Supplemental Retirement Plan	N/A	\$ —	\$0

- (1) Equals number of years of credited service as of December 31, 2021. Credited service under the Supplemental Retirement Plan is based on a named executive officer's period of full time continuous covered employment after commencing participation in the Supplemental Retirement Plan.
- (2) Represents actuarial present value in accordance with the same assumptions outlined in note 12 to the Company's audited financial statements for the year ended December 31, 2021 included in its Annual Report on Form 10-K filed with the SEC on March 2, 2022.
- (3) Includes amounts which the named executive officer is not currently entitled to receive because such amounts are not vested.
- (4) Mr. Anson does not participate in the Supplemental Retirement Plan.

Supplemental Retirement Plan

The Supplemental Retirement Plan provides for the payment to a participant at his normal retirement date of a lump sum amount that is the actuarial equivalent of a single life annuity commencing on that date. The "normal retirement date" under the Supplemental Retirement Plan is defined as the January 1st following attainment by a participant of the later of age 60 or the completion of eight years of employment following January 1, 2002 (in the case of Mr. Lorber) or January 1, 2004 (in the case of Messrs. Lampen, Kirkland and Bell).

The following table sets forth for each named executive officer his hypothetical single life annuity, his normal retirement date and his projected lump sum payment at his normal retirement date.

Name	Hypothetical Single Life Annuity	Normal Retirement Date	Lump-Sum Equivalent
Howard M. Lorber	\$ 1,051,875	January 1, 2010	\$ 10,855,666
Richard J. Lampen	\$ 735,682	January 1, 2013	\$ 7,121,988
J. Bryant Kirkland III	\$ 250,000	January 1, 2014	\$ 2,625,275
Marc N. Bell	\$ 202,500	January 1, 2026	\$ 2,126,473
Nicholas P. Anson	\$ 200,000	January 1, 2021	\$ 2,100,220
	\$ —		\$ —

No benefits are payable under the Supplemental Retirement Plan if a named executive officer resigns without good reason before attaining his normal retirement date. In the case of a participant who becomes disabled prior to his normal

retirement date or whose service is terminated without cause, the participant's benefit consists of a pro-rata portion of the full projected retirement benefit to which he would have been entitled had he remained employed through his normal retirement date, as actuarially discounted back to the date of payment. The beneficiary of a participant who dies while working for the Company or a subsidiary (and before becoming disabled or attaining his normal retirement date) will be paid an actuarially discounted equivalent of his projected retirement benefit; conversely, a participant who retires beyond his normal retirement date will receive an actuarially increased lump sum payment to reflect the delay in payment using a post-retirement interest rate of 7.5%. The lump sum amount under the Supplemental Retirement Plan is paid six months following the named executive officer's retirement on or after his normal retirement date or termination of employment without cause, along with interest at the prime lending rate as published in the Wall Street Journal on the lump sum amount for this six-month period.

Because Messrs. Lorber, Lampen and Bell did not retire on their normal retirement dates, their additional benefits are being increased by 7.5% per annum for each year they continue to be an employee of the Company after their normal retirement dates listed in the table above.

Potential Termination and Change in Control Payments

The compensation payable to named executive officers upon voluntary termination, involuntary termination without cause, termination for cause, termination following a change in control and in the event of disability or death of the executive is described below.

Payments Made Upon Termination

Regardless of the manner in which a named executive officer's employment terminates, unless terminated for cause, he or she may be entitled to receive amounts earned during his or her term of employment. Such amounts include:

- unpaid base salary through the date of termination;
- any accrued and unused vacation pay;
- any unpaid award under the 2014 Plan or bonus under the 2014 Plan with respect to a completed performance period;
- all accrued and vested benefits under the Company's compensation and benefit programs, including the pension plan and the Supplemental Retirement Plan; and
- with respect solely to Mr. Lorber, payment by the Company of a tax gross-up for any excise taxes and related income taxes on gross-ups for benefits received upon termination of employment in connection with a change in control.

Payments Made Upon Involuntary Termination of Employment Without Cause or for Good Reason, Death or Disability

In the event of the termination of employment of a named executive officer by the Company without cause or by the named executive officer for good reason, or upon the death or except for Mr. Anson, the disability of a named executive officer, in addition to the benefits listed under the heading "Payments Made Upon Termination," the named executive officer or his designated beneficiary upon his death will receive the following benefits:

- payments for 36 months for Mr. Lorber or 24 months for the other named executive officers (the "Severance Period") equal to 100% of the executive's then-current base salary and (except for Mr. Anson) the most recent bonus paid to the executive (up to the amount of the executive's target bonus);
- continued participation, at the Company's expense, during the Severance Period in all employee welfare and health benefit plans, including life insurance, health, medical, dental and disability plans which cover the executive and the executive's eligible dependents (or, if such plans do not permit the executive and his eligible dependents to participate after his termination, the Company is required to pay an amount each quarter (not to exceed \$35,000 per year in the case of Messrs. Lampen, Kirkland and Bell) to keep them in the same economic position on an after-tax basis as if they had continued in such plans);
- with respect solely to Mr. Anson, a pro-rata amount of any bonus award for which the performance period has not been completed based on 100% of the target bonus award for such period to the extent that Mr. Anson is terminated on or after July 1 of the applicable year and bonuses are otherwise paid to the management of Liggett for that year;
- acceleration of the vesting of the named executive officer's stock options upon death or disability and with respect solely to Mr. Lorber, upon a termination of employment without cause or resignation for good reason; and,
- acceleration of the vesting of the named executive officer's restricted stock awards upon death, disability, a termination of employment without cause or resignation for good reason.

Payments Made Upon a Change in Control

Howard M. Lorber

Mr. Lorber's employment agreement has a "double-trigger" change in control provision: if his employment is terminated by the Company without cause or by Mr. Lorber for good reason within two years after a change in control (or before a change in control that actually occurs in anticipation of or at the request of a third party effectuating such a change in control), Mr. Lorber would be entitled to receive the following severance benefits:

- a lump-sum cash payment equal to 2.99 times the sum of his base salary plus the last annual bonus earned by him (up to 100% of base salary, including any deferred amount) for the performance period immediately preceding the date of termination;
- participation by Mr. Lorber and his eligible dependents in all welfare benefit plans in which they were participating on the date of termination until the earlier of (x) the end of the employment period under his employment agreement and (y) the date that he receives equivalent coverage and benefit under the plans and programs of a subsequent employer;
- continued participation at the Company's expense for 36 months in life, disability, accident, health and medical insurance benefits substantially similar to those received by Mr. Lorber and his eligible dependents prior to such termination, subject to reduction if comparable benefits are actually received from a subsequent employer; and
- termination of certain restrictive covenants in his employment agreement, including non-competition and non-solicitation covenants.

Mr. Lorber's unvested and outstanding equity awards will vest in full upon a change in control.

Richard J. Lampen, J. Bryant Kirkland III, Marc N. Bell and Nicholas P. Anson

While their respective employment agreements do not contain any change in control provisions, in the event of the termination of Messrs. Lampen, Kirkland, Bell and Anson by the Company without cause or by the named executive officer for good reason upon a change in control, such named executive officers would receive the same severance benefits described in the section titled "Payments Made Upon Termination" and "Payments Made Upon Involuntary Termination of Employment Without Cause or for Good Reason, Death or Disability," above. In addition, the unvested and outstanding stock options and restricted stock held by Messrs. Lampen, Kirkland and Bell will vest in full upon a change in control and the unvested restricted stock held by Mr. Anson will vest in full upon a change in control.

