TANGER FACTORY OUTLET CENTERS INC
Form DEF 14A
April 04, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

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 Rule 14a-12

Tanger Factory Outlet Centers, Inc.

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1) Title of each class of securities to which transaction applies:
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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials:
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3) Filing Party:
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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS To be held on May 18, 2018

Tanger Factory Outlet Centers, Inc.

3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408
Phone: 336-292-3010
E-mail: tangermail@tangeroutlets.com
NYSE: SKT

DEAR SHAREHOLDERS:

On behalf of the Board of Directors, I cordially invite you to attend the 2018 Annual Meeting of Shareholders of Tanger Factory Outlet Centers, Inc. to be held on Friday, May 18, 2018 at 10:00 a.m., Eastern Time at the Corporate Office of Tanger Factory Outlet Centers, Inc., 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408, (336) 292-3010 for the following purposes:

1. To elect the eight director nominees named in the attached Proxy Statement for a term of office expiring at the 2019 annual meeting of shareholders;
2. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. To approve, on a non-binding basis, named executive officer compensation; and
4. To transact such other business as may properly come before the meeting or any postponement(s), continuation(s) or adjournment(s) thereof.

Only common shareholders of record at the close of business on March 21, 2018 will be entitled to vote at the meeting or any continuation(s), postponement(s) or adjournment(s) thereof. Information concerning the matters to be considered and voted upon at the Annual Meeting is set out in the attached Proxy Statement.

It is important that your shares be represented at the Annual Meeting regardless of the number of shares you hold and whether or not you plan to attend the meeting in person. Please vote by internet or telephone as instructed in the Notice Regarding the Availability of Proxy Materials or (if you received printed proxy materials) complete, sign and date the enclosed proxy card and return it as soon as possible in the accompanying envelope. This will not prevent you from voting your shares in person if you subsequently choose to attend the meeting.

Sincerely,

Chad D. Perry
Executive Vice President,
General Counsel and Secretary

April 4, 2018

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement and does not encompass all the information that you should consider. Please read the Proxy Statement in its entirety before voting. We anticipate that our Proxy Statement and proxy card will be available to shareholders on or about April 4, 2018. Certain statements in this summary and the Proxy Statement are forward-looking statements within the meaning of the Private Securities Reform Act of 1995. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies, beliefs and expectations, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. Such forward-looking statements include, but are not limited to, statements regarding our executive compensation program and creating long-term shareholder value. Important factors which may cause actual results to differ materially from current expectations include, but are not limited to those set forth under Item 1A - Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017. Actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

2017 BUSINESS HIGHLIGHTS

The Company believes it achieved superior results in 2017, despite experiencing significant retail headwinds. During 2017, 13 tenants in our portfolio declared bankruptcy, and combined with certain other brand-wide restructurings by retailers, we recaptured approximately 201,000 square feet within our consolidated portfolio. That amount is nearly double the amount of space recaptured in 2016.

We are proud of these achievements as they point to our ability to create long-term value for our shareholders. Among other achievements in 2017, our executive officers and other dedicated employees led the Company to realize the following results:

- **Adjusted Funds From Operations (“AFFO”)** available to common shareholders, which excludes certain items that the Company does not consider indicative of its ongoing operating performance, increased 4% to $2.46 per share, or $245.3 million, for the 2017 period compared to $2.37 per share, or $238.4 million for the 2016 period.
- **Same Center Net Operating Income (“Same Center NOI”)** increased for the 14th consecutive year.
- **Consolidated Portfolio occupancy** rate was 97.3% at year-end 2017 (compared to 97.7% on December 31, 2016). This past year marked our 37th consecutive year with year-end occupancy of 95% or greater.
- **Quarterly common share cash dividend** raised in April by 5.4% on an annualized basis to $1.37 per share, marking the 24th consecutive year of increased dividends.
- **Blended average rental rates** increased 12.1% on 343 leases totaling approximately 1,508,000 square feet renewed or released throughout the consolidated portfolio during the trailing twelve months ended December 31, 2017, excluding 9 leases totaling 165,000 square feet in the centers with major re-merchandising projects during 2017. Including these 9 leases, blended average rental rates increased 8.8% on 352 leases totaling approximately 1,673,000 square feet renewed or released throughout the consolidated portfolio during the trailing twelve months ended December 31, 2017.
- **Completed two construction projects:** Lancaster, Pennsylvania (123,000 square foot expansion) and Fort Worth, Texas (352,000 square foot new outlet center), which combined represent a 3.2% expansion of the Company's overall footprint at the beginning of 2017. Both projects opened at approximately 93% leased, which we believe was a significantly higher opening lease rate than any other domestic outlet project opened in 2017.
- **Completed a public offering** of $300 million of 3.875% unsecured senior notes due July 2027 and used the net proceeds and unsecured lines of credit borrowings to redeem $300 million of outstanding 6.125% unsecured senior notes due June 2020.
- **Increased liquidity** by amending our line of credit agreements to extend maturity by two years in January 2018, increase our borrowing capacity to $600 million from $520 million, and reduce the interest rate spread to 87.5 basis points over LIBOR from 90 basis points.
- **Interest coverage ratio** was 4.46 times for 2017, compared to 4.40 times for 2016.
- **Total Shareholder Return (“TSR”)** over the longer term has performed above market generating a 99% return for our shareholders over the past ten years (as compared to an 80% return generated by the SNL US Retail REIT Index).

As of December 31, 2017, we had a total enterprise value of approximately $4.4 billion, including approximately $1.8 billion of debt outstanding, equating to a 40% debt-to-total market capitalization ratio. The Company had $208.1 million outstanding out of $520 million in available unsecured lines of credit and total outstanding floating rate debt of $268 million, representing 15% of total debt outstanding, or about 6% of total enterprise value. Approximately 94% of the Company's consolidated square footage was unencumbered. Tanger's outstanding debt had a weighted average interest rate of 3.3% and a weighted average term to maturity of approximately 6.3 years as of December 31, 2017.

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Thanks in part to these operational results, we were able to return additional value to our shareholders in 2017 by increasing our quarterly dividend per share by 5.4% (from $0.325 to $0.3425), marking the 24th consecutive annual dividend increase since we became a public company in May 1993. In addition, we repurchased a total of 1.9 million common shares during the year at a weighted average price of $25.80 per share for total consideration of $49.3 million, leaving $75.7 million remaining under Tanger's $125.0 million share repurchase authorization, which is valid through May 2019.

Funds From Operations (referred to as "FFO"), AFFO and Same Center NOI are financial measures that the Company's management believes to be important supplemental indicators of our operating performance and which are used by securities analysts, investors and other interested parties in the evaluation of REITs, but are not measures computed in accordance with generally accepted accounting principles (referred to as "GAAP"). For a discussion of FFO, AFFO and Same Center NOI, including a reconciliation to GAAP, please see Appendix A.

2017 EXECUTIVE COMPENSATION HIGHLIGHTS

The Compensation Committee believes that an executive compensation program that strongly links both the short-term and long-term performance of the Company and the compensation of our executive officers is a key driver of our long-term financial success. In 2017, the Compensation Committee took into account a number of operational and financial factors in setting compensation, including the successful results described above in 2017 Business Highlights.

The Compensation Committee believes that incentivizing the management team to continue to focus on driving superior operating performance, will ultimately result in the creation of strong long-term shareholder value.

FOCUS ON COMPANY PERFORMANCE

The Company believes that our current executive compensation program represents a thoughtful, balanced program with a pay-for-performance structure that focuses on Company performance and reflects the feedback of our shareholders. In years that our shareholder value has increased, compensation for our CEO and other named executive officers (referred to as "NEOs") has generally increased. Conversely, in years that our shares have underperformed, compensation for our CEO and other NEOs has generally declined.

Our compensation program is designed to align the interests of our CEO and other named executive officers with those of our shareholders. Key compensation decisions made based on 2017 performance include:

- Despite the significant retail headwinds during 2017, we still achieved several of our compensation program goals. The Company delivered strong financial growth and operational performance in 2017, including in particular a 4% increase in AFFO to $2.46 per share, which resulted in the achievement of the maximum AFFO performance metric under the Incentive Cash Bonus Plan (as defined below under "Compensation Discussion and Analysis"). Nonetheless, given that our Same Center NOI growth of 0.5% did not meet our threshold goal of 1.5% growth, and our leverage ratio of 50.9% was between our threshold and target goals, our CEO's cash bonus under the Incentive Cash Bonus Plan for fiscal 2017 was 22.5% lower than his cash bonus received for fiscal 2016 and his total direct compensation decreased by 3.9%.
- The total value of equity compensation, including both time-based restricted Common Shares and the outperformance plan (referred to as "OPP") awards granted to our NEOs in 2018 for 2017 performance remained the same as the prior year.
- Our CEO's total realized compensation for 2017 was 40% less than his 2016 total realized compensation.
- CEO compensation is predominantly comprised of equity awards accounting for approximately 71% of his total direct compensation, with cash compensation reflecting the remaining 29%.

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PROXY STATEMENT SUMMARY

2017 CEO Compensation Highlights

2017 and 2018 Base Salary is unchanged at $850,000

2017 Cash Bonus Payout declined from 2016 payout

2017 and 2018 Grant Date Fair Value of Time-Based Restricted Stock Awards is unchanged at $2,486,944

Decrease in Value of Time-Based Restricted Stock Granted in February 2015 (as of December 31, 2017)

2017 and 2018 OPP Target Grant Value of Shares is unchanged at $2,081,640

Maximum Potential Value of OPP Decreased Between 2017 OPP and 2018 OPP

Value of 2015 OPP Realized in 2017 decreased (was unearned) from 2015 Grant Value

EXECUTIVE COMPENSATION GOVERNANCE HIGHLIGHTS

WHAT WE DO

Utilize an Executive Compensation Program Designed to Align Pay with Performance
Conduct an Annual Say-on-Pay Vote
Seek Input From, Listen to and Respond to Shareholders
Employ a Clawback Policy
Utilize Share Ownership Guidelines for NEOs and directors, with a 10x base salary requirement for our CEO
Prohibit Hedging and Restrict Pledging of the Company's Common Shares
Retain an Independent Compensation Consultant
Mitigate Inappropriate Risk Taking
Employ a rigorous bonus program
Employ a 3-year no-sell clause for all time-based restricted shares awarded to the CEO, following the vesting date of the restricted shares

WHAT WE DO NOT DO

Provide Tax Gross-ups
Provide Excessive Perquisites
Reprice Share Options
Provide Guaranteed Bonuses
Provide Excessive Change of Control or Severance Payments

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PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
to be held on May 18, 2018

GENERAL INFORMATION
The Board of Directors of Tanger Factory Outlet Centers, Inc. (NYSE:SKT) is soliciting your proxy for use at the Annual Meeting of Shareholders of the Company to be held on Friday, May 18, 2018.

Unless the context indicates otherwise, the term “Company” refers to Tanger Factory Outlet Centers, Inc., the term “Board” refers to our Board of Directors, the term “meeting” or “annual meeting" refers to the Annual Meeting of Shareholders of the Company to be held on May 18, 2018, and the term “Operating Partnership” refers to Tanger Properties Limited Partnership. We are a self-administered and self-managed real estate investment trust (referred to as a “REIT”). Our outlet centers and other assets are held by, and all of our operations are conducted by, the Operating Partnership. Accordingly, the descriptions of our business, employees and properties are also descriptions of the business, employees and properties of the Operating Partnership. The terms “we”, “our” and “us” refer to the Company or the Company and the Operating Partnership together, as the context requires.

Pursuant to the rules of the United States Securities and Exchange Commission (referred to as the “SEC”), we are providing our shareholders with access to our Notice of Annual Meeting of Shareholders, Proxy Statement and proxy card (referred to as the “proxy materials”) and Annual Report for the year ended December 31, 2017 (referred to as the “Annual Report”) over the internet. Because you received by mail a Notice Regarding the Availability of Proxy Materials, including a notice of Annual Meeting of Shareholders (referred to as the “Notice”), you will not receive a printed copy of the proxy materials unless you have previously made a permanent election to receive these materials in printed form. Instead, all shareholders will have the ability to access the proxy materials and Annual Report by visiting the website at http://www.edocumentview.com/SKT. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found on the Notice. In addition, all shareholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

We anticipate that our Proxy Statement and proxy card will be available to shareholders on or about April 4, 2018.

DATE, TIME AND PLACE

Friday May 18, 2018 at 10:00 a.m., Eastern Time	Corporate Office of Tanger Factory Outlet Centers, Inc. 3200 Northline Avenue, Suite 360 Greensboro, North Carolina 27408 (336) 292-3010

Subject to any continuation(s), postponement(s) or adjournment(s) thereof.