Definition of Change in Control

Pursuant to the employment agreement between the Company and Mr. Lorber, a "change in control" is deemed to occur if:

- a person unaffiliated with the Company acquires more than 40 percent control over its voting securities;
- the individuals who, as of January 1, 2006, are members of the Company's Board (the "Incumbent Board"), cease to constitute at least two-thirds of the Incumbent Board; however, a newly-elected director that was elected or nominated by two-thirds of the Incumbent Board shall be considered a member of the Incumbent Board;
- the Company's stockholders approve a merger, consolidation or reorganization with an unrelated entity, unless the Company's stockholders would own at least 51 percent of the voting power of the surviving entity; the individuals who were members of the Incumbent Board constitute at least a majority of the members of the board of directors of the surviving entity; and no person (other than one of the Company's affiliates) has beneficial ownership of 40 percent or more of the combined voting power of the surviving entity's then outstanding voting securities;
- the Company's stockholders approve a plan of complete liquidation or dissolution of the Company; or
- the Company's stockholders approve the sale or disposition of all or substantially all of the Company's assets.

Definition of Termination for Cause

Under each of the employment agreements with Messrs. Lorber, Lampen, Kirkland and Bell, termination by the Company for "cause" is defined as the executive:

- being convicted of or entering a plea of nolo contendere with respect to a criminal offense constituting a felony;
- committing in the performance of his duties under his employment agreement one or more acts or omissions constituting fraud, dishonesty or willful injury to the Company which results in a material adverse effect on the business, financial condition or results of operations of the Company;

- committing one or more acts constituting gross neglect or willful misconduct which results in a material adverse effect on the business, financial condition or results of operations of the Company;
- exposing the Company to criminal liability substantially and knowingly caused by the executive which results in a material adverse effect on the business, financial condition or results of operations of the Company; or
- failing to substantially perform his duties under his employment agreement (excluding any failure to meet any performance targets or to raise capital or any failure as a result of an approved absence or any mental or physical impairment that could reasonably be expected to result in a disability), after written warning from the Board specifying in reasonable detail the breach(es) complained of.

Under the employment agreement between Liggett and Mr. Anson, “cause” is defined as:

- a material breach by Mr. Anson of his duties and obligations under his employment agreement which breach is not remedied to the satisfaction of the board of managers of Liggett (“Liggett Board”), within 30 days after receipt by Mr. Anson of written notice of such breach from the Liggett Board;
- Mr. Anson’s conviction or indictment for a felony;
- an act or acts of personal dishonesty by Mr. Anson intended to result in personal enrichment of Mr. Anson at the expense of the Company or any of its affiliates or any other material breach or violation of Mr. Anson’s fiduciary duty owed to the Company or any of its affiliates;
- material violation of any Company or Liggett policy or the Company’s code of business conduct and ethics; or
- any grossly negligent act or omission or any willful and deliberate misconduct by Mr. Anson that results, or is likely to result, in material economic, or other harm, to the Company or any of its affiliates (other than any act or omission by Mr. Anson if it was taken or omitted to be done by Mr. Anson in good faith and with a reasonable belief that such action or omission was in the best interests of the Company).

Definition of Termination for Good Reason

Under each of the employment agreements with Messrs. Lorber, Lampen, Kirkland and Bell, termination by the executive for “good reason” is defined as:

- a material diminution of the executive’s duties and responsibilities provided in his employment agreement, including, without limitation, the failure to elect or re-elect the executive to his position (including with respect solely to Mr. Lorber, his position as a member of the Board) or the removal of the executive from any such position;
- a reduction of the executive’s base salary or target bonus opportunity as a percentage of base salary or any other material breach of any material provision of his employment agreement by the Company;
- relocation of the executive’s office from the Miami (or with respect solely to Mr. Lorber, Miami or New York City) metropolitan areas;
- the change in the executive’s reporting relationship from direct reporting to the Board, in the case of Mr. Lorber, to the Chairman and the CEO, in the case of Mr. Lampen, or to the Chairman, CEO or the Executive Vice President and COO, in the case of Messrs. Kirkland and Bell; or
- the failure of a successor to all or substantially all of the Company’s business or assets to promptly assume and continue his employment agreement obligations whether contractually or as a matter of law, within 15 days of such transaction.

Under the employment agreement with Mr. Anson, “good reason” exists if, without the prior written consent of Mr. Anson:

- Mr. Anson is removed as President and Chief Operating Officer of Liggett, other than in connection with the termination of his employment;
- a material reduction of Mr. Anson’s base salary, target annual bonus opportunity or the aggregate level of employee benefits made available in his employment agreement;
- Mr. Anson’s duties and responsibilities at Liggett are significantly diminished or there are assigned to him duties and responsibilities materially inconsistent with his position; or
- Mr. Anson is required to relocate more than 75 miles from Mr. Anson’s current work location.

Assumptions Regarding Post-Termination Payment Tables

The following tables were prepared as though each named executive officer's employment was terminated on December 31, 2021 using the closing price of the Company's Common Stock as of that day (\$11.48). The amounts under the columns which reflect a change in control assume that a change in control followed by a qualifying termination of employment occurred on December 31, 2021. However, the executives' employment was not terminated on December 31, 2021 and a change in control did not occur on that date. There can be no assurance that a termination of employment, a change in control or both would produce the same or similar results as those quantified below if either or both of these events occur on any other date or at any other price, or if any other assumption used in these estimates changes based on the facts and circumstances at the time of an actual change in control or termination of employment.

Equity-Based Assumptions

- Stock options held by Messrs. Lorber, Lampen, Kirkland and Bell would have vested on December 31, 2021 with respect to a change in control or a termination of employment due to the executive's death, disability, or with respect solely to Mr. Lorber, upon a termination of employment without cause or resignation for good reason. Mr. Anson did not hold any unvested stock options at December 31, 2021.
- Restricted stock held by Messrs. Lorber, Lampen, Kirkland, Bell and Anson would have vested on December 31, 2021 with respect to a termination of employment due to the executive's death, disability, or upon a termination of employment without cause or resignation for good reason or a change in control.
- Stock options that became vested due to a change in control were valued based on their "spread" (i.e., the difference between the stock's fair market value and the exercise price).
- It is possible that in the case of Mr. Lorber's payments, IRS rules would require these items to be valued using a valuation method such as, with respect to stock options, the Black-Scholes model if the stock options were continued after a change in control. Using a Black-Scholes value in lieu of the "spread" would cause higher value for excise taxes and the related tax gross-up payment.

Incentive Plan Assumptions

- All amounts under the 2014 Plan were deemed to have been earned for 2021 in full based on actual performance and are not treated as subject to the excise tax upon a change in control.

Retirement Benefit Assumptions

- All benefits were assumed to be payable in a single lump sum at the participant's assumed retirement date.

Howard M. Lorber

	Termination by Company without Cause or by Named Executive Officer with Good Reason	Disability	Death	Termination by Company for Cause or Voluntary Termination by Named Executive Officer Without Good Reason	Termination by Company without Cause or by Named Executive Officer with Good Reason upon a Change in Control
Cash Severance	\$ 20,393,757 ⁽¹⁾	\$ 20,393,757 ⁽¹⁾	\$ 20,393,757 ⁽¹⁾	\$ —	\$ 20,325,778 ⁽²⁾
Value of Accelerated Unvested Equity (3)	\$ 12,230,623	\$ 12,230,623	\$ 12,230,623	\$ —	\$ 12,230,623
Benefits Continuation (4)	\$ 136,334	\$ 136,334	\$ 22,056	\$ —	\$ 136,334
Value of Supplemental Retirement Plan (5)	\$ 39,392,357	\$ 39,392,357	\$ 39,392,357	\$ 39,392,357	\$ 39,392,357
Excise Tax and Gross-Up	\$ —	\$ —	\$ —	\$ —	\$ — ⁽⁶⁾

(1) Reflects the value of the sum of Mr. Lorber's 2021 base salary (\$3,426,270) and last paid bonus limited to 100% of base salary (\$3,371,649) paid over a period of 36 months after termination.

(2) Reflects the value of the sum of Mr. Lorber's 2021 base salary (\$3,426,270) and last paid bonus limited to 100% of base salary (\$3,371,649) for a period of 2.99 years paid in a lump-sum payment commencing after termination.

- (3) Reflects the value of any unvested stock options or restricted stock and related dividends that would have vested upon the event using the closing price of the Company's Common Stock on December 31, 2021 (\$11.48). See "Outstanding Equity Awards at December 31, 2021."
- (4) Reflects the value of premium payments for life insurance, medical, dental and disability plans for 36 months, as applicable, at the Company's cost, based on 2021 premiums.
- (5) Reflects the lump-sum value of the benefits accrued under the Supplemental Retirement Plan as of December 31, 2021. See "Pension Benefits at 2021 Fiscal Year End."
- (6) Mr. Lorber is entitled to receive a tax gross-up for any excise taxes and related income taxes on gross-ups for benefits received upon a change in control. Based on the assumptions set forth above, no excise tax would be due on a qualifying termination of Mr. Lorber's employment in connection with a change in control.

Richard J. Lampen

	Termination by Company without Cause or by Named Executive Officer with Good Reason			Termination by Company for Cause or Voluntary Termination by Named Executive Officer Without Good Reason		Termination by Company without Cause or by Named Executive Officer with Good Reason upon a Change in Control
		Disability	Death			
Cash Severance (1)	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000	\$ —	\$ —	\$ 3,400,000
Value of Accelerated Unvested Equity (2)	\$ 2,404,500	\$ 2,404,500	\$ 2,404,500	\$ —	\$ —	\$ 2,404,500
Benefits Continuation (3)	\$ 86,762	\$ 86,762	\$ 14,703	\$ —	\$ —	\$ 86,762
Value of Supplemental Retirement Plan (4)	\$ 4,672,327	\$ 4,672,327	\$ 4,672,327	\$ 4,672,327	\$ —	\$ 4,672,327
Excise Tax and Gross-Up (not applicable)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

- (1) Reflects the value of the sum of Mr. Lampen's 2021 base salary (\$1,250,000) and last paid bonus limited to 50% of base salary (\$450,000) paid over a period of 24 months commencing after termination.
- (2) Reflects the value of any unvested stock options or restricted stock and related dividends that would have vested upon the event using the closing price of the Company's Common Stock on December 31, 2021 (\$11.48). See "Outstanding Equity Awards at December 31, 2021."
- (3) Reflects the value of premium payments for life insurance, medical, dental and disability plans for 24 months, as applicable, at the Company's cost, based on 2021 premiums.
- (4) Reflects the lump-sum value of the benefits accrued under the Supplemental Retirement Plan as of December 31, 2021. See "Pension Benefits at 2021 Fiscal Year End."

J. Bryant Kirkland III

	Termination by Company without Cause or by Named Executive Officer with Good Reason			Termination by Company for Cause or Voluntary Termination by Named Executive Officer Without Good Reason		Termination by Company without Cause or by Named Executive Officer with Good Reason upon a Change in Control
		Disability	Death			
Cash Severance (1)	\$ 1,466,630	\$ 1,466,630	\$ 1,466,630	\$ —	\$ —	\$ 1,466,630
Value of Accelerated Unvested Equity (2)	\$ 1,284,850	\$ 1,284,850	\$ 1,284,850	\$ —	\$ —	\$ 1,284,850
Benefits Continuation (3)	\$ 44,372	\$ 44,372	\$ —	\$ —	\$ —	\$ 44,372
Value of Supplemental Retirement Plan (4)	\$ 1,290,867	\$ 1,290,867	\$ 1,577,726	\$ —	\$ —	\$ 1,290,867
Excise Tax and Gross-Up (not applicable)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

- (1) Reflects the value of the sum of Mr. Kirkland's 2021 base salary (\$550,000) and last paid bonus limited to 33.33% of base salary (\$183,315) paid over a period of 24 months commencing after termination.
- (2) Reflects the value of any unvested stock options or restricted stock and related dividends that would have vested upon the event using the closing price of the Company's Common Stock on December 31, 2021 (\$11.48). See "Outstanding Equity Awards at December 31, 2021."
- (3) Reflects the value of premium payments for life insurance, medical, dental and disability plans for 24 months, as applicable, at the Company's cost, based on 2021 premiums.
- (4) Reflects the lump-sum value of the benefits accrued under the Supplemental Retirement Plan as of December 31, 2021. See "Pension Benefits at 2021 Fiscal Year End."

Marc N. Bell

	Termination by Company without Cause or by Named Executive Officer with Good Reason	Disability	Death	Termination by Company for Cause or Voluntary Termination by Named Executive Officer Without Good Reason	Termination by Company without Cause or by Named Executive Officer with Good Reason upon a Change in Control
Cash Severance (1)	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ —	\$ 1,187,500
Value of Accelerated Unvested Equity (2)	\$ 1,284,850	\$ 1,284,850	\$ 1,284,850	\$ —	\$ 1,284,850
Benefits Continuation (3)	\$ 105,189	\$ 105,189	\$ 56,280	\$ —	\$ 105,189
Value of Supplemental Retirement Plan (4)	\$ 2,256,142	\$ 2,256,142	\$ 2,256,142	\$ 2,256,142	\$ 2,256,142
Excise Tax and Gross-Up (not applicable)	\$ —	\$ —	\$ —	\$ —	\$ —

- (1) Reflects the value of the sum of Mr. Bell's 2021 base salary (\$475,000) and last paid bonus limited to 25% of base salary (\$118,750) paid over a period of 24 months commencing after termination.
- (2) Reflects the value of any unvested stock options or restricted stock and related dividends that would have vested upon the event using the closing price of the Company's Common Stock on December 31, 2021 (\$11.48). See "Outstanding Equity Awards at December 31, 2021."
- (3) Reflects the value of premium payments for life insurance, medical, dental and disability plans for 24 months, as applicable, at the Company's cost, based on 2021 premiums.
- (4) Reflects the lump-sum value of the benefits accrued under the Supplemental Retirement Plan as of December 31, 2021. See "Pension Benefits at 2021 Fiscal Year End."