WHO CAN VOTE; VOTES PER SHARE

All holders of record of our common shares, par value $.01 per share (referred to as the “Common Shares”), as of the close of business on the record date, March 21, 2018, are entitled to attend and vote on all proposals at the meeting. Each Common Share entitles the holder thereof to one vote. At the close of business on March 21, 2018, Common Shares totaling 94,382,583 were issued and outstanding. In addition, at the close of business on March 21, 2018, units of partnership interest in the Operating Partnership, which may be exchanged for Common Shares of the Company, totaled 4,995,433 units. Units of partnership interest are not entitled to vote at this meeting.

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HOW TO VOTE

SHAREHOLDER OF RECORD—GRANTING A PROXY

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares, and these proxy materials are being sent directly to you by the Company. As the shareholder of record, you have the right to vote in person at the annual meeting or to vote by proxy. You may vote by any of the following methods:

ONLINE	BY PHONE	BY MAIL	QR CODE
www.envisionreports.com/SKT	1-800-652-VOTE (8683)	Fill out your proxy card and drop in the mail	Use your smartphone or tablet to scan the QR Code

If you wish to vote by proxy, you may vote using the internet, by telephone, or (if you received printed proxy materials) by completing a proxy card and returning it by mail in the envelope provided. When you vote by proxy, you authorize our officers listed on the proxy card to vote your shares on your behalf as you direct.

If you sign and return a proxy card, or vote using the internet or by telephone, but do not provide instructions on how to vote your shares, the designated officers will vote on your behalf as follows:

FOR the election of each of the eight individuals named in this Proxy Statement to serve as directors;
FOR the ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018; and
FOR the approval, on a non-binding basis, of the compensation of our named executive officers.

BENEFICIAL OWNER—VOTING INSTRUCTIONS

If your shares are held in a brokerage account or by a bank or other nominee, the broker, bank or nominee is considered, with respect to those shares, the shareholder of record, and you are considered the beneficial owner of shares held in street name. If you are a beneficial owner but not the shareholder of record, your broker, bank or nominee will vote your shares as directed by you. If you wish to vote your shares in person at the annual meeting, you must obtain a proxy from your broker, bank or nominee giving you the right to vote the shares at the meeting.

If your shares are held in street name by a broker, bank or other nominee, you may direct your vote by submitting your voting instructions to your broker, bank or other nominee. Please refer to the voting instructions provided by your account manager. Your broker, bank or nominee must vote your shares as you direct. If your shares are held by your broker and you do not give your broker voting instructions, your shares will not be voted with respect to the election of our directors and the approval, on a non-binding basis, of the compensation of our named executive officers. Therefore, to be sure your shares are voted on these matters, please instruct your broker, bank or other nominee as to how you wish it to vote. Your broker does, however, have discretionary authority to vote on the ratification of the appointment of the independent registered public accounting firm, and may do so when you have not provided instructions on that matter.

QUORUM AND VOTING REQUIREMENTS

Under our By-Laws, a majority of the votes entitled to be cast on a matter constitutes a quorum for action on that matter at the annual meeting. Under our By-Laws and North Carolina law, shares represented at the meeting by proxy for any purpose will be deemed present for quorum purposes for the remainder of the meeting. In uncontested elections, directors will be elected if the votes cast for the nominee’s election exceed the votes cast against the nominee’s election by the Common Shares entitled to vote in the election, provided that a quorum is present. In a contested election, directors are elected by a plurality of the votes cast by the Common Shares entitled to vote in the election. An election is contested if the Secretary of the Company determines that the number of nominees, as determined in accordance with the Company’s By-Laws, exceeds the number of directors to be elected, and the Secretary has not rescinded such determination by the record date. If directors are to be elected by a plurality of votes cast, shareholders shall not be permitted to vote against a nominee. This year’s election is uncontested. Accordingly, directors will be elected if the votes cast for the nominee’s election exceed the votes cast against the nominee’s election. In addition, Proposals #2 and #3 will be approved if the votes cast for the proposal exceed the votes cast against the proposal. Abstentions, broker non-votes and shares that are present at the meeting for any other purpose but that are not voted on a particular proposal will not affect the outcome of the vote on the election of directors or Proposals #2 and #3. Any other proposal to come before the meeting will be approved if the votes cast for the proposal exceed the votes cast against the proposal unless the North Carolina Business Corporation Act requires a greater number of affirmative votes.

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GENERAL INFORMATION

REVOCATION OF PROXIES

You may revoke your proxy at any time before it is voted. If you hold your shares in your own name as a shareholder of record, you may revoke your proxy or change your vote in any of the following ways:

- by signing and submitting a new proxy card;
- by submitting new votes through internet or telephone voting;
- by delivering to the Secretary of the Company written instructions revoking your proxy; or
- by attending the meeting and voting in person.

You cannot revoke your proxy by merely attending the meeting. If you dissent, you will not have any rights of appraisal with respect to the matters to be acted upon at the meeting.

If your shares are held in street name by a broker, bank or other nominee, you may revoke your voting instructions by submitting new voting instructions to the broker, bank or other nominee who holds your shares.

PROXY SOLICITATION

We are making this solicitation and will pay the entire cost of preparing and distributing the Notice, proxy materials and Annual Report and of soliciting proxies from the holders of our Common Shares. If you choose to access the proxy materials and Annual Report and/or vote over the internet, you are responsible for any internet access charges you may incur. We have retained the services of Okapi Partners LLC to assist us in the solicitation of proxies for a fee of $8,000 plus out of pocket expenses. Our directors, officers and employees may, but without compensation other than their regular compensation, also solicit proxies by telephone, fax, e-mail or personal interview. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending the Notice, proxy materials and Annual Report.

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PROPOSAL 1 ELECTION OF DIRECTORS

Our By-Laws provide that directors be elected at each Annual Meeting of Shareholders. The Board has nominated eight director candidates for election to the Board at the meeting. Each of the eight nominees for director designated below is presently a director of the Company. It is expected that each of these nominees will be able to serve, but if any such nominee is unable to serve, or for good cause will not serve, the proxies reserve discretion to vote for a substitute nominee or nominees designated by the Board of Directors, or the Board may elect to reduce its size. The terms of all of our directors expire at the next Annual Meeting of Shareholders or until their successors are elected and qualified.

DIRECTOR RESIGNATION POLICY

Our By-Laws provide that in uncontested elections, nominees will be elected if votes cast for each nominee's election exceed the votes cast against each nominee's election, provided that a quorum is present. Pursuant to our director resignation policy, the Board will nominate for re-election as directors only candidates who agree to tender their irrevocable resignation at or prior to their nomination. In addition, the Board will fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with the director resignation policy. Their resignations will only become effective upon the occurrence of both the failure to receive the required majority vote for election and Board acceptance of their resignations. If a director nominee does not receive the required vote, the Nominating and Corporate Governance Committee or another committee consisting solely of independent directors (excluding the director nominee in question) will consider and make a recommendation to the Board as to whether to accept or reject the director nominee's previously tendered resignation. The Board (not including the director nominee in question) will make a final determination as to whether to accept or reject the director nominee's resignation within 90 days following the certification of the shareholder vote. The Nominating and Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. The Company will then promptly disclose the Board's decision in a document furnished or filed with the SEC.

BOARD DIVERSITY

The Board seeks a mix of backgrounds and experience among its members. In evaluating director candidates, the Nominating and Corporate Governance Committee uses its judgment to identify nominees whose viewpoints, backgrounds, experience and other demographics, taken as a whole, contribute to the high standards of Board service at the Company. While the Board does not follow any ratio or formula to determine the appropriate mix, the Board is committed to increasing gender and racial diversity among directors over time and, as reflected in our Corporate Governance Guidelines, the Nominating and Corporate Governance Committee is committed to including highly qualified women and minority candidates in each future search the Board undertakes. The Nominating and Corporate Governance Committee assesses its performance as to all aspects of the selection and nomination process for directors, including diversity, as part of its annual self-evaluation process.

The Board's commitment to diversity is reflective of the Company's policy of inclusiveness throughout the organization. Our management team reflects gender and racial diversity as well as diversity of viewpoints, background and experience. For example, fifty percent of the members of our executive leadership team are women.

NOMINEE QUALIFICATIONS

The biographical description below for each nominee includes the specific experience, qualifications, attributes and skills that led to the conclusion by the Board of Directors that such person should serve as a director of the Company. Each of our director nominees has achieved an extremely high level of success in his or her career. In these positions, each has been directly involved in the challenges relating to setting the strategic direction or managing the financial performance, personnel and processes of complex, public and private companies. Each has had exposure to effective leaders and has developed the ability to judge leadership qualities. Each of them has experience in serving as an executive or on the board of directors of at least one other major corporation, both of which provides additional relevant experience on which each nominee can draw.

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PROPOSAL 1 ELECTION OF DIRECTORS

INFORMATION REGARDING NOMINEES

William G. Benton

Independent Director

Age 72

Director since
June 4, 1993

Chairman of the Board and Chief Executive Officer of Salem Senior Housing, Inc.

Committees:
Audit, Nominating & Corporate Governance

BACKGROUND

Director of the Company since June 4, 1993, and served as Non-Executive Chairman of the Board from January 1, 2013 to May 20, 2016. Chairman of the Board and Chief Executive Officer of Salem Senior Housing, Inc., a senior living facility operator, since May 2002. Chairman of the Board and Chief Executive Officer of Diversified Senior Services Inc. from May 1996 to May 2002. Chairman of the Board and Chief Executive Officer of Benton Investment Company since 1982. Chairman of the Board and Chief Executive Officer of Health Equity Properties, Inc. from 1987 to September 1994.

QUALIFICATIONS FOR THE TANGER BOARD

Mr. Benton has over 24 years of experience on our Board and has an extensive knowledge of our Company. As Chairman and Chief Executive Officer of multiple public real estate companies, Mr. Benton has gained first-hand experience in managing large real estate organizations with ultimate management responsibility for the corporation's financial performance and deployment of its capital.

OTHER PUBLIC COMPANY BOARDS

None

Jeffrey B. Citrin

Independent Director

Age 60

Director since
July 28, 2014

Executive Vice Chairman of Square Mile Capital Management LLC

Committees:
Audit (Chair), Compensation

BACKGROUND

Director of the Company since July 28, 2014. Mr. Citrin serves as Executive Vice Chairman of Square Mile Capital Management LLC, a private New York-based investment firm focusing on real estate related opportunities, which Mr. Citrin founded in 2006. From 1994 to 2005 he was President and co-founder of Blackacre Capital Management LLC, now known as Cerberus Institutional Real Estate. Mr. Citrin served as Managing Director of the Commercial Mortgage Investment Unit of Oppenheimer & Company, Inc. from 1993 to 1994. From 1991 to 1993, he was Vice President of the Distressed Real Estate Principal Group of Credit Suisse First Boston, Inc., and from 1986 to 1991, Mr. Citrin served as Vice President of the Real Estate Investment Banking Unit of Chemical Bank. He was an attorney in the real estate practices of Kelley Drye & Warren LLP and Proskauer Rose LLP from 1983 to 1986. Mr. Citrin served as an Independent Trustee of First Union Real Estate and Mortgage, now known as Winthrop Realty Trust, from 2001 to 2003, and currently serves on the Board of Advisors of the Hospital for Special Surgery in New York and as Co-Chairman of the Hood Museum Board of Overseers.

QUALIFICATIONS FOR THE TANGER BOARD

Mr. Citrin has over 28 years of experience in public company and private company real estate investment during which he has structured complex real estate and financial transactions. The Board expects to benefit from this technical experience as well as from Mr. Citrin's extensive executive, management and legal experience.

OTHER PUBLIC COMPANY BOARDS

None

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PROPOSAL 1 ELECTION OF DIRECTORS

David B. Henry

Independent Director

Age 69

Director since

January 1, 2016

Retired Vice Chairman of the Board of Directors and Chief Executive Officer of Kimco Realty Corporation

Committees:

Audit, Compensation

BACKGROUND

Director of the Company since January 1, 2016. Mr. Henry was formerly the Vice Chairman of the Board of Directors and Chief Executive Officer of Kimco Realty Corporation ("Kimco"), a publicly-traded REIT. He served as Kimco's Chief Executive Officer from December 2009 to January 2016 and Vice Chairman of the Board of Directors from April 2001 to January 2016. Prior to joining Kimco, he spent 23 years at G.E. Capital Real Estate, where he served as the Senior Vice President & Chief Investment Officer, and was Chairman of the Investment Committee and member of the Credit Committee. Mr. Henry is a past Trustee and served as 2011-2012 Chairman of the International Council of Shopping Centers, was a former Vice-Chairman of the Board of Governors of the National Association of Real Estate Investment Trusts and a former member of the Executive Board of the Real Estate Roundtable. His other public REIT board experience includes service on the boards of HCP, Inc. since January 2004, VEREIT, Inc. since September 2015, and Columbia Property Trust, Inc. since January 2016. He is currently the non-executive Chairman of the Board of HCP, Inc. Mr. Henry is also a director of Fairfield County Bank, a private Connecticut mutual savings bank, director of Starwood Real Estate Income Trust, a non-traded REIT, and the co-founder of Peaceable Street Capital, a preferred equity lender for income producing commercial real estate properties. In addition, he serves on the real estate advisory boards of New York University, Baruch College, ALTO Real Estate Funds and Shift Capital.