Nicholas P. Anson

	Termination by Company without Cause or by Named Executive Officer with Good Reason	Disability	Death	Termination by Company for Cause or Voluntary Termination by Named Executive Officer Without Good Reason	Termination by Company without Cause or by Named Executive Officer with Good Reason upon a Change in Control
Cash Severance (1)	\$ 1,300,000	\$ —	\$ 1,300,000	\$ —	\$ 1,300,000
Value of Accelerated Unvested Equity (2)	\$ 114,800	\$ 114,800	\$ 114,800	\$ —	\$ 114,800
Benefits Continuation (3)	\$ 58,570	\$ 58,570	\$ 51,670	\$ —	\$ 58,570
Value of Retirement Benefits (4)	\$ —	\$ —	\$ —	\$ —	\$ —
Excise Tax and Gross-Up (not applicable)	\$ —	\$ —	\$ —	\$ —	\$ —

- (1) Reflects the value of the sum of Mr. Anson's 2021 base salary (\$650,000) paid over a period of 24 months, as applicable, commencing after termination. After 12 months, Mr. Anson's cash severance is reduced by any salary, bonus, consulting fees or other compensation earned (irrespective of when paid) from any employment or consulting work.
- (2) Reflects the value of any unvested restricted stock and related dividends that would have vested upon the event using the closing price of the Company's Common Stock on December 31, 2021 (\$11.48). See "Outstanding Equity Awards at December 31, 2021."
- (3) Reflects the value of premium payments for life insurance, medical, dental and disability plans for 24 months, as applicable, at the Company's cost, based on 2021 premiums.
- (4) Mr. Anson is not a participant in the Supplemental Retirement Plan as of December 31, 2021.

Compensation of Directors

The compensation of the Company's non-employee directors is designed to be fair based on the amount of work required of directors of the Company. Under our current director compensation program, each of the non-employee directors receives:

- annual cash retainer fee of \$75,000;
- annual committee retainer fee of \$5,000;

- fees for serving as the committee chairperson of \$25,000 for the corporate governance and nominating committee and \$10,000 for each of the compensation and human capital and audit committees;
- periodic grants of restricted shares (the Company did not make any equity grants to its non-employee directors during 2021, other than a grant of 3,500 restricted shares to Mr. White upon his election to the Board);
- reimbursement for reasonable out-of-pocket expenses incurred in serving on the Company's Board; and
- access to and payment for the Company's health, dental and standard life insurance coverage.

The table below summarizes the compensation the Company paid to the non-employee directors for the year ended December 31, 2021.

NON-EMPLOYEE DIRECTOR COMPENSATION IN FISCAL YEAR 2021

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Stanley S. Arkin (3)	\$ 90,000	\$ —	\$ 4,944 (1)	\$ 94,944
Henry C. Beinstein (3)	\$ 90,000	\$ —	\$ 39,093 (2)	\$ 129,093
Ronald J. Bernstein	\$ 75,000	\$ —	\$ 37,197 (2)	\$ 112,197
Paul V. Carlucci (3)	\$ 85,000	\$ —	\$ 22,789 (2)	\$ 107,789
Bennett S. LeBow (3)	\$ 80,000	\$ —	\$ 39,093 (2)	\$ 119,093
Jean E. Sharpe (3)	\$ 110,000	\$ —	\$ 16,306 (2)	\$ 126,306
Barry Watkins (3)	\$ 80,000	\$ —	\$ 2,319 (2)	\$ 82,319
Wilson L. White (3), (4)	\$ 42,000	\$ 46,742	\$ 120 (1)	\$ 88,862

- (1) Represents life insurance premiums paid by the Company.
(2) Represents health and life insurance premiums paid by the Company.
(3) Held 3,500 shares of unvested restricted stock at December 31, 2021.
(4) Mr. White was elected as a director on June 21, 2021.

Compensation and Human Capital Committee Interlocks and Insider Participation

No member of the Company's compensation and human capital committee is, or has been, an employee or officer of the Company other than Ms. Sharpe who joined the compensation and human capital committee in March 2009. Ms. Sharpe retired as an officer of the Company in 1993. During 2021, (i) no member of the Company's compensation and human capital committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K; and (ii) none of the Company's executive officers served on the compensation and human capital committee (or other board committee performing equivalent functions or, in the absence of such committee, the board of directors) of another entity whose executive officer(s) served on the Company's compensation and human capital committee.

Audit Committee Report

Management is responsible for the Company's financial statements and the reporting process, including the systems of internal controls over financial reporting. The audit committee's role is to oversee the Company's accounting and financial reporting processes and audits of financial statements. In 2021, we assisted the Board in its oversight of the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, independence and performance, the oversight of the Company's internal audit function and the Company's risk assessment and its risk management guidelines and policies.

The audit committee oversees the Company's management, the internal audit function and Deloitte & Touche LLP ("Deloitte"), the Company's independent registered public accounting firm. Management is responsible for preparing the Company's consolidated financial statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"), assessing and establishing effective financial reporting systems and internal controls and procedures and reporting on the effectiveness of the Corporation's internal controls over financial reporting. The internal audit function is responsible for assessing management's system of internal controls and procedures and reporting on the effectiveness of that system. Deloitte is responsible for auditing the Company's consolidated financial statements, issuing an opinion about whether such statements conform with U.S. GAAP and auditing the effectiveness of the Company's Internal Control over financial reporting.

Periodically, the audit committee meets, both independently and collectively, with management, the internal auditors and the independent registered public accountant, to discuss the quality of the Company's accounting and financial reporting processes and the adequacy and effectiveness of internal controls and procedures and to review significant audit findings prepared by the public accountants and the internal auditors, together with management's responses and review the overall scope and plans for audits.

Prior to the Company's filing of its annual report on Form 10-K for the year ended December 31, 2021 with the SEC, the audit committee also reviewed and discussed the audited financial statements with management and the independent registered public accountant, discussed with Deloitte the items they are required to communicate to the audit committee in accordance with the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") and the SEC, received from Deloitte the written disclosures and the letter required by PCAOB regarding its communications with the audit committee concerning its independence and discussed with Deloitte its independence from the Company, including the review of non-audit services and fees in compliance with the regulations prohibiting Deloitte from performing specified services that could impair independence.

Based on the review and discussions referred to above, the audit committee recommended to the Board that the audited financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC.

This report is submitted by the audit committee of the Company.

Henry C. Beinstein, Chairman
Paul V. Carlucci
Jean E. Sharpe
Wilson L. White

Audit and Non-Audit Fees

The audit committee reviews and approves audit and permissible non-audit services performed by Deloitte, as well as the fees charged by Deloitte for such services. In accordance with Section 10A(i) of the Securities Exchange Act, before Deloitte is engaged to render audit or non-audit services, the engagement is approved by the audit committee. All of the services provided and fees charged by Deloitte in 2021 and 2020 were pre-approved by the audit committee.

Pre-Approval Policies and Procedures. The audit committee has adopted a policy that requires advance approval of all audit, audit-related, tax and other services performed by the independent registered certified public accounting firms. The policy provides for pre-approval by the audit committee of specifically defined audit and non-audit services. Unless the specific service has been previously pre-approved with respect to that year, the audit committee must approve the permitted service before any independent registered public accounting firm is engaged to perform it. The audit committee approved all services provided by Deloitte in 2021 and 2020.

Audit Fees. The aggregate fees billed by Deloitte for professional services for the audit of the annual financial statements of the Company and its consolidated subsidiaries, audit of effectiveness of internal control over financial reporting under Sarbanes-Oxley Section 404, audits of subsidiary financial statements, reviews of the financial statements included in the Company’s quarterly reports on Form 10-Q, comfort letters, consents and review of documents filed with the SEC were \$5,260,530 for 2021 and \$3,492,674 for 2020.