QUALIFICATIONS FOR THE TANGER BOARD

Mr. Henry has over 37 years of real estate industry experience with multinational, publicly traded companies. The Board benefits from his familiarity with the REIT industry, particularly the retail sector, as well as from his extensive executive, financial and management expertise.

OTHER PUBLIC COMPANY BOARDS

Columbia Property Trust, Inc.
HCP, Inc.
VEREIT

Thomas J. Reddin

Non-Executive Chairman of the Board

Independent Director

Age 57

Director since

July 26, 2010

Managing Partner and Owner of Red Dog Ventures

Committees:

Audit, Compensation, Nominating & Corporate Governance

BACKGROUND

Non-Executive Chairman of the Board since May 20, 2016 and Director of the Company since July 26, 2010. Managing Partner and Owner of Red Dog Ventures since 2009, a venture capital firm. Chief Executive Officer of Richard Petty Motorsports from 2008 to 2009. Chief Executive Officer (from 2005 to 2007) and President and Chief Operating Officer (from 2000 to 2005) of LendingTree.com. Mr. Reddin also held various senior leadership positions at Coca-Cola Company from 1995 to 1999, including Vice President, Consumer Marketing of Coca-Cola USA, and at Kraft Foods, Inc. from 1982 to 1995. Mr. Reddin has served on the Board of Directors of Deluxe Corporation since February 2014, Asbury Automotive Group since June 2014, and previously served on the Board of Directors of Premier Farnell plc from September 2010 to October 2016 and of Valassis Communications Inc. from July 2010 to February 2014.

QUALIFICATIONS FOR THE TANGER BOARD

Mr. Reddin has over 31 years of experience in consumer marketing and e-commerce, including executive and management experience. His experience in growing and building businesses and developing and marketing brand name consumer products enables him to provide invaluable insights into helping the Company elevate its brand.

OTHER PUBLIC COMPANY BOARDS

Asbury Automotive Group
Deluxe Corporation

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PROPOSAL 1 ELECTION OF DIRECTORS

Thomas E. Robinson

Independent Director

Age 70

Director since
January 21, 1994

Senior Advisor of Stifel, Nicolaus & Company

Committees:
Audit, Nominating & Corporate Governance

BACKGROUND

Director of the Company since January 21, 1994. Senior Advisor of Stifel, Nicolaus & Company (formerly Legg Mason Wood Walker, Inc.), a financial services firm, since March 2009. Managing Director of Stifel, Nicolaus & Company from June 1997 to March 2009. Director (May 1994 to June 1997), President (August 1994 to June 1997) and Chief Financial Officer (July 1996 to June 1997) of Storage USA, Inc. Mr. Robinson has been a Director of Essex Property Trust, Inc. since April 2014 following its merger with BRE Properties. He served as a Director of BRE from July 2007 until closing the transaction with Essex in April 2014. He was a director/trustee of First Potomoc Realty Trust from July 2013 until the trust was acquired by Government Properties Income Trust in October 2017 and was a trustee of CenterPoint Properties Trust from December 1993 until the trust was acquired in March 2006. Mr. Robinson is a former member of the board of governors of the National Association of Real Estate Investment Trusts (or "NAREIT"), and in November 2009, NAREIT selected him to receive its Industry Achievement Award for his wisdom, expertise and service to the REIT industry.

QUALIFICATIONS FOR THE TANGER BOARD

Mr. Robinson has over 25 years of experience on our Board and extensive knowledge of our Company. As an investment banker and investment advisor, Mr. Robinson possesses significant expertise in the operation of capital markets and the evaluation of investment opportunities. His service on audit committees of two other public real estate companies and as a President and Chief Financial Officer of a public real estate company give him extensive audit knowledge and experience in audit- and financial control-related matters.

OTHER PUBLIC COMPANY BOARDS

Essex Property Trust

Bridget M. Ryan-Berman

Independent Director

Age 57

Director since
January 1, 2009

Managing Partner of Ryan Berman Advisory, LLC

Committees:
Compensation, Nominating & Corporate Governance (Chair)

BACKGROUND

Director of the Company since January 1, 2009. Managing Partner at Ryan Berman Advisory, LLC, a strategic advisory and consulting firm, since January 2018. From June 2016 to December 2017 she served as Chief Experience Officer of Enjoy Technology, Inc., a provider of setup and training services for tech products. From 2015 to 2016, she was an independent consultant advising multi-channel brands and companies on business innovation and large-scale transformation designed around the customer experience. From 2011 to 2015, Ms. Ryan-Berman served as Chief Executive Officer of Victoria's Secret Direct, LLC, an online and catalogue division of Victoria's Secret, a specialty retailer of women's lingerie, beauty products, apparel and accessories. She was formerly an independent consultant advising clients in the retail, wholesale and financial investment sectors providing strategic planning, business development and executive coaching services. Chief Executive Officer of Giorgio Armani Corp., the wholly owned U.S. subsidiary of Giorgio Armani S.p.A., a provider of fashion and luxury goods products, from 2006 to 2007. Vice President/Chief Operating Officer of Apple Computer Retail from 2004 to 2005. Ms. Ryan-Berman also held various executive positions with Polo Ralph Lauren Corporation, including Group President of Polo Ralph Lauren Global Retail, from 1992 to 2004 and various capacities at May Department Stores, Federated Department Stores, and Allied Stores Corp. from 1982 to 1992. In addition, Ms. Ryan-Berman was a member of the board of directors, and served on the audit committee for J. Crew Group, Inc. from 2005 to 2006.

QUALIFICATIONS FOR THE TANGER BOARD

Ms. Ryan-Berman has over 35 years of experience in the retail business and, as a senior level executive, has helped oversee the strategies and operations of some of the leading fashion and luxury goods groups in the world. She serves as a strategic advisor and board director for multi-channel consumer companies focused on the acceleration of brand growth and business development, digital transformation and consumer engagement. Ms. Ryan-Berman's extensive experience in apparel and retailing enables her to provide invaluable insight into the environment in which the Company operates.

OTHER PUBLIC COMPANY BOARDS

None

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PROPOSAL 1 ELECTION OF DIRECTORS

Allan L. Schuman

Independent Director

Age 83

Director since
August 23, 2004

Chairman of the Board of The Schwan Food Company

Committees:
Compensation (Chair), Nominating & Corporate Governance

BACKGROUND

Director of the Company since August 23, 2004. Mr. Schuman has been the Chairman of the Board of Directors of The Schwan Food Company, a provider of fine frozen foods, since January 2009. He was previously Chairman of the Board from January 2000 to May 2006, President and Chief Executive Officer from March 1995 to July 2004, and President and Chief Operating Officer from August 1992 to March 1995 of Ecolab, Inc, a global provider of premium cleaning, sanitation and maintenance products and services. He was named Chairman Emeritus of Ecolab in 2006. Mr. Schuman is the Chairman of the Board of Florida Atlantic University College of Business and is a member of the board of directors of the National Restaurant Association Educational Foundation.

QUALIFICATIONS FOR THE TANGER BOARD

As Chairman and Chief Executive Officer of Ecolab, Mr. Schuman has first-hand experience in managing a large, multinational corporation focused on worldwide consumer markets, with ultimate management responsibility for the corporation's financial performance and the deployment of its capital.

OTHER PUBLIC COMPANY BOARDS

None

Steven B. Tanger

Age 69

Director since
May 13, 1993

Chief Executive Officer

Committees:
None

BACKGROUND

Director of the Company since May 13, 1993. Chief Executive Officer since May 2017. President and Chief Executive Officer from January 2009 to May 2017; President and Chief Operating Officer from January 1995 to December 2008; and Executive Vice President from 1986 to December 1994. Mr. Tanger served on the Board of Directors of The Fresh Market, Inc. from June 2012 to April 2016.

QUALIFICATIONS FOR THE TANGER BOARD

Mr. Tanger joined the Company's predecessor in 1986 and is the son of the Company's founder, Stanley K. Tanger. Together with his father, Mr. Tanger has helped develop the Company into a portfolio of 44 upscale outlet shopping centers in 22 states coast to coast and in Canada, totaling approximately 15.3 million square feet leased to over 3,100 stores operated by nearly 500 different brand name companies. Mr. Tanger provides an insider's perspective in Board discussions about the business and strategic direction of the Company and has experience in all aspects of the Company's business.

OTHER PUBLIC COMPANY BOARDS

None

Vote Required. The nominees will be elected if votes cast for each nominee's election exceed the votes cast against each nominee's election, provided that a quorum is present. Accordingly, abstentions, broker non-votes and Common Shares present at the meeting for any other purpose but which are not voted on this proposal will not affect the outcome of the vote on the nominees. The eight nominees who were approved by the Nominating and Corporate Governance Committee for inclusion on the proxy card are standing for re-election.

THE BOARD RECOMMENDS THAT YOU VOTE FOR ALL OF THE NOMINEES SET FORTH ABOVE.

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PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTOR INDEPENDENCE

Our Corporate Governance Guidelines and the listing standards of the NYSE require that a majority of our directors be “independent” and that every member of the Board’s Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee be “independent,” in each case as such term is defined by the NYSE listing requirements. Generally, independent directors are those directors who are not concurrently serving as officers of the Company and who have no material relationship with us. We presently have eight directors, including seven independent directors. Our Board has affirmatively determined that the following seven nominees to our Board are “independent”, as that term is defined under the listing standards of the NYSE: William G. Benton, Jeffrey B. Citrin, David B. Henry, Thomas J. Reddin, Thomas E. Robinson, Bridget M. Ryan-Berman and Allan L. Schuman. Steven B. Tanger is concurrently serving as our CEO and, therefore, is not independent.

BOARD LEADERSHIP STRUCTURE AND RISK OVERSIGHT

Pursuant to our By-Laws and our Corporate Governance Guidelines, our Board determines the appropriate board leadership structure for our Company from time to time. As part of our annual Board self-evaluation process, we evaluate our leadership structure to ensure that the Board continues to believe that it provides the optimal structure for our Company and shareholders. We recognize that different board leadership structures may be appropriate for companies in different situations.

We operate under a board leadership structure with separate roles for our CEO and Non-Executive Chairman of the Board. Our current leadership structure permits the CEO to focus his attention on managing our Company and permits the Non-Executive Chairman to manage the Board. Accordingly, we believe our current leadership structure, with Mr. Steven B. Tanger serving as CEO and Mr. Thomas J. Reddin serving as Non-Executive Chairman of the Board, is the optimal structure for us at this time.

The Board is responsible for overseeing the Company’s risk management processes, and our Audit Committee assists the Board in fulfilling this responsibility. The Audit Committee receives reports from management at least quarterly regarding the Company’s assessment of risks. These risks relate to a range of issues including strategy, operations and cybersecurity, among others. The Audit Committee, which also considers our risk profile, reports regularly to the full Board on these matters. The Audit Committee and the full Board focus on the most significant risks facing the Company and the Company’s general risk management strategy, and also ensure that risks undertaken by us are consistent with the Board’s levels of risk tolerance. While the Board oversees our overall risk management, our management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing the Company. The Board does not believe that its role in the oversight of the Company’s risks affects the Board’s leadership structure.

The Company has reviewed its compensation policies and practices and has determined that it has no policies or practices that are reasonably likely to have a material adverse effect on the Company.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Board held seven regular meetings during 2017. Each of the incumbent directors in office during 2017 attended at least 80% of the Board meetings and meetings of committees on which the director served, during the period in which such person served as a director. We do not have a formal policy of attendance for directors at our Annual Meeting of Shareholders. Seven of our eight directors attended the 2017 Annual Meeting of Shareholders.

Pursuant to our Corporate Governance Guidelines, non-management directors are required to meet in executive sessions following each regularly scheduled quarterly Board meeting. The Non-Executive Chairman of the Board presides at all executive sessions at which he is in attendance. In addition, non-management directors who are not independent under the rules of the NYSE may participate in these executive sessions but our independent directors meet in executive session at least once per year.

COMMITTEES OF THE BOARD

The Board has three standing committees to facilitate and assist the Board in the execution of its responsibilities. The current committees are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. In accordance with NYSE listing standards, all of the committees are comprised solely of independent directors. Charters for each of the Audit, Compensation, and Nominating and Corporate Governance Committees are available on the Company’s website at www.tangeroutlets.com by first clicking on “INVESTOR RELATIONS”, then “CORPORATE OVERVIEW” and then “GOVERNANCE

DOCUMENTS".

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PROPOSAL 1 ELECTION OF DIRECTORS

The table below shows the current membership for each of the standing committees.

William G. Benton
Jeffrey B. Citrin
David. B. Henry
Thomas J. Reddin
Thomas E. Robinson
Bridget M. Ryan-Berman
Allan L. Schuman

Member Chair

AUDIT COMMITTEE

The Board has established an Audit Committee currently consisting of five of our independent directors, each of whom satisfies the additional independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (referred to as the “Exchange Act”). The purpose of the Audit Committee is (i) to assist the Board in fulfilling its oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence of our independent registered public accountants and the performance of our independent registered public accountants and our internal audit function and (ii) to prepare any audit committee reports required by the SEC to be included in our annual Proxy Statement. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accountants and approves in advance, or adopts appropriate procedures to approve in advance, all audit and non-audit services provided by the independent registered public accountants. The Audit Committee is also charged with discussing with management the Company’s policies with respect to risk assessment and risk management, the Company’s significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures. The Board has determined that each member of the Audit Committee is “financially literate”, as that term is defined in the listing requirements of the NYSE, and that each member of the committee, all of whom are named above, is an “audit committee financial expert”, as that term is defined in Item 407(d) of Regulation S-K. During 2017, there were five meetings of the Audit Committee.

COMPENSATION COMMITTEE

The Board has established a Compensation Committee currently consisting of five of our independent directors, each of whom meets the NYSE’s heightened standard for compensation committee membership. The Compensation Committee’s responsibilities include reviewing and approving the corporate goals and objectives relevant to the compensation of the CEO, evaluating the CEO’s performance in light of those goals and objectives and, either as a committee or together with other independent directors (as directed by the Board), determining compensation for our CEO. The Compensation Committee is also responsible for making recommendations to the Board with respect to the compensation of other executive officers and directors. The Compensation Committee also administers our amended and restated Incentive Award Plan (the “Incentive Award Plan”), except in the case of awards to non-employee directors for which the plan is administered by the Board. This plan provides for the issuance of equity-based awards to the Company’s employees, directors, and consultants (other than non-employee directors). The Compensation Committee selects the employees and consultants (other than non-employee directors) to whom equity-based awards under the Incentive Award Plan will be granted and establishes the terms and conditions of the awards. During 2017, there were three meetings of the Compensation Committee.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Board has established a Nominating and Corporate Governance Committee currently consisting of five of our independent directors. The Nominating and Corporate Governance Committee makes recommendations to the Board regarding changes in the size of the Board or any committee of the Board, recommends individuals for the Board to nominate for election as directors, recommends individuals for appointment to committees of the Board, establishes procedures for the Board’s oversight of the evaluation of the Board and management, and develops and recommends corporate governance guidelines.

The Nominating and Corporate Governance Committee evaluates annually the effectiveness of the Board as a whole and identifies any areas in which the Board would be better served by adding new members with different skills, backgrounds or areas of experience. In identifying qualified director candidates

PROPOSAL 1 ELECTION OF DIRECTORS

for election to the Board and to fill vacancies on the Board, the Nominating and Corporate Governance Committee solicits current directors for the names of potentially qualified candidates, may ask directors to pursue their own business contacts for the names of potentially qualified candidates and may recommend that the Board engage a third party search firm to identify names of potentially qualified candidates.

The Board considers director candidates based on a number of factors including: whether the Board member will be "independent" in accordance with our Corporate Governance Guidelines and as such term is defined by the NYSE listing requirements; personal qualities and characteristics, accomplishments and reputation in the business community; experience with businesses and other organizations of comparable size and current knowledge and contacts in the Company's industry or other industries relevant to the Company's business; experience and understanding of the Company's business and financial matters affecting its 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. It is the policy of the Nominating and Corporate Governance Committee to consider nominees for the Board recommended by the Company's shareholders in accordance with the procedures described under "Other Matters—Shareholder Proposals and Nominations for the 2019 Annual Meeting of Shareholders—Shareholder Suggestions for Director Nominations" in this Proxy Statement. Shareholder nominees who are recommended in accordance with these procedures will be given the same consideration as nominees for director from other sources. During 2017, there were two meetings of the Nominating and Corporate Governance Committee.

COMMUNICATIONS WITH DIRECTORS

Any shareholder or interested party is welcome to communicate with our Non-Executive Chairman of the Board, any other director, the non-management directors as a group or the Board of Directors as a whole by writing to the directors as follows: Tanger Factory Outlet Centers, Inc., Attention Non-Executive Chairman, c/o the Corporate Secretary, 3200 Northline Avenue, Suite 360, Greensboro, NC 27408. All communications, except for marketing and advertising materials, are forwarded directly to our directors.

COMPENSATION OF DIRECTORS

The annual compensation to the non-employee directors for 2017 was set and approved by the Board based on the recommendations of, and a peer group analysis performed by, independent compensation consultants engaged by the Compensation Committee. During 2017, our non-employee directors were each paid annual cash compensation of $60,000. In addition, the Non-Executive Chairman of the Board was paid an additional annual fee of $50,000, the chairs of the Audit and Compensation Committees were each paid an additional annual fee of $25,000, and the chair of the Nominating and Corporate Governance Committee was paid an additional annual fee of $15,000. If a new director is appointed to the Board, or if a presiding director is appointed chairman of a committee, during the calendar year, the retainer fees and chair fees are prorated based on the effective date of his or her appointment. The Board concluded that the annual cash compensation for each non-employee director for 2018 will remain the same as 2017 and committee chair fees payable to the non-employee directors for 2018 will remain the same as 2017.

Our CEO, who is also a director, will not be paid any director fees for his services as a director of the Company. Our non-employee directors are reimbursed for their expenses incurred in attending Board meetings.

We may from time to time under the Incentive Award Plan grant to any non-employee director options, restricted or deferred shares or other awards upon approval of the entire Board. The Board selects the non-employee directors to whom equity-based awards under the Incentive Award Plan will be granted and establishes the terms and conditions of the awards based on recommendations and advice from the Compensation Committee. However, as set forth in the Incentive Award Plan, a non-employee director may not receive awards under the Incentive Award Plan with an aggregate value in excess of $500,000 during any fiscal year. The Board approved an award of 7,520 restricted Common Shares to each non-employee director for 2018, 4,787 restricted Common Shares for each non-employee director for 2017, and 4,500 restricted Common Shares to each non-employee director for 2016. The value of restricted Common Shares granted to each non-employee director in 2018 remained the same as 2017.

The Company's Board of Directors expects all non-employee directors to own a meaningful equity interest in the Company to more closely align the interests of directors with those of shareholders. Our equity ownership guidelines require non-employee directors to hold 5,000 Common Shares within 3 years of their election to the Board. All non-employee directors met the share ownership guidelines as of December 31, 2017. In addition, the Director Deferred Share Program of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (the "Director Deferred Share Program") allows non-employee directors to elect to receive all or a portion of their cash and/or equity compensation in deferred shares. In the event a non-employee director elects to defer compensation, such compensation (along with any dividends with respect to such compensation) will be credited to a bookkeeping account and

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PROPOSAL 1 ELECTION OF DIRECTORS

paid in Common Shares within 60 days following the payment date elected by such director. Such payment date will be one of the following dates: (1) the date of termination of directorship, (2) a specified annual anniversary of the date of termination of directorship, (3) a specified date that is after December 31 of the applicable service year, or (4) the earlier of the date of death or disability. Any deferred shares shall be subject to the same vesting conditions applicable to restricted Common Shares that would have been granted absent a deferral election. In 2017, two non-employee directors participated in the Director Deferred Share Program.

The following table shows the total compensation for our non-employee directors for the fiscal year ended December 31, 2017:

Director Compensation Table

William G. Benton (3)	2017	$60,000	$165,008	$11,005	$236,013
Jeffrey B. Citrin (4)	2017	85,000	165,008	11,005	261,013
David B. Henry	2017	60,000	165,008	8,976	233,984
Thomas J. Reddin	2017	110,000	165,008	11,005	286,013
Thomas E. Robinson	2017	60,000	165,008	11,005	236,013
Bridget M. Ryan-Berman	2017	75,000	165,008	11,005	251,013
Allan L. Schuman	2017	85,000	165,008	11,005	261,013

(1) The amounts in this column represent the grant date fair value of restricted Common Share awards granted during 2017. Each director serving in 2017 was granted 4,787 restricted Common Shares with a grant date fair value of $34.47 per share. A discussion of the assumptions used in calculating these values may be found in Note 18 to our 2017 audited consolidated financial statements on pages F-49 through F-53 of our 2017 Annual Report. The aggregate number of unvested restricted Common Shares held by directors, as of December 31, 2017, totaled 32,837 Common Shares and for each director, consisted of the following: 1,500 restricted Common Shares granted during 2016 with a grant date fair value of $31.15 per share and 3,191 restricted Common Shares granted during 2017 with a grant date fair value of $34.47 per share.

(2) Represents dividends paid on unvested restricted Common Shares or the value of deferred shares credited under our Director Deferred Share Program in respect of dividends.

(3) Mr. Benton deferred all of his equity compensation in 2017 pursuant to our Director Deferred Share Program. Mr. Benton received 4,982.43, deferred shares in connection with 2017 equity compensation he elected to defer, including deferred shares earned from dividend reinvestment.

(4) Mr. Citrin deferred all of his cash and equity compensation in 2017 pursuant to our Director Deferred Share Program. Mr. Citrin received 8,764.94 deferred shares in connection with 2017 cash and equity compensation he elected to defer, including deferred shares earned from dividend reinvestment.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee, which is composed entirely of independent directors, is charged with determining compensation for our CEO and making recommendations to the Board with respect to the compensation of our other officers. During the fiscal year ended December 31, 2017, Mr. Citrin, Mr. Henry, Mr. Reddin, Ms. Ryan-Berman and Mr. Schuman served as members of the Compensation Committee. No executive officer of the Company served as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of the Board or the Compensation Committee.

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EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS

INTRODUCTION

The Compensation Committee is responsible for the Company's executive compensation philosophy and policies, as well as the annual executive compensation program that flows from them. This "Executive Compensation" section of the Proxy Statement contains a detailed explanation of the compensation arrangements for our NEOs for fiscal year 2017, which were determined by the Compensation Committee. For the fiscal year ended December 31, 2017, our NEOs and their titles were as follows:

Steven B. Tanger	Chief Executive Officer ("CEO")
James F. Williams	Senior Vice President and Chief Financial Officer ("CFO")
Thomas E. McDonough	President and Chief Operating Officer ("President")
Chad D. Perry	Executive Vice President, General Counsel and Secretary ("GC")
Lisa J. Morrison	Senior Vice President - Leasing

The Compensation Discussion and Analysis includes the following sections:

1 **Executive Summary (page 21)** - Summarizes efforts to engage shareholders with regard to "Say On Pay", additional compensation actions, business highlights, our executive compensation program, total shareholder return and CEO pay mix.

2 **Compensation Review Process (page 28)** -Outlines the role of the Compensation Committee, compensation consultant and CEO in developing appropriate compensation programs for our NEOs.

3 **2017 Compensation (page 31)** - Provides a more detailed description of our compensation program as applied to our NEOs.

4 **Governance Policies Relating to Compensation (page 38)** - Details other governance policies and processes related to our executive compensation program.

1 EXECUTIVE SUMMARY

We are a fully-integrated, self-administered and self-managed REIT, which focuses on developing, acquiring, owning, operating and managing upscale outlet shopping centers in the US and Canada. We are the only public pure play outlet center REIT and have a primary objective to maximize TSR through growth in funds from operations and asset value appreciation. Our executives have over 36 years of outlet center experience and a proven skill set in securing the best sites and financing, constructing high-quality properties on time, completing the timely and effective lease-up of centers and being able to market and operate the centers for many years.

Our executive compensation program is designed to motivate, attract and retain highly-qualified executives with this unique and proven skill set and to align the CEO and other NEOs' interests with those of our shareholders. In years that our shareholder value has increased, compensation for our CEO and other NEOs has generally increased. Conversely, in years that our shares have underperformed, compensation for our CEO and other NEOs has generally declined. We believe that such alignment is strongly evidenced by the 2017 compensation and the current outstanding equity awards held by our NEOs.

In spite of significant retail headwinds during 2017 characterized by tenant bankruptcies and store closures, we still achieved several of our compensation program goals under our annual cash incentive program (see “2017 Compensation - Annual Cash Incentives: Description and Analysis"). In particular, our strong financial growth and operational performance in 2017 included a 4% increase in AFFO to $2.46 per share, which resulted in the achievement of the maximum AFFO performance metric under the Incentive Cash Bonus Plan. Nonetheless, given that our Same Center NOI growth of 0.5% did not meet our threshold of 1.5% growth, and our leverage ratio of 50.9% was between our threshold and target goals, our CEO’s cash bonus under the Incentive Cash Bonus Plan for fiscal 2017 was 22.5% lower than his cash bonus received for fiscal 2016 and his total direct compensation decreased by 3.9%.