Audit-Related Fees. There were no aggregate fees billed by Deloitte for professional services for audit-related fees in 2021 and 2020.

Tax Fees. The aggregate fees billed by Deloitte for professional services for tax were \$104,641 in 2021 and \$0 in 2020. The tax services in 2021 were for federal tax advice related to changes in the U.S. tax law related to the Tax Cuts and Jobs Act of 2017.

All Other Fees. The aggregate fees billed for other services by Deloitte were \$7,390 in 2021 and \$7,390 in 2020. The amounts consisted of licensing of accounting research software.

Equity Compensation Plan Information

The following table summarizes information about the options, warrants and rights and other equity compensation under the Company’s equity plans as of December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (2)
Equity compensation plans approved by stockholders (1)	3,822,819	\$15.40	6,377,538
Equity compensation plans not approved by stockholders	—	—	—
Total	3,822,819	\$15.40	6,377,538

(1) Includes options to purchase shares of the Company’s Common Stock under the following stockholder-approved plans: 1999 Plan and 2014 Plan.

(2) Excluding securities reflected in first column.

Certain Relationships and Related Party Transactions

The Board has adopted a written policy for the review and approval of transactions between the Company and its directors, director nominees, executive officers, greater-than-five-percent beneficial owners and their immediate family members. The policy covers any related party transaction that meets the minimum threshold for disclosure in the Company’s proxy statement under the relevant SEC rules. The audit committee is responsible for reviewing and, if appropriate, approving or ratifying any related party transactions. In determining whether to approve, disapprove or ratify a related party transaction, the audit committee will take into account, among other factors it deems appropriate, (i) whether the transaction is on terms no less favorable to the Company than terms that would have been reached with an unrelated third party, (ii) the extent of the interest of the related party in the transaction and (iii) the purpose and the potential benefits to the Company of the transaction.

The related party transactions described in this proxy statement entered into before this policy was adopted were approved by the Board or the audit committee.

On February 18, 2020, the Company and Liggett Vector Brands entered into a letter agreement with Mr. Bernstein pursuant to which he will serve as Non-Executive Chairman of the Board of Managers of Liggett Vector Brands and as a Senior Advisor to Liggett, effective April 1, 2020. The term of the letter agreement is for one year unless the term is earlier terminated or extended in accordance with the letter agreement. The agreement has been renewed for 2022. In such roles, Mr. Bernstein (i) provides advice and counsel regarding all aspects of the Liggett business to the senior management of Liggett, (ii) assists with special projects as requested by the senior management of the Company, (iii) continues to assist the Company with investor and stockholder engagement as well as community, customer and business relations as requested by the senior management of the Company, (iv) performs such additional duties as are customarily performed by a non-executive chairman

and member of a board of managers and (v) performs such other services as the parties may mutually agree upon during the term. As compensation for these services, Mr. Bernstein receives \$60,000 per month as well as access to an office, administrative support and reimbursement of expenses reasonably incurred in connection with the services, subject to existing reimbursement policy of Liggett Vector Brands. If Mr. Bernstein terminates the arrangement due to material breach by Liggett Vector Brands or Liggett Vector Brands terminates the arrangement other than for “cause” (as defined in the agreement), Liggett Vector Brands will pay the monthly fee to Mr. Bernstein and provide him with the other benefits under the letter agreement, in each case for the remainder of the term. Mr. Bernstein will not be entitled to these payments or benefits upon any other termination. Under the letter agreement, Mr. Bernstein is also subject to perpetual confidentiality and non-disparagement covenants as well as non-solicitation and non-competition covenants that expire 24 months after receipt of the last payment under the letter agreement. Mr. Bernstein received \$720,000 under the agreement in 2021.

In September 2012, the Company entered into an office lease with Frost Real Estate Holdings, LLC, an entity affiliated with Dr. Phillip Frost, who beneficially owns more than 5% of the Company's Common Stock, to lease 12,390 square feet of space in an office building in Miami, Florida. The lease, which was extended for five years in 2018, currently provides for payments from \$36,346 per month in the first year increasing to \$41,307 per month in the fifth year. The rent is inclusive of operating expenses, property taxes and general parking expenses. In connection with the execution of the initial lease, the Company received the advice and opinion of a commercial real estate firm that the initial lease terms were fair and that the Company received terms favorable in the market. The Company recognized rental expense of \$458,349 in 2021 associated with the lease.

Mr. Lorber serves as a consultant and a 50% owner of Open Acq LLC. During 2021, Mr. Lorber and Open Acq LLC and its affiliates received ordinary and customary insurance commissions aggregating approximately \$240,784 on various insurance policies issued for the Company and its subsidiaries and investees. Open Acq LLC and its affiliates have continued to provide services to the Company in 2022.

Michael S. Lorber, Mr. Lorber's son, is a real estate agent whose license is held at a subsidiary of Douglas Elliman, an indirect subsidiary of the Company before December 30, 2021, and who received commissions and other payments of \$924,762 in accordance with brokerage activities in 2021.

Daniel A. Sachar, the son-in-law of Mr. Lampen, serves as Vice President, Enterprise Innovation and Managing Director of New Valley Ventures LLC, which was a subsidiary of the Company before December 30, 2021, and received total compensation, which included salary, bonus and 401(k) matching awards of approximately \$307,000 in 2021.

In March 2021, the Company, through New Valley Ventures LLC, its former subsidiary, invested \$250,000 in EVPassport, Inc., a company that markets charging stations for electrified vehicles. In addition to the Company's investment, certain executive officers and employees of the Company and its subsidiaries made investments on the same terms as the Company. Messrs. Lorber and Lampen, as well as J. David Ballard, the Company's Senior Vice President, Enterprise Efficiency and Chief Technology Officer, invested \$60,000 each, and Messrs. Bell, Kirkland and Sachar invested \$30,000 each. Dr. Frost also invested \$240,000 in EVPassport, Inc. on the same terms.

Mr. Kirkland serves as Chairman of the Board of Directors and as President and CEO of Multi Solutions, II, Inc., an approximately 53%-owned subsidiary of the Company. The Company has entered into a \$600,000 credit facility, as amended, with Multi Solutions II, Inc. and, as of March 31, 2022, had advanced \$572,799 under the facility, which bears interest at 11% per annum and is due December 31, 2023. As of March 31, 2022, there was accrued interest on the facility due to the Company by Multi Solutions II, Inc. of \$379,497.

Mr. Kirkland serves as Chairman of the Board of Directors and as President and CEO of Multi Soft II, Inc. (OTC BB: MSOF), an approximately 54%-owned subsidiary of the Company. The Company has entered into a \$600,000 credit facility, as amended, with Multi Soft II, Inc. and, as of March 31, 2022, had advanced \$567,111 under the facility, which bears interest at 11% per annum and is due December 31, 2023. As of March 31, 2022, there was accrued interest on the facility due to the Company by Multi Soft II, Inc. of \$369,030.

Agreements with Douglas Elliman Inc. On December 29, 2021, the Company completed the distribution of Douglas Elliman, which included the real estate services and PropTech investment business formerly owned by the Company through its subsidiary, New Valley.

The Company and Douglas Elliman entered into a Distribution Agreement and a Transition Services Agreement with respect to transition services and a number of ongoing commercial relationships. Under the Transition Services Agreement, no amounts were received in 2021 and Douglas Elliman will pay the Company \$4,200,000 in 2022.