The end of 2017 marked the conclusion of our 2015-2017 Outperformance Plan. The Company fell short of the minimum TSR goals under the 2015 OPP, and no awards were earned, resulting in a forfeiture of over $4.9 million in value by our CEO. In addition, in light of our TSR in 2017, the remaining 2016-2018 and 2017-2019 OPPs, the performance periods of which are approximately 67% and 33% completed, respectively, currently are underwater and projected to have zero value.

Taking the performance described above into account, the Compensation Committee decided that the CEO's annual base salary for 2018 and the total value of equity awards granted to him in 2018 for 2017 performance should be kept at the same level as the prior year. The Compensation Committee believes these decisions will keep his total compensation aligned with performance considering the amount of potential compensation not realized by our CEO over the past several years.

In order to depict the alignment of pay and performance within our compensation program, we have provided several illustrations of how the reported grant date fair value of awards has compared to the amount actually realized (as of December 31, 2017) and, for outstanding awards, the amount projected to be realized (based on performance to December 31, 2017).

CEO Compensation Highlights

Base salary is unchanged (0% increase) compared to 2017 base salary

Cash bonus is 100% formulaic; bonus paid in 2018 for fiscal year 2017 is the lowest amount in the past three years and is down 22.5% from the prior year

We continue to have an additional three-year mandatory holding period post-vesting on equity awards

The vast majority of pay (approximately 71%) is tied to equity; the majority (approximately 55%) is tied to performance through our OPP with 100% of such pay tied to rigorous multi-year TSR goals

0% of OPP awards were earned for the most recently completed performance cycle (2015-2017); the outstanding OPPs are also tracking at 0% payouts based on performance, which aligns a substantial portion of our CEO’s pay to investor returns

The newest iteration of our OPP (2018-2020) ties a larger portion to relative TSR performance and contains a maximum award value that is 24% less than the prior year

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PAY-FOR-PERFORMANCE ALIGNMENT (CEO FOCUS)

REALIZED/REALIZABLE PAY

Since 2013, our CEO has participated in five consecutive multi-year award programs that are based exclusively on the Company's three-year absolute and relative TSR to directly align our CEO's compensation to that of shareholder returns. As of December 31, 2017, the 2013-2015, 2014-2016, and 2015-2017 OPPs have concluded with the performance periods for the 2016-2018 and the 2017-2019 OPPs now two-thirds and one-third completed, respectively. The chart below illustrates what our CEO has realized from the completed programs and what the outstanding programs would have paid out had they been concluded as of year-end 2017. Of the total potential OPP award value over the five programs, in aggregate, our CEO has earned, and tracking to earn for those OPPs outstanding, 11% of the total maximum potential value.

CEO OPP Award Values:
2013, 2014, 2015 OPP Realized Value & 2016, 2017 OPP Tracking Value

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The chart below depicts each OPP on a program by program basis and the amounts realized or projected to be earned based on the Company's TSR performance as of December 31, 2017. Two of the five OPPs resulted in zero value to the executives, and one OPP resulted in a partial payout. The two remaining outstanding OPPs are currently projected to deliver no value.

TSR-Based OPP Award Status

Through December 31, 2017

2013 OPP		100% Completed	
Absolute TSR	70%	Below Threshold and 100% Forfeited	0.0%
Relative TSR vs. SNL Equity REIT Index	30%	Below Threshold and 100% Forfeited	0.0%
Maximum Potential Value of Award	$0	$4,708,480	
Total			**0.0%**

2014 OPP		100% Completed	
Absolute TSR	70%	Between Target and Max. and 93.9% Earned	65.8%
Relative TSR vs. SNL Equity REIT Index	30%	Below Threshold and 100% Forfeited	0.0%
Maximum Potential Value of Award	$0	$4,840,640	
Total			**65.8%**

2015 OPP		100% Completed	
Absolute TSR	60%	Below Threshold and 100% Forfeited	0.0%
Relative TSR vs. SNL Equity REIT Index	40%	Below Threshold and 100% Forfeited	0.0%
Maximum Potential Value of Award	$0	$4,870,870	
Total			**0.0%**

2016 OPP		67% Completed	
Absolute TSR	50%	Tracking Below Threshold and 100% Forfeited	0.0%
Relative TSR vs. SNL Equity REIT Index	50%	Tracking Below Threshold and 100% Forfeited	0.0%
Maximum Potential Value of Award	$0	$5,076,563	

Total				**0.0%**
2017 OPP			33% Completed	
Absolute TSR	50%		Tracking Below Threshold and 100% Forfeited	0.0%
Relative TSR vs. SNL Equity REIT Index	50%		Tracking Below Threshold and 100% Forfeited	0.0%
		$0	$5,345,802	
Maximum Potential Value of Award				
Total				**0.0%**

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EXECUTIVE COMPENSATION

The table below illustrates the total compensation of our CEO over the past three years and compares the amount that was awarded (i.e., grant date fair value or GDFV) in each year with the total pay realized, or projected to be realizable based on performance through December 31, 2017. Across the three years, approximately 66%, or two-thirds, of the total awarded compensation (based on GDFV) was ultimately earned or on track to be earned from that which has been reported.
The Company considers the grants of equity awards in any given year to be based on actual performance for the previous year. Accordingly, and for purposes of the illustration below, the years 2014, 2015 and 2016 include grants made in 2015, 2016 and 2017, respectively.

CEO Grant Date Fair Value vs. Realized/Realizable Compensation

RIGOROUS ANNUAL PERFORMANCE HURDLES

The following table reflects Mr. Tanger's annual cash incentives presented based on the maximum percentage that could be earned under the cash bonus program during the past three years. As demonstrated below, the Company uses rigorous performance hurdles that have resulted in a payout between 58% and 78% of the maximum amount for 2015, 2016 and 2017. For a discussion of the performance metrics used in determining the amount of annual cash incentives payable with respect to 2017, see "2017 Compensation - Annual Cash Incentives: Description and Analysis" below on page 32.

2017	200%	$	1,700,000	58.4%	$	993,367
2016	200%	$	1,648,000	77.8%	$	1,282,350
2015	200%	$	1,648,000	64.6%	$	1,064,032

SIGNIFICANT AT-RISK COMPENSATION

In addition, a substantial portion of our CEO and NEOs' pay is tied to company performance and is at risk. Only 29% of our CEO’s performance year 2017 compensation was paid in cash, and approximately 87% was variable, subject to the Company’s performance. Across our remaining NEOs, the average 2017 performance year amount paid in cash was approximately 39% and approximately 79% was variable, subject to the Company’s performance.

SHAREHOLDER ENGAGEMENT AND LISTENING TO OUR SHAREHOLDERS

We have historically taken into consideration the results of our advisory votes on the Company's NEO compensation, and since 2014, we have proactively engaged in ongoing shareholder outreach in order to better understand how to increase shareholder satisfaction with the Company’s NEO compensation. Each year, we contact our largest institutional shareholders, which in 2017 included reaching out to shareholders who collectively owned approximately 69% of our outstanding Common Shares, to discuss our executive compensation programs, our business and our overall performance and to receive direct feedback on our executive compensation program. These discussions are led by our non-executive Chairman of the Board or the Chairman of our Compensation Committee and members of senior management (excluding our CEO). It is important to maintain consistent dialogue with our shareholders, even though our 2017 Say-on-Pay proposal was supported by a majority (80%) of shareholders.

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EXECUTIVE COMPENSATION

Based on the results of our advisory votes on the Company's NEO compensation and discussions held over the past several years, we have made a number of positive changes to our executive compensation program as summarized below:

- Further modified our annual OPP to reflect a 67/33 split between relative and absolute TSR hurdles to further emphasize relative performance versus absolute performance
- The Relative TSR component of the 2018 OPP was shifted from the use of a broader REIT index (SNL U.S. Equity Index) to that of an industry-specific index (FTSE NAREIT Retail Index), which is expected to more closely correlate with the performance of the retail REIT industry
- Continued to impose a mandatory three-year holding period after vesting for equity grants made to the CEO, consistent with all awards subsequent to 2013

- Further condensed the number of metrics used in our annual cash incentive plan from 4 financial performance objectives to 3 key financial performance objectives
- Based approximately 87% of the CEO’s total compensation on Company performance
- Annual Cash Incentive payouts on an absolute dollar basis were the lowest awards in the past three years
- The 2015 OPP plan, spanning the 2015 -2017 performance period, funded at a zero dollar value payout

- Decreased the number of metrics used in the annual cash incentive plan from 8 financial performance objectives to 4 key financial performance objectives
- Modified our annual OPP to reflect a 50/50 split between absolute and relative TSR hurdles
- For the 2016 OPP, minimum and target performance level payouts were decreased to 20% and 60% of the award, respectively, from 33% and 67%, respectively
- Modified CEO employment agreement to require a double-trigger for accelerated vesting of time-based restricted shares in connection with a change in control
- Unlike the special grants awarded in connection with the CEO's 2012 employment contract amendment, we did not provide additional special awards in connection with the 2016 employment agreement

- Reduced the number of time-based equity awards relative to performance-based equity awards granted in 2016 for 2015 performance
- Adopted a robust anti-pledging policy that generally prohibits executive officers, directors, and employees from pledging Company securities as collateral for margin loans or other transactions
- Increased the allocation of performance-based equity awards to approximately 60% (up from approximately 47%)

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PERFORMANCE HIGHLIGHTS

We believe the Company, which is focused on long-term shareholder value creation, continued to deliver strong financial growth and operational performance in 2017. Key 2017 performance highlights include:

AFFO	4% increase to \$2.46 per share, or \$245.3 million, for the 2017 period from \$2.37 per share, or \$238.4 million for the 2016 period
Same Center NOI	Increased for the 14th consecutive year
Occupancy	97.3% occupied consolidated portfolio at year-end 2017 (compared to 97.7% on December 31, 2016), marking the 37th consecutive year with year-end occupancy of 95% or greater
Quarterly Common Share Cash Dividends	Increased in April by 5.4% on an annualized basis to \$1.37 per share, marking the 24th consecutive year of increased dividends
Blended Average Rental Rates	Increased 12.1% on 343 leases totaling approximately 1,508,000 square feet renewed or released throughout the consolidated portfolio during the trailing twelve months ended December 31, 2017, excluding 9 leases totaling 165,000 square feet in the centers with major re-merchandising projects during 2017, and increased 8.8% including these 9 leases
Completed Construction Projects	Lancaster, Pennsylvania (123,000 square foot expansion) and Fort Worth, Texas (352,000 square foot new outlet center) combined represent a 3.2% expansion of the Company's overall footprint at the beginning of the year
Public Offering	Completed a public offering of \$300 million of 3.875% unsecured senior notes due July 2027 and used the net proceeds and unsecured lines of credit borrowings to redeem \$300 million of outstanding 6.125% unsecured senior notes due June 2020
Increased Liquidity	Amended our line of credit agreements to extend maturity by two years in January 2018, increased our borrowing capacity to \$600 million from \$520 million, and reduced the interest rate spread to 87.5 basis points over LIBOR from 90 basis points
Interest Coverage Ratio	Increased to 4.46 times for 2017, compared to 4.40 times for 2016
Total Shareholder Return	Has performed above market over last ten years, generating a 99% return for our shareholders (as compared to an 80% return generated by the SNL US Retail REIT Index).

* FFO, AFFO and Same Center NOI are financial measures that the Company's management believes to be important supplemental indicators of our operating performance and which are used by securities analysts, investors and other interested parties in the evaluation of REITs, but are not measures computed in accordance with GAAP. For a discussion of FFO, AFFO and NOI, including a reconciliation to GAAP, please see Appendix A.

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TOTAL SHAREHOLDER RETURN

We believe that the true value creation produced from an investment in real estate should be assessed over a long-term horizon, and our strategy has focused on long-term value creation. In fact, our TSR over the longer term has performed above market generating a 99% return for our shareholders over the past ten years (as compared to an 80% return generated by the SNL US Retail REIT Index).

Over the 1-year and 3-year periods ending December 31, 2017, however, our returns to our shareholders (on both an absolute and relative basis) declined, primarily due to the current challenging retail environment. Accordingly, as a reflection of the pay-for-performance structure of our overall compensation plan, a significant portion of our CEO's compensation (and that of our NEOs) has been forfeited.

Despite significant retail headwinds during 2017, we delivered strong financial growth and operational performance as discussed previously in the Performance Highlights. The Compensation Committee believes that incentivizing the management team to continue to focus on driving superior operating performance, will ultimately result in the creation of strong long-term shareholder value.

The graph below compares the cumulative total return on our Common Shares over the past three years to the cumulative return of comparable indices assuming a $100 investment on December 31, 2014, and assuming all dividends were reinvested. A $100 investment in the Company on December 31, 2014 would have decreased to $81 by December 31, 2017.

Comparison of $100 Investment Over the Past Three Years

2 COMPENSATION REVIEW PROCESS

COMPENSATION PROGRAM OBJECTIVES

The objectives of the Company's compensation program are as follows:

COMPENSATION PROGRAM REWARDS

The Company's compensation program rewards teamwork and individual officer contributions to the Company's annual and longer term goals. Annual cash performance-based incentives reward Company financial performance and individual performance for the fiscal year. In measuring an individual officer's and the overall team's performance, the Compensation Committee considers numerous factors, including the Company's growth in AFFO and Same Center NOI from the prior year and the debt to asset ratio. While the individual amounts of incentive compensation paid may vary among officers, the performance targets that are set are generally the same for all officers. This creates an environment where all officers work together to achieve a common goal. See "2017 Compensation -Annual Cash Incentives: Description and Analysis" on page 32 for further discussion of performance targets used to set 2017 compensation. Equity-based awards provide long-term incentives designed to reward price appreciation of our Common Shares over a multi-year period.

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Additionally, we believe that the Company's executive compensation program does not encourage excessive risk taking. The Compensation Committee has incorporated the following risk-oversight and compensation-design features to guard against excessive risk taking:

- Review and approval of corporate objectives by the Compensation Committee to ensure that these goals are aligned with the Company's annual operating and strategic plans, achieve the desired risk/reward balance, and do not encourage excessive risk taking;
- Base salaries consistent with each executive's responsibilities so that the executive is not motivated to take excessive risks to achieve a reasonable level of financial security;
- A significant portion of each executive's compensation is tied to the future share performance of the Company;
- Equity compensation and vesting periods for equity awards that encourage executives to focus on sustained share price appreciation;
- Three-year holding period following vesting on all restricted Common Shares granted to our CEO since 2013;
- Robust share ownership guidelines, clawback policy, anti-hedging policy and anti-pledging policy; and
- A mix of cash and equity compensation that is designed to encourage strategies and actions that are in the long-term best interests of the Company.

ROLE OF THE COMPENSATION COMMITTEE

The purposes and responsibilities of the Compensation Committee of the Board include the following:

- Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance and determine and approve the CEO's compensation level based on this evaluation;
- Make recommendations to the Board with respect to the compensation of non-employee directors and officers other than the CEO;
- Periodically review the Company's incentive-compensation and equity-based plans and approve any new or materially amended equity-based plans; and
- Oversee, with management, regulatory compliance with respect to compensation matters.

The Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee. In particular, the Compensation Committee may delegate the approval of certain equity awards to a subcommittee consisting solely of members of the Compensation Committee who are "non-employee directors" for the purposes of Rule 16b-3 under the Exchange Act.

ROLE OF THE COMPENSATION CONSULTANT AND USE OF AGGREGATE PEER GROUP DATA

In setting compensation for fiscal 2017 performance, the Compensation Committee engaged FPL Associates L.P. (FPL), an independent compensation consultant, to assist in determining the appropriate amounts, types and mix of executive compensation. The Compensation Committee, with the help of its independent compensation consultant, annually reviews the compensation practices of other REITs in order to evaluate market trends and compare our compensation program with the compensation programs of our competitors. Based in part on this data, the Compensation Committee develops a compensation plan that is intended to maintain the link between corporate performance and shareholder returns while being generally competitive within our industry.

Each fiscal year, management prepares an analysis that sets forth the Company's total compensation obligations to the CEO and the other officers, including each executive's realized compensation from the prior year and targeted cash compensation for the coming year. FPL analyzed this information for our NEOs, as well as the mix of fixed versus variable, short-term versus long-term and cash versus equity-based compensation of officers with similar duties and responsibilities at the peer group companies. The analysis focused on the following categories of compensation: (1) base salary, (2) base salary and incentive cash bonus together as total annual cash compensation, (3) long-term incentive compensation and (4) total overall compensation.

The Compensation Committee does not benchmark annual compensation to any specific percentile of total compensation paid to comparable officers in the peer group. Based on the Company's and the individual's overall performance relative to the peer group and the unique circumstances associated with any individual officer, the Compensation Committee, in consultation with FPL, determined the appropriate level of annual compensation.

For fiscal 2017 performance, FPL recommended the level of base and incentive cash bonus compensation to be set for each NEO as well as the amount of equity awards to be granted to each NEO (or, if applicable, concluded that the recommendations of the

CEO with respect to such other officer's compensation were reasonable and within peer group standards), based on its review of peer data, industry trends, existing employment agreements and other factors. The Compensation Committee considered FPL's recommendations and analysis when determining base salaries and annual and long-term incentives.

In selecting the peer group, the Company considers REITs based upon the following characteristics: (1) industry sector, (2) market capitalization and (3) peer group continuity from year to year. In 2017, the Compensation Committee approved a peer group comprised of REITs that invest in retail properties. After review, the Compensation Committee determined to keep the 2017 peer group consistent with 2016, except for the following adjustment:

Removed Equity One Inc. due to the merger between Regency Centers Corporation and Equity One Inc. during 2017.

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EXECUTIVE COMPENSATION

The following table provides the names and certain key information for each peer company at the time the Compensation Committee reviewed the peer group market data.

Acadia Realty Trust	$ 2,420.6	$ 4,610.2	Shopping Centers
Brixmor Property Group, Inc.	5,690.1	11,403.8	Shopping Centers
CBL & Associates Properties, Inc.	1,128.2	5,981.2	Regional Malls
DDR Corp.	3,305.0	7,856.5	Shopping Centers
Federal Realty Investment Trust	9,739.6	13,314.9	Shopping Centers
Kimco Realty Corporation	7,742.7	14,250.8	Shopping Centers
Kite Realty Group Trust	1,677.4	3,392.3	Shopping Centers
The Macerich Company	9,919.1	15,260.3	Regional Malls
National Retail Properties, Inc.	6,558.1	9,899.9	Free Standing
Regency Centers Corporation	11,792.4	15,344.9	Shopping Centers
Retail Opportunity Investments Corp.	2,473.7	3,839.4	Shopping Centers
Taubman Centers, Inc.	5,605.3	9,255.7	Regional Malls
Urban Edge Properties	3,225.7	4,634.1	Shopping Centers
Weingarten Realty Investors	4,268.5	6,659.9	Shopping Centers
Washington Prime Group, Inc.	1,570.5	4,768.7	Regional Malls
Tanger Factory Outlet Centers, Inc.	**$ 2,639.2**	**$ 4,413.2**	**Outlet Centers**

DETERMINATION OF COMPENSATION CONSULTANT'S OBJECTIVITY

The Compensation Committee recognizes that it is essential to receive objective advice from its outside independent compensation consultant. As a result, the Compensation Committee does not allow the Company to engage FPL in matters unrelated to executive compensation.

ROLE OF MANAGEMENT AND THE CHIEF EXECUTIVE OFFICER IN SETTING EXECUTIVE COMPENSATION

On an annual basis, management considers market competitiveness, business results, experience and individual performance in evaluating executive compensation. The CEO is actively engaged in setting compensation for other executives through a variety of means, including recommending for Compensation Committee approval the financial performance goals for his executive team. He works closely with the CFO in analyzing relevant market data to determine recommendations for base salary, annual bonus targets and equity compensation awards for other members of senior management. Targets are set in order to drive both annual performance and long-term value creation for shareholders. The CEO and CFO are generally subject to the same financial performance goals as the other officers, all of which are approved by the Compensation Committee. The Compensation Committee will consider, but is not bound by and does not always accept, the recommendations of the CEO and CFO with respect to executive compensation.

3 2017 COMPENSATION

We believe that the following discussion is a useful presentation of the Compensation Committee's decisions with regard to 2017 NEO compensation, particularly in light of our practice of granting annual long-term equity incentive awards for a particular year in February of the following year. The following discussion should be read in conjunction with the Summary Compensation Table presented on page 41 where, in accordance with SEC rules, we present these grants as compensation for the year in which they were granted as opposed to the year for which they were earned.

The Compensation Committee received information from FPL, its compensation consultant, and management for consideration in determining the specific amounts of compensation to be provided to the executive officers for fiscal 2017 performance. Among the factors considered for our executive compensation generally, and for the NEO compensation in particular, are market competitiveness, company performance results, internal equity, past practice, experience and individual performance. There is no particular weight given to any factor, which may differ among individual NEOs, and instead factors are reviewed on a holistic basis.

Business results from the most recently completed fiscal year factor heavily in setting executive compensation. These results are reviewed and discussed by the Compensation Committee and its compensation consultant. Payouts are generally based on actual financial results, measured against the targets approved by the Compensation Committee under our incentive compensation plans for the fiscal year just ended. In addition, these results are considered in setting performance targets for the next fiscal year. Based on the financial results presented by management, the Compensation Committee reviews the individual performance of the NEOs (other than the CEO) as reported by the CEO and approves their compensation for the current fiscal year.

In evaluating the performance of the CEO and setting his compensation, the Compensation Committee takes into account corporate financial performance, as well as performance on a range of non-financial factors, including accomplishment of strategic goals, workforce development and succession planning, and the CEO's working relationship with the Board. See "2017 Business Highlights" on page 4 for a summary of our operational achievements in 2017.

Historically, the Company's primary components of compensation for its executive officers have been base salary, annual incentive cash bonuses, annual long-term equity-based incentive compensation and outperformance awards. There is no pre-established policy or target for the allocation between cash and non-cash incentive compensation or between short-term and long-term compensation, although the Company attempts to keep total cash compensation within the Company's fiscal year budget while reinforcing its pay-for-performance philosophy and also taking into account annual accounting cost and the impact of share dilution. Within the framework of aligning total compensation with corporate and individual performance, the purpose of each of the components is as follows:

Pay Element	Objectives
Base Salary	To provide competitive fixed pay at a level consistent with the individual's job responsibilities relative to his or her peers
Annual Incentive Cash Bonus	To incentivize management to achieve the Company's strategic and financial goals for the fiscal year, generally using a formulaic calculation
Annual Long-Term Equity Incentive	To reward prior year performance and support the retention of senior management, while exposing recipients to the same market fluctuations as shareholders and thereby motivating management to create long-term shareholder value
Outperformance Plan	To enhance the pay-for-performance structure and shareholder alignment, while motivating and rewarding senior management for TSR performance in excess of rigorous, predetermined absolute and relative hurdles

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EXECUTIVE COMPENSATION
BASE SALARY: DESCRIPTION AND ANALYSIS

Although the Compensation Committee does not benchmark salaries to any specific percentile of base salaries paid to comparable officers in the peer group, the NEOs are paid base pay amounts within the range of base salaries paid to comparable officers in the peer group and sufficient to attract high-quality executive talent and maintain a stable management team. After a review of base salaries and total cash compensation as compared to our peer group, and considering that cash compensation was below median peer group levels, the Compensation Committee concluded that it would be appropriate to increase base salaries by approximately 3% for 2017. In 2017, Mr. Tanger's base salary was increased to $850,000 pursuant to the terms of his amended and restated employment agreement.

The 2017 base salaries were as follows:

Steven B. Tanger, CEO	$850,000
James F. Williams, CFO	360,000
Thomas E. McDonough, President	394,000
Chad D. Perry, GC	371,000
Lisa J. Morrison, Senior Vice President - Leasing	283,326

While the Compensation Committee believed cash compensation for its NEOs were below median levels for officers in similar positions at companies in our peer group, taking into consideration the 2017 base salary increases, the Compensation Committee decided to keep NEO base salaries flat for 2018.

Each of the NEOs has an employment agreement with the Company that includes a provision whereby the executive's base salary shall not be less than certain previous amounts. See "Employment Contracts" on page 49.

ANNUAL CASH INCENTIVES: DESCRIPTION AND ANALYSIS

INCENTIVE CASH BONUS PLAN FOR EXECUTIVE OFFICERS

During 2017, all executive officers were eligible for an annual incentive cash bonus payment based upon achieving certain performance criteria during the year (referred to as the "IncentiveCash Bonus Plan"). The performance criteria were approved and set by the Compensation Committee in February 2017. The annual incentive cash bonus for a fiscal year is typically paid in the first quarter of the following year once the results for the year have been finalized.

For 2017, each executive's annual incentive cash bonus amount was based upon Threshold, Target and Maximum percentages of base salary. See the "2017 Grant of Plan-Based Awards" table on page 44 for the dollar amounts payable under each of these categories. Generally, executives must be employed as of the last day of the year to receive payment under the annual Incentive Cash Bonus Plan for that year.