Subject to applicable Federal Aviation Administration rules, subsidiaries of the Company have entered into dry lease agreements with Douglas Elliman and certain of its subsidiaries, pursuant to which Douglas Elliman has the right to lease on a flight-by-flight basis certain aircraft owned by subsidiaries of the Company. Douglas Elliman is required to pay the Company an hourly rental rate for each flight and fixed costs are allocated on an equitable basis. No amounts were received under the aviation agreements in 2021.

Following the distribution of Douglas Elliman, there is an overlap between certain officers of the Company and Douglas Elliman. Howard M. Lorber serves as the President and CEO of the Company and of Douglas Elliman. Richard J. Lampen serves as the Executive Vice President and COO of the Company and of Douglas Elliman, J. Bryant Kirkland III serves as the CFO and Treasurer of the Company and of Douglas Elliman, Marc N. Bell serves as the General Counsel and Secretary of the Company and of Douglas Elliman, and J. David Ballard serves as Senior Vice President, Enterprise Efficiency and Chief Technology Officer of the Company and of Douglas Elliman. Furthermore, three of the members of the Board, Messrs. Lorber, Lampen and White, also serve as directors of Douglas Elliman.

BOARD PROPOSAL 2 — ADVISORY VOTE ON EXECUTIVE COMPENSATION (THE SAY ON PAY VOTE)

Pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, the Company is seeking a non-binding advisory vote from its stockholders regarding the compensation of its named executive officers as described in the “Compensation Discussion and Analysis” and the Summary Compensation Table. This proposal is also referred to as the say on pay vote.

The Company has designed its compensation programs to closely align the interests of management with the long-term interests of its stockholders, reward employees for producing sustainable growth and profitability, and to attract and retain high caliber talent. The Company believes that its compensation policies and procedures are centered on a pay-for-performance philosophy. In deciding how to vote on this proposal, the Board urges you to consider the following factors, which are more fully discussed in the “Compensation Discussion and Analysis:”

- A substantial portion of direct compensation shown in the Summary Compensation Table is variable (and therefore at risk) depending on performance (in 2021: 77% in the case of Mr. Lorber, 73% in the case of Mr. Lampen, 71% in the case of Mr. Kirkland, 73% in the case of Mr. Bell and 55% in the case of Mr. Anson). (Direct compensation includes total compensation reported in the Summary Compensation Table excluding the change in pension value.)
- The Company mitigates the risks associated with incentive compensation by using multiple performance targets, caps on potential incentive payments and a clawback policy.
- From 2013 to 2019, the Company awarded annual long-term incentive equity awards in the form of stock options that cliff vest after four years.
- In 2020 and 2021, the Company awarded restricted stock awards, which vest ratably over four years.
- The Company requires executives to retain 25% of equity awards under its Equity Retention Policy and encourages the accumulation of equity through its Equity Ownership Guidelines, all of which works to align the interests of executives with those of stockholders.
- Executives are prohibited from hedging shares of the Company's Common Stock.
- The Company does not reprice options or change performance targets for annual, long-term or equity-based awards after the awards are established.
- The Company requires both a change in control and a termination of employment (a “double trigger”) before cash severance payments will be made as a result of a change in control.
- The compensation and human capital committee considers the advice of an independent compensation consultant in making compensation determinations.

The Board recommends that stockholders vote FOR the following resolution:

“RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to the Company’s named executive officers, as disclosed in the May 2, 2022 proxy statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the executive compensation tables, and the related narrative discussion.”

Because your vote is advisory, it will not be binding upon the Board, meaning that prior compensation determinations of the Board will not be invalidated and the Board will not be required to adjust executive compensation programs or policies as a result of the outcome of the vote. However, the Board values stockholders’ opinions and the compensation and human capital committee will take into account the outcome of the vote when considering future executive compensation arrangements and corporate governance measures.

Approval of the say on pay resolution requires the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the annual meeting and entitled to vote on the matter.

The Company currently submits an advisory vote on executive compensation to its stockholders each year. The next such vote will be at the 2023 annual meeting of stockholders.

**The Board of Directors recommends that stockholders vote
“FOR”
advisory approval of the Company's executive compensation.**

BOARD PROPOSAL 3 — RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Company asks that stockholders ratify the appointment of Deloitte & Touche LLP, which has been the independent registered public accounting firm for the Company since June 2015, as its independent registered public accounting firm for the year ending December 31, 2022. It is expected that one or more representatives of such firm will attend the annual meeting and be available to respond to any questions. These representatives will be given an opportunity to make statements at the annual meeting if they desire.

If the appointment is not ratified, the adverse vote will be considered as an indication to the audit committee that it should consider selecting another independent registered public accounting firm for the following fiscal year. Even if the selection is ratified, the Company's audit committee, in its discretion, may select a new independent registered public accounting firm at any time during the year if it believes that such a change would be in the Company's best interest.

Approval of the ratification of the appointment of Deloitte as the Company's independent registered public accounting firm for the year ending December 31, 2022 requires the affirmative vote of the majority of shares of Common Stock present or represented, and entitled to vote thereon, at the annual meeting.

The Board of Directors recommends that stockholders vote "FOR" Proposal 3 to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2022.

PROPOSAL 4 - ADVISORY VOTE ON STOCKHOLDER PROPOSAL - INDEPENDENT BOARD CHAIRMAN

The Company received the following proposal from Kenneth Steiner, 14 Stoner Avenue, Apartment 2M, Great Neck, NY 11021:

Proposal 4 - Independent Board Chairman



The shareholders request that the Board of Directors adopt an enduring policy, and amend the governing documents as necessary in order that 2 separate people hold the office of the Chairman and the office of the CEO as follows:

Selection of the Chairman of the Board The Board requires the separation of the offices of the Chairman of the Board and the Chief Executive Officer.

Whenever possible, the Chairman of the Board shall be an Independent Director.

The Board has the discretion to select a Temporary Chairman of the Board who is not an Independent Director to serve while the Board is seeking an Independent Chairman of the Board.

The Chairman shall not be a former CEO of the company.

This policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition.

This proposal topic won 52% support at Boeing and 54% support at Baxter International in 2020. Boeing then adopted this proposal topic in 2020.

The roles of Chairman and CEO are fundamentally different and should be held by 2 directors, a CEO and a Chairman who is completely independent of the CEO and our company. The job of the CEO is to manage the company. The job of the Chairman is to oversee the CEO and management.

This proposal topic received 37% shareholder support at the 2019 Vector Group annual meeting. However the 37% support did not follow an annual meeting like the 2021 VGR annual meeting where VGR shareholders revolted and rejected management pay by a 51% vote and also gave 4 directors from 16% to 35% in negative votes (compared to a norm of 5%):

Jean Sharpe	16%
Barry Watkins	18%
Henry Beinstein	22%
Stanley Arkin	35%

With the current CEO serving as Chair this means giving up a substantial check and balance safeguard that can only occur with an independent Board Chairman.

The lack of an independent Board Chairman is an unfortunate way to discourage effective oversight and an unfortunate way to encourage the CEO to pursue pet projects that would not stand up to effective oversight.