The Threshold, Target and Maximum amounts for our NEOs in 2017 were unchanged from 2016, except for Mr. Williams, whose Threshold, Target and Maximum amounts were increased from 5%, 20% and 35%, respectively, to 25%, 50% and 75%, respectively, in connection with his promotion to CFO during 2016. The Threshold, Target and Maximum amount for our NEOs in 2017 were as follows (as a percentage of base salary):

Steven B. Tanger, CEO	75%	100%	200%	
James F. Williams, CFO	25%	50%	75%	
Thomas E. McDonough, President	75%	100%	170%	
Chad D. Perry, GC	75%	100%	170%	
Lisa J. Morrison, Senior Vice President - Leasing	5%	20%	35%	(1)

(1) Ms. Morrison also participates in separate annual incentive cash bonus plans for leasing employees. See "Annual Incentive Cash Bonus Plan for Leasing Employees" below. Per the terms of her employment contract, Ms. Morrison is eligible to receive an annual incentive cash bonus equal to the lesser of (1) 100% of her annual base salary or (2) 9.16% of the total commissions earned by our leasing employees with respect to that contract year computed as a percentage of average annual tenant rents (net of tenant allowances) in accordance with the Company's leasing team bonus plan in effect for that contract year, except that if the amount determined under clause (2) is greater than 100% of Ms. Morrison's annual base salary, such excess will be carried over to the next succeeding year. Ms. Morrison receives the higher of the bonus as calculated

under the Company's Incentive Cash Bonus Plan for executive officers or the bonus calculated under the terms of her employment contract, but not both.

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EXECUTIVE COMPENSATION

The annual incentive cash bonuses payable to NEOs are based on the achievement of several company performance criteria that incentivize such officers to focus on the achievement of strategic and financial goals of the Company and for 2017 included the following measures:

Financial Performance Targets:	
AFFO per share (excluding the dilutive effect of asset sales or long-term refinancing)	Encourages focus on profitability as measured by the most frequently assessed REIT earnings measure.
Percentage increase in Same Center NOI Consolidated Debt to Adjusted Total Asset Ratio	Encourages focus on internal growth at existing portfolio and maintenance of leverage within acceptable levels.
Strategic objectives (or Individual Performance for "Other Officer")	Represents indicators of the executive's success in fulfilling his or her responsibilities to the Company and in executing its strategic business plan.

Since there were fewer performance criteria than in prior years, the Compensation Committee adjusted the weightings, taking into account the relative importance of each metric. For purposes of setting the performance levels for 2017, the CFO prepared for the Compensation Committee an analysis of, including for the criteria above, the actual performance levels achieved for the last three years and the average of the three-year period as compared to the performance levels included in the operating and financial budgets approved by the Board for 2017. The Compensation Committee generally sets threshold levels for each criterion at or above the current year budget levels. The budget reflects management's assumptions regarding performance during the year taking into account many factors, both internal and external. The Compensation Committee may approve performance levels for the current year below the prior year performance levels when considering the current year's budget or other factors outside management's control. Certain target levels used in 2017 were either modified or lower than those used in 2016 as follows:

- Same Center NOI and Consolidated Debt to Adjusted Total Asset ratio threshold amounts were set based on the Company's operating budget for the year, and
- We removed minimum increase in rolling 12-month tenant sales, because, unlike traffic, management does not directly control tenant sales.

At the time the individual strategic objectives were set, the Compensation Committee believed the targets would be challenging and difficult, but achievable with significant effort and skill. The corporate performance criteria and the performance levels required under the Incentive Cash Bonus Plan for 2017 approved by the Compensation Committee, as compared to our level of achievement, were as follows:

Financial Performance Targets:				
AFFO per share (excluding the dilutive effect of asset sales or long-term refinancing)	$2.42	$2.44	$2.46	$2.49
Percentage increase in Same Center NOI	1.5%	2.0%	2.5%	0.5%
Consolidated Debt to Adjusted Total Asset ratio	51.5%	50.0%	48.5%	50.9%

Strategic performance goals for the CEO, CFO, President and GC (described below)	3 of 5 objectives	4 of 5 objectives	5 of 5 objectives	4 of 5 objectives
Individual performance goals for Ms. Morrison	2 of 5 objectives	3 of 5 objectives	5 of 5 objectives	2 of 5 objectives

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The Compensation Committee, in its discretion, may adjust the predetermined AFFO targets to exclude significant charges which they believe are not indicative of the Company's ongoing operating performance. No such adjustments were made for the 2017 year. See "Actual 2017 Annual Incentive Cash Bonuses" below, for the amount of annual incentive cash bonuses received by each NEO pursuant to the above results. Further, for a reconciliation of AFFO and Same Center NOI to GAAP, please see Appendix A.

The Compensation Committee believes that these strategic and financial goals are key drivers in ultimately increasing the equity value of the Company and that these goals ultimately help align the interests of our NEOs and our shareholders. If minimum performance criteria targets are not met, no bonuses are paid. If maximum targets are met or exceeded, bonuses may be substantial but are capped as set forth in the table above.

In 2017, the Company met or surpassed one of the minimum financial performance levels and one of the maximum financial performance levels. The strategic performance goals for each of Messrs. Tanger, Williams, McDonough and Perry were to (1) open or start one new development in the US or Canada (2) open or start one new expansion of an existing center of at least 100,000 square feet in the US or Canada, (3) increase comparable traffic by 1% in centers in which we have an ownership interest, (4) achieve year end occupancy of at least 95% in centers in which we have an ownership interest, and (5) complete disposition of at least one center in the bottom tier of the portfolio. While Ms. Morrison participates in this plan, in 2017 her bonus compensation was determined under the bonus plan for leasing employees as described below.

The Compensation Committee determined it prudent to pay the bonuses earned by the executive officers during 2017 based on the achievement of the targets set at the beginning of 2017.

ANNUAL INCENTIVE CASH BONUS PLAN FOR LEASING EMPLOYEES

Ms. Morrison also participates in a separate incentive cash bonus plan designed to reward the Company's leasing employees on an individual basis for successfully executing new leases and renewing existing leases with our tenants (referred to as "Leasing Commissions"), and on a team basisfor reaching certain company goals with respect to achieving minimum overall occupancy rates, minimum renewal rate on leases expiring, minimum average rental rate increases on existing leases renewed or new leases executed during the year, minimum conversion rate in converting lease requests to executed leases, and maximum number of days to get a lease fully executed once approved (referred to as "Leasing Team Bonus"). Management believes it is desirable for all leasing employees to participate in this plan in order to provide incentives for maximizing and growing the Company's revenues.

Per the terms of her employment contract, Ms. Morrison is eligible to receive an annual incentive cash bonus with respect to Leasing Commissions equal to the lesser of (1) 100% of her annual base salary or (2) 9.16% of the total commissions earned by our leasing employees with respect to that contract year computed as a percentage of average annual tenant rents (net of tenant allowances) in accordance with the Company's leasing bonus plan in effect for that contract year, except that if the amount determined under clause (2) is greater than 100% of Ms. Morrison's annual base salary, such excess amount will be carried over to the next succeeding year. Ms. Morrison receives the higher of the bonus as calculated under the Incentive Cash Bonus Plan for executive officers or the bonus calculated under the terms of her employment contract, but not both. In 2017, Ms. Morrison received the bonus calculated under the terms of her employment contract, since such amount was higher than the bonus she would have received under our Incentive Cash Bonus Plan.

In addition, during 2017, Ms. Morrison was eligible to receive a Leasing Team Bonus up to $25,000 if all of the target levels were achieved, and then would receive additional amounts in increments of $250 or $1,000 based upon the amount by which the target levels were exceeded, up to a maximum of $40,000.

ACTUAL 2017 ANNUAL INCENTIVE CASH BONUSES

All annual incentive cash bonuses to NEOs for 2017 were paid in accordance with the terms described above, and the Company did not exercise any discretion to increase any such bonuses above the amount determined pursuant to the applicable formula. The actual cash incentives paid for 2017 performance were:

Steven B. Tanger, CEO	$993,367	(22.5	)%
James F. Williams, CFO (1)	168,720	75.6	%
Thomas E. McDonough, President	413,175	(21.5	)%
Chad D. Perry, GC	389,055	(21.6	)%

Lisa J. Morrison, Senior Vice President - Leasing	295,057	3.4	%

(1) The increase for Mr. Williams related to his promotion to CFO in May 2016.

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LONG-TERM INCENTIVES: DESCRIPTION AND ANALYSIS

The Company's long-term incentive compensation consists of equity-based awards under its Incentive Award Plan, either in the form of restricted Common Shares, restricted share units or performance awards. Equity-based awards deliver increased value only when the value of our Common Shares increases. Long-term incentives are determined by the Compensation Committee based, in part, on peer group compensation practices combined with recommendations of management and its compensation consultant.

The Compensation Committee generally administers our Incentive Award Plan, which provides for the issuance of equity-based awards to our officers and employees. The Compensation Committee authorizes the awards to employees and establishes the terms and conditions of the awards under the Incentive Award Plan, as it deems appropriate.

RESTRICTED COMMON SHARE AND RESTRICTED SHARE UNIT AWARDS

Awarding restricted Common Shares helps to further align the interests of management with those of our shareholders. In setting the amounts and terms of the restricted Common Shares, the Compensation Committee considers the value of previous grants of restricted Common Shares and the total compensation expense recognized in the Company's financial statements with respect to all previous grants of restricted Common Shares. However, the Compensation Committee does not necessarily limit the number of restricted Common Shares to be granted based on the total value or annual expense recognized in the financial statements because the Compensation Committee generally considers grants of restricted Common Shares to represent both an annual reward for individual and Company performance achieved as well as a longer term incentive for future performance. Restricted Common Shares are generally granted during the first quarter of the current year once the results from the previous year are finalized. In 2018, a portion of the equity award to our CEO was granted in the form of restricted share units, in lieu of restricted Common Shares, in accordance with the terms of his employment agreement. It is expected that our CEO will continue to receive a portion of his annual time-based vesting equity awards in the form of restricted share units in the future.

Based on the foregoing considerations, including the TSR and operational performance highlighted on page 27, in February 2018, the Compensation Committee approved the following awards of restricted Common Shares and restricted share units for 2017 performance (for comparison purposes we have also illustrated the amounts approved in February 2017 for 2016 performance):

Steven B. Tanger, CEO	$2,486,993	$2,486,994	0.0%
James F. Williams, CFO	375,196	299,200	25.4%
Thomas E. McDonough, President	1,285,179	1,285,214	0.0%
Chad D. Perry, GC	581,322	523,600	11.0%
Lisa J. Morrison, Senior Vice President - Leasing	240,002	240,015	0.0%

(1) The grant date fair value for restricted Common Share awards granted in 2018 and 2017 is considered to be the closing price of the Company's Common Shares on the day prior to the grant date, which was $21.94 and $34.47, respectively, except for Mr. Tanger. The grant date fair value of Mr. Tanger's restricted Common Share and restricted share unit awards granted in 2018 and 2017 are subject to additional restrictions on sale after vesting and issuance of shares, as applicable, and are discounted per FASB ASC 718 by 15.0% and 12.5%, respectively.

The restricted Common Shares and restricted share units were granted to the named executive officers for 2017 performance in February 2018 and for 2016 performance in February 2017. For the CEO, CFO, President and GC, such awards granted in February 2018 vest ratably over a three-year period, beginning on February 15, 2019. For Ms. Morrison and other executives, such awards vest ratably over a five-year period, beginning on February 15, 2019. For the CEO, the restricted Common Shares and restricted share units granted for 2017 performance and the restricted Common Shares granted for 2016 performance include additional holding period restrictions under which the vested Common Shares and Common Shares issued in respect of the restricted share units cannot be sold for an additional three years following each vesting or issuance date, as applicable.

The Compensation Committee believes that restricted Common Share and restricted share unit grants with time-based vesting features provide the desired incentive to increase the Company's share price and, therefore, the value for our shareholders over the vesting period. If the Company has poor relative performance that results in poor shareholder returns, then the value of the restricted Common Shares and restricted share units, and likewise the executive's total compensation, will be reduced. If the Company has superior relative performance that results in superior shareholder returns, then the value of the restricted Common Shares and restricted share units, and likewise the executive officer's total compensation, will be significantly increased.

The Company measures the grant date fair value under FASB ASC 718 of all restricted Common Share and restricted share unit awards with time-based vesting features based on the provisions of the Incentive Award Plan. Under those provisions, fair value is considered to be the closing price of our Common Shares on the last trading day prior to the grant date, except for the restricted Common Shares and restricted share units granted to the CEO in 2018 and 2017 that are subject to additional restrictions on sale after vesting or issuance, as applicable, described above which were each discounted per FASB ASC 718 by 15.0% and 12.5%, respectively.