Please vote yes:

Independent Board Chairman - Proposal 4

DIRECTORS' RESPONSE

THE BOARD OF DIRECTORS OPPOSES THE PROPOSED RESOLUTION AND UNANIMOUSLY RECOMMENDS A VOTE AGAINST PROPOSAL 4 FOR THE FOLLOWING REASONS:

The Company is committed to sound corporate governance policies and practices that enhance stockholder returns. After careful consideration, the Board believes that the proposal to adopt as policies and amend the Company's governing documents to require the separation of the offices of Chairman of the Board and Chief Executive Officer and require that the Chairman of the Board, whenever possible, be an independent member of the Board that is not a former Chief Executive Officer of the Company is not in the best interests of stockholders for the following reasons:

- the Company's existing leadership structure and governance practices demonstrate the Company's commitment to independent oversight of and by the Board, including a Chairman who is independent under the New York Stock Exchange listing rules and separate from the Company's Chief Executive Officer;
- the Board should continue to have flexibility to determine the best leadership scheme, rather than being forced to follow a rigid and prescriptive approach; and
- our stockholders considered a substantially similar proposal at our 2019 Annual Meeting, which failed after approximately 63% of votes cast were against that proposal.

The Company's existing leadership structure and governance practices, which include an independent Chairman and separates the roles of Chairman and Chief Executive Officer, demonstrates the Company's commitment to independent oversight of and by the Board.

We have thoroughly reviewed our corporate governance policies and practices and compared them with those recommended by shareholder advisory organizations and the practices of other publicly held companies. After such careful consideration, we believe our existing corporate governance policies and practices promote independence and effective oversight of management by the Board.

Our Board has determined that Bennett S. LeBow, the current Chairman of the Board, has no material relationship with the Company and meets the New York Stock Exchange listing standards for independence. Mr. LeBow's independence demonstrates the Company's ongoing commitment to independent oversight of the Board and highlights the Company's commitment to corporate governance practices that are effective in creating sustainable, long-term value for the Company's stockholders. The Board believes that Mr. LeBow's experience with the Company enables him to lead the Board effectively and independently. According to the 2021 Spencer Stuart Index, only 37% of all S&P 500 companies have an independent chairman, demonstrating that the Company is at the forefront of strong corporate governance practices in this regard.

The proponent incorrectly states that the current Chief Executive Officer also serves as Chairman. However, two different persons presently occupy these roles: Mr. LeBow as Chairman and Mr. Lorber as Chief Executive Officer. Since 2005, our Board has been in the practice of separating the roles of our Chairman and our Chief Executive Officer. In this context, the Company compares favorably with the majority (59%) of S&P 500 companies that have different individuals occupying the chairman and chief executive officer roles, according to the 2021 Spencer Stuart Index. The Board currently believes this approach allows our Chairman to focus on providing guidance to the Chief Executive Officer and presiding over the full board while our Chief Executive Officer focuses on the strategic direction of the Company and the day-to-day leadership and performance of the Company. This historical practice and judgment by the Board is more than adequate to ensure the independent functioning of our Board and independent oversight of management.

Furthermore, seven of the ten directors included in this proxy statement are independent under the New York Stock Exchange rules, including, as noted above, Chairman LeBow, and the Board's newest member, Mr. White, who joined the Board in 2021. Our independent directors have robust roles in overseeing our Company and its management. Each of the members of the Company's audit committee, compensation and human capital committee, and corporate governance and nominating committee meets the New York Stock Exchange listing standards for independence. In addition, the independent directors meet periodically in executive session, providing many opportunities for independent thinking and evaluation of the Chief Executive Officer and other officers.

The Board should continue to have flexibility to determine the best leadership scheme, rather than being forced to follow a rigid and prescriptive approach.

The Company's Corporate Governance Guidelines provide that the Board is free to choose its Chairman and Chief Executive Officer in any way it deems best for the Company at any time. Our Board believes that it is uniquely qualified to evaluate the optimal leadership structure for the Board on behalf of our Company and stockholders from time to time. The adoption of a mandate that the Chairman be an independent director and that the roles of Chairman and Chief Executive Officer be occupied by different persons would impose unnecessary restrictions on the Board in determining the optimal leadership structure, including by restricting the Board from considering relevant facts, circumstances and criteria that may exist in the future.

Our Board regularly reviews the Company's leadership structure and believes that the decisions of whom to appoint as Chairman and Chief Executive Officer should be based on the present needs of the Company, including the Company's strategic priorities, the benefit of continuity of leadership and expertise, the dynamic environment in which we operate and investor feedback. A policy that eliminates a candidate without regard to these considerations, such as the policy set forth by the proponent, is inappropriate and would limit the Board's ability to use its robust knowledge of the Company's leadership team, strategic goals, opportunities, and challenges when choosing the appropriate Chairman and Chief Executive Officer.

Furthermore, the Board has a fiduciary duty to act in the Company's and stockholders' best interests. The proper discharge of this duty requires the Board to retain the flexibility to determine the person(s) best suited for the roles of Chairman and Chief Executive Officer. This fiduciary duty mandates that the Board routinely evaluate and determine the most appropriate Board leadership structure. The Board believes that its decision should be driven by this fiduciary obligation to the Company and its stockholders, rather than a broad "one size fits all" approach that would be required by the proponent's proposal.

The Company's stockholders considered and rejected a substantially similar proposal by the proponent at our 2019 Annual Meeting.

At our 2019 Annual Meeting, the proponent made a substantially similar proposal to require that the Chairman be an independent member of the Board by amending the Company's governance documents, as necessary. However, the Company's stockholders considered and rejected that proposal, which failed after approximately 63% of votes cast were against that proposal.

Summary

The Board is continuously seeking new ways to improve the effectiveness of the Company's leadership to maximize value for stockholders and is committed to good governance and independent oversight. As discussed above, the Board continues to maintain its steadfast commitment to stockholder value maximizing governance practices. Our current Chairman of the Board is independent under the New York Stock Exchange listing standards and the Board is committed to choosing the best leadership structure for the company after considering all circumstances. This proposal seeks to limit the Board's ability to leverage its experience and deep knowledge of the Company in favor of a restrictive approach that would leave the Board with less room to navigate changed circumstances in the future. For the reasons discussed above, the Board believes that the current leadership structure and the actions of the Board highlight its commitment to strong governance and effective independent oversight while permitting the Board to exercise its judgment on the best approach for the Company moving forward.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL 4.

MISCELLANEOUS

Annual Report

The Company will mail, on or before May 19, 2022 with this proxy statement, a copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 to each stockholder as of the record date. If a stockholder requires an additional copy of such Annual Report, the Company will provide one, without charge, on the written request of any such stockholder addressed to the Company's Secretary, Marc N. Bell, at Vector Group Ltd., 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137.

Registering to Attend the Virtual Annual Meeting as a Beneficial Owner

If your shares are registered in the name of your broker, bank or other agent, you are the "beneficial owner" of those shares and those shares are considered as held in "street name." To attend the annual meeting, beneficial owners must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to virtually attend the annual meeting. Follow the instructions from your broker or bank included with the proxy materials, or contact your broker or bank to request a legal proxy form.

After obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the annual meeting, you must submit proof of your legal proxy reflecting the number of your shares along with your name and email address to American Stock Transfer & Trust Company, LLC ("AST"). Requests for registration should be directed to proxy@astfinancial.com or to facsimile number 718-765-8730.

Requests for registration must be labeled as "Legal Proxy" and be received by AST no later than 5:00 PM ET on Monday, June 20, 2022.

You will receive confirmation of your registration by email after AST receives your registration materials, after which you may attend the annual meeting and vote your shares at <https://web.lumiagm.com/254176245> during the meeting.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires directors and executive officers of the Company, as well as persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of initial beneficial ownership and changes in beneficial ownership on Forms 3, 4 and 5 with the SEC. These persons are also required by SEC regulations to furnish the Company with copies of all reports that they file. As a practical matter, the Company assists its directors and officers by monitoring transactions and completing and filing Section 16 reports on their behalf.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company and written representations that no Forms 5 were required, during and with respect to the fiscal year ended December 31, 2021, all reporting persons timely complied with all filing requirements applicable to them with respect to the Company's equity securities, except that, due to a delay in generating his SEC EDGAR filing codes, a Form 4 was not filed within the required period for Mr. White, a director, in connection with his initial director equity grant.

Communications with Directors

Any stockholder and other interested parties wishing to communicate with any of the Company's directors regarding the Company may write to the director, c/o the Company's Secretary, Marc N. Bell, at Vector Group Ltd., 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137. The secretary will forward these communications directly to the director(s) in question. The independent directors of the Board review and approve this communication process periodically to ensure effective communication with stockholders and other interested parties.

Although the Company does not have a policy with regard to directors' attendance at the annual meeting of stockholders, all of the directors are invited to attend such meeting. Seven of the Company's directors were in attendance at the Company's 2021 annual meeting.

Stockholder Proposals for the 2023 Annual Meeting

Proposals of stockholders intended to be presented at the 2023 annual meeting of stockholders of the Company and included in the Company's proxy statement for that meeting pursuant to Rule 14a-8 of the Exchange Act must be received by the Company at its principal executive offices, 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137, Attention: Marc N. Bell, Company Secretary, on or before January 19, 2023 in order to be eligible for inclusion in the Company's proxy

statement relating to that meeting. Notice of a stockholder proposal submitted outside the processes of Rule 14a-8 will be considered untimely unless submitted by March 30, 2023.

Director nominees for inclusion in the Company's proxy statement relating to the 2023 annual meeting of stockholders, pursuant to the Company's proxy access bylaw, must be received by the Company at its principal executive offices, 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137, Attention: Marc N. Bell, Company Secretary, no earlier than December 20, 2022 and no later than January 19, 2023.

In addition to satisfying the foregoing advance notice requirements under the Company's Bylaws, to comply with the universal proxy rules (once effective) under the Exchange Act, stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act either postmarked or transmitted electronically to the Company no later than April 29, 2023, which is 60 days prior to the anniversary date of the 2022 Annual Meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIAL FOR THE
STOCKHOLDER MEETING TO BE HELD ON JUNE 28, 2022**

A copy of this proxy statement, the enclosed proxy card and the 2021 Annual Report of Vector Group Ltd. on Form 10-K can be found at the website address: www.vectorgrouppltd.com/investor-relations/.

Householding of Annual Meeting Materials

Some banks, brokers, broker-dealers and other similar organizations acting as nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of this proxy statement and the Annual Report may have been sent to multiple stockholders in your household. If you would prefer to receive separate copies of a proxy statement or Annual Report for other stockholders in your household, either now or in the future, please contact your bank, broker, broker-dealer or other similar organization serving as your nominee. Upon written or oral request to Vector Group Ltd., 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137, or via telephone at 305-579-8000, the Company will provide separate copies of the Annual Report and/or this proxy statement. If a stockholder receives multiple copies of the Annual Report and/or this proxy statement, he or she may request householding in the future by contacting the Company at 4400 Biscayne Boulevard, 10th Floor, Miami, Florida 33137 or calling 305-579-8000.

Other Matters

The cost of this solicitation of proxies will be borne by the Company. The Company has hired Georgeson Shareholder Communications Inc. (“Georgeson”) to solicit proxies. Georgeson will solicit by personal interview, mail, telephone and email, and will request brokerage houses and other custodians, nominees and fiduciaries to forward soliciting material to the beneficial owners of Common Stock held of record by such persons. The Company will pay Georgeson a customary fee, anticipated to be approximately \$50,000, covering its services and will reimburse Georgeson for reasonable expenses incurred in forwarding soliciting material to the beneficial owners of Common Stock. In addition, some of the directors, officers and regular employees of the Company may, without additional compensation, solicit proxies personally or by telephone.

The Board knows of no other matters which will be presented at the annual meeting. If, however, any other matter is properly presented at the annual meeting, the proxy solicited by this proxy statement will be voted in accordance with the judgment of the person or persons holding such proxy.

By Order of the Board of Directors,



HOWARD M.
LORBER
*President and
Chief Executive
Officer*

Dated: May 2, 2022

VECTOR GROUP LTD.

PROXY

SOLICITED BY THE BOARD OF DIRECTORS FOR USE AT THE 2022 ANNUAL MEETING OF STOCKHOLDERS OF VECTOR GROUP LTD.

The undersigned stockholder of Vector Group Ltd. (the "Company") hereby constitutes and appoints each of Marc N. Bell and J. Bryant Kirkland III attorney and proxy of the undersigned, with power of substitution, to attend, vote and act for the undersigned at the 2022 Annual Meeting of Stockholders of the Company, a Delaware corporation, to be held via live webcast at <https://web.lumiagn.com/254176245> on Tuesday, June 28, 2022 at 10:00 a.m. eastern time, and at any adjournments or postponements thereof, with respect to the following on the reverse side of this proxy card and, in their discretion, on such other matters as may properly come before the meeting and at any adjournments or postponements thereof.

(Continued and to be signed on the reverse side.)

ANNUAL MEETING OF STOCKHOLDERS OF VECTOR GROUP LTD.

June 28, 2022

GO GREEN

e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card are available at <http://www.astproxyportal.com/ast/03819/>

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

Please detach along perforated line and mail in the envelope provided.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** ITEMS 1, 2 AND 3 AND **AGAINST** ITEM 4. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE R

The Board of Directors recommends you vote FOR all the listed nominees on Item 1.

1. The election to Vector's Board of Directors of the ten nominees named in the Proxy Statement: Nominees:	For	Against	Abstain
1a. Bennett S. LeBow	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1b. Howard M. Lorber	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1c. Richard J. Lampen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1d. Stanley S. Arkin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1e. Henry C. Beinstein	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1f. Ronald J. Bernstein	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1g. Paul V. Carlucci	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1h. Jean E. Sharpe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1i. Barry Watkins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1j. Wilson L. White	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

2. Advisory approval of executive compensation (say on pay):

FOR	<input type="radio"/>
AGAINST	<input type="radio"/>
ABSTAIN	<input type="radio"/>

3. Approval of ratification of Deloitte & Touche LLP as independent registered public accounting firm for the year ending December 31, 2022:

FOR	<input type="radio"/>
AGAINST	<input type="radio"/>
ABSTAIN	<input type="radio"/>

The Board of Directors recommends you vote AGAINST Item 4.

4. Advisory approval of a stockholder proposal requesting the Company to amend its governing documents to require the Chairman of the Board of Directors to be an independent director.

FOR	<input type="radio"/>
AGAINST	<input type="radio"/>
ABSTAIN	<input type="radio"/>

The shares represented by this proxy will be voted in the manner directed by the undersigned stockholder. If not otherwise directed, this proxy will be voted FOR the election of the nominees, FOR the advisory say on pay vote, FOR the ratification of the independent registered public accounting firm and AGAINST the advisory stockholder proposal regarding the adoption of a bylaw for the Chairman of the Board of Directors to be an independent director.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder _____ Date _____ Signature of Stockholder _____ Date _____

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.