2017 AND 2018 OUTPERFORMANCE PLANS

During February 2017 and February 2018, the Compensation Committee approved the general terms of the Tanger Factory Outlet Centers, Inc. 2017 and 2018 OPPs, which provides for the grant of performance awards under the Incentive Award Plan. Although the general framework is materially consistent, based on advice from its new compensation consultant, the Compensation Committee made modest enhancements to the 2018 OPP to more closely correlate the value of our performance awards with our relative performance as compared to our direct peers. The illustration below depicts the framework for the two most recent OPPs (note the 2017 OPP was the same as the 2016 OPP) and lists the maximum number of restricted Common Shares that each of the Company's NEOs will be eligible to receive upon achieving both goals discussed above at the conclusion of the performance period:

Steven B. Tanger, CEO	$2,081,640	$4,068,027	$2,081,640	$5,345,802	—%	(23.9)%
James F. Williams, CFO	274,785	536,980	219,120	562,716	25.4%	(4.6)%
Thomas E. McDonough, President	941,220	1,839,376	941,220	2,417,121	—%	(23.9)%
Chad D. Perry, GC	425,735	831,985	383,460	984,753	11.0%	(15.5)%
Lisa J. Morrison, Senior Vice President - Leasing	119,520	233,555	119,520	306,936	—%	(23.9)%

(1) Represents the notional units granted under the 2018 and 2017 OPPs, multiplied by the grant date fair values of $12.24 and $16.60, respectively. The grant date fair values were based on probable performance outcomes computed in accordance with FASB ASC 718.

(2) Represents the maximum number of restricted Common Shares to potentially be issued multiplied by the estimated value per share needed to earn the maximum number of restricted Common shares, or $23.92 per restricted Common Share for the 2018 OPP and $42.63 per restricted Common Share for the 2017 OPP.

50% Relative TSR vs. SNL Equity REIT Index		**67% Relative TSR vs. FTSE NAREIT Retail Index**	
Performance Targets	**Performance Targets**	**Performance Targets**	**Performance Targets**
Minimum: 40th Percentile	Minimum: 18% TSR	Minimum: 30th Percentile	Minimum: 19.1% TSR
Target: 55th Percentile	Target: 26.5% TSR	Target: 55th Percentile	Target: 24.3% TSR
Maximum: 70th Percentile	Maximum: 35% TSR	Maximum: 80th Percentile	Maximum: 29.5% TSR

Any restricted Common Shares earned under the 2017 and 2018 OPPs (which conclude on February 13, 2020 and February 15, 2021, respectively) are also subject to a time-based vesting schedule, pursuant to which 50% of the restricted Common Shares would vest at the conclusion of the three-year performance period and the remaining 50% would vest (or, in the case of our CEO, would be issued) upon the completion of one additional year of service, contingent upon continued employment with the Company through the applicable vesting date. Such vesting, however, is subject to acceleration in certain termination scenarios, as described further in “Equity Compensation Plan Information - Potential Payments on Termination or Change in Control.

The notional units, prior to the date they are converted into restricted Common Shares, will not entitle award recipients to receive any dividends or other distributions. If the notional units are earned, and thereby converted into restricted Common Shares (whether vested or unvested), then award recipients will be entitled to receive a payment of all dividends and other distributions that would have been paid had the number of earned restricted Common Shares been issued at the beginning of the performance period. Thereafter, dividends and other distributions will be paid currently with respect to all restricted Common Shares that were issued, whether vested or unvested.

RETIREMENT BENEFITS

The Company generally does not provide any retirement benefits to its executive officers, other than matching a portion of employee contributions to our 401(k) plan. Employee contributions are matched by us at a rate of compensation to be determined annually at our discretion. This benefit is generally available to all employees of the Company. See “Employment Contracts" for a discussion of amounts that may be payable pursuant to Mr. Tanger's employment agreement in connection with retirement.

PERQUISITES

The Company does not provide significant perquisites or personal benefits to executive officers, except that it provided Mr. Tanger with a monthly car allowance of $800 in 2017. In addition, the Company paid a total of $44,436 for premiums on life insurance policies for Mr. Tanger during 2017.

In addition, the Company owns a corporate airplane which is used almost exclusively for business travel. We believe that the confidential working environment, security and efficiency provided by private air travel allow our CEO and other executives to maximize productivity while traveling for business.

Our CEO’s business travel includes travel from his primary office location to the Company’s headquarters. While we consider this travel to serve an important business purpose, for purposes of transparency, we identify the incremental cost of this travel as a perquisite for SEC reporting purposes. We determine the incremental cost per flight based on the cost of fuel used, landing fees, trip-related hangar and parking costs, and crew-related costs. The incremental cost does not include fixed costs that do not change based on usage, such as purchase costs of the airplane, pilot salaries and non-trip-related hangar and parking costs. In 2017, this incremental cost totaled approximately $88,871. However, we do not consider the characterization of this amount as a perquisite to be a significant factor in our overall compensation plan design or effectiveness.

The CEO may use the aircraft for personal use from time to time, so long as the CEO reimburses the Company for such use so that there is no incremental cost to the Company.

EMPLOYMENT CONTRACTS AND CHANGE OF CONTROL

The Company’s business is competitive, and the Compensation Committee believes that it is extremely desirable for the Company to maintain employment contracts with its senior executives. The employment contracts generally provide for severance pay if the executive terminates his or her employment for Good Reason or is terminated by the Company without Cause, as those terms are defined in each agreement. The severance arrangements provided in the contracts are designed to promote stability and continuity of senior management. Equity awards granted to Mr. Tanger under the OPPs, to the extent earned, provide for accelerated vesting in the event of a Change of Control, as defined in Mr. Tanger's employment agreement. However, unless he experiences a termination of employment following a Change of Control (i.e., a “double trigger”), Mr. Tanger is not entitled to cash severance or accelerated vesting of his unvested time-based restricted shares in the event of a Change of Control. For all named executive officers, except for Mr. Tanger, the employment contracts consider a Change of Control, as defined in each agreement, as a reason for an executive to terminate his or her employment, and thus would entitle him or her to certain severance pay. Our Compensation Committee believes it is fair to provide severance protection and accelerated vesting of certain equity grants upon a Change of Control. Very often, senior executives lose their jobs in connection with a Change of Control. By agreeing upfront to provide severance benefits and accelerated vesting of certain equity grants in the event of a Change of Control, our Compensation Committee believes we can reinforce and encourage the continued attention and dedication of senior executives to their assigned duties without distraction in the face of an actual or threatened Change of Control and ensure that management is motivated to negotiate the best acquisition consideration for our shareholders. In addition, we intend to include double trigger change of control benefits in employment agreements with any newly hired executives whereby such executives will be eligible for change of control benefits only upon certain qualifying terminations of employment in connection with or following a change in control.

The Company currently has employment contracts with each of the NEOs listed in the Summary Compensation Table on page 41 of this Proxy Statement. See “Employment Contracts” on page 49 in this Proxy Statement.

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EXECUTIVE COMPENSATION

4 GOVERNANCE POLICIES RELATING TO COMPENSATION

MINIMUM OWNERSHIP GUIDELINES

The Company's Board of Directors expects all non-employee directors, the CEO, the CFO, the President and the GC to own a meaningful equity interest in the Company to more closely align the interests of directors and executive officers with those of shareholders. Accordingly, the Board has established equity ownership guidelines for non-employee directors, the CEO, CFO, President and GC. Non-employee directors are required to hold 5,000 Common Shares. Newly elected non-employee directors have three years following their election to the Board to meet the share ownership guidelines. The executives are required to hold Common Shares with a value equivalent to a multiple of their base salary as listed in the table below:

The executives have five years following their appointment to meet the share ownership guidelines. Vested and unvested restricted Common Shares count toward the equity ownership guidelines. All non-employee directors and the executives met the share ownership guidelines as of December 31, 2017.

CLAWBACK POLICY

The Board has established a clawback policy applicable to our executive officers. The policy allows for the recoupment of incentive awards in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws as a result of intentional misconduct, fraud or gross negligence. Each executive officer may be required to reimburse the Company for any incentive awards made after January 1, 2013 on the basis of having met or exceeded specific performance levels, under these circumstances.

ANTI-HEDGING POLICY

The Board has established an anti-hedging policy applicable to our executive officers and directors. The policy prohibits any director or executive officer of the Company from trading in puts, calls, options or other derivative securities based on the Company's securities. In addition, certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a shareholder to lock in much of the value of his or her holdings, often in exchange for all or part of the potential upside appreciation in the shareholdings. These transactions allow the shareholder to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the owner may no longer have the same objectives as the company's other shareholders. Therefore, directors and executive officers may not engage in any such transactions with respect to the Common Shares owned.

ANTI-PLEDGING POLICY

Our named executive officers and directors do not have any shares pledged as collateral. In February 2015, the Board adopted an anti-pledging policy applicable to our executive officers, directors and employees. The Board believes that pledging securities of the Company as collateral for margin loans or other transactions raises potential risks to shareholder value, particularly if the pledge is significant. Under this policy, officers, directors and employees of the Company may not margin, or agree or offer to margin, the Company's securities as collateral for a loan obligation. Similarly, officers, directors and employees of the Company may not pledge, or agree or offer to pledge, the Company's securities (or a right to receive the Company's securities) as collateral for a loan or other obligation. These prohibitions do not apply to any broker-assisted cashless exercise of equity awards. In addition, in order to facilitate the transition to the policy, these prohibitions do not apply to a margin or pledge of securities that was in effect prior to adoption of the policy; provided, that no additional Company securities may be added to any such pre-existing pledge on or after adoption of the policy.

An exception to the prohibitions in this policy may be granted by the disinterested members of the Board in their sole discretion where a person covered by this policy wishes to pledge the Company's securities as collateral for a loan (not including margin debt) and demonstrates to the satisfaction of the disinterested members of the Board the financial capacity to repay the loan without resort to the pledged securities.

MANDATORY HOLDING PERIOD

Restricted Common Shares granted to the CEO in February 2017 and February 2018 include three-year vesting periods and also have a mandatory holding period under which the CEO cannot sell his vested Common Shares for an additional three years following each applicable vesting date.

DEDUCTIBILITY OF EXECUTIVE COMPENSATION AND OTHER TAX CONSIDERATIONS

Subject to certain limited exemptions, Section 162(m) of the Internal Revenue Code of 1986 (referred to as the "Code") denies an income tax deduction to any publicly held corporation for compensation paid to a "covered employee" to the extent such compensation in any taxable year exceeds $1 million. Prior to the Tax Cuts and Jobs Act of 2017, covered employees generally consisted of the Company's chief executive officer and each of the Company's other three most highly compensated officers, excluding the chief financial officer, and compensation that qualified as "performance-based compensation" for purposes of Section 162(m) of the Code was exempt from this $1 million deduction limitation. As part of the Tax Cuts and Jobs Act of 2017, the scope of covered employees was expanded and the ability to rely on the "performance-based compensation" exemption was, with certain limited exceptions, eliminated. It is the Company's policy to take into account the implications of Section 162(m) among all other factors reviewed in making compensation decisions. However, the Compensation Committee, while considering tax deductibility as one factor in determining compensation, will not limit compensation to those levels or types of compensation that will be deductible if it determines that an award is consistent with its philosophy and is in the Company's and the shareholders' best interests. Accordingly, and in light of the changes implemented by the Tax Cuts and Jobs Act of 2017, some portion of the compensation paid to a Company executive may not be tax deductible by the Company under Section 162(m) of the Code.

Section 280G, Section 4999 and Section 409A of the Code ("Section 409A") impose certain taxes under specified circumstances. Section 280G and Section 4999 provide that any executives, directors who hold significant shareholder interests and certain other service providers could be subject to significant additional taxes if they receive certain payments or benefits in connection with a change of control of the Company, and that the Company could lose a deduction on the amounts subject to additional tax. The Company has no policy or commitment to provide any executive or director with any gross-up or other reimbursement for tax amounts that such executive or director might pay pursuant to these laws, and each named executive officer's employment contract provides for a cutback of amounts payable in order to avoid such additional taxes. Section 409A imposes additional significant taxes in the event that an executive, director or other service provider receives deferred compensation that does not meet the requirements of Section 409A. The Compensation Committee considers the effect of Section 409A when designing the Company's executive plans and programs, and such plans and programs are intended to be designed to comply with or be exempt from Section 409A in order to avoid potential adverse tax consequences that may result from noncompliance.

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REPORT OF THE COMPENSATION COMMITTEE

We have reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K, and based on such review and discussions, we recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

THE COMPENSATION COMMITTEE

Allan L. Schuman (Chair)
Jeffrey B. Citrin
David B. Henry
Thomas J. Reddin
Bridget M. Ryan-Berman

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2017 SUMMARY COMPENSATION TABLE

The following table shows information concerning the annual compensation for services provided by our Chief Executive Officer, Chief Financial Officer and three other most highly compensated executives for each of the fiscal years ended December 31, 2017, 2016, and 2015.

Name and Principal position	Year	Salary ($)	Bonus ($)	Share Awards ($) (1)	Non-equity Incentive Plan Compensation ($) (2)	All Other Compensation ($) (3)	Total ($)
	2017	$ 850,000	$ —	$ 4,568,634	$ 993,367	$ 612,947	$ 7,024,948
Steven B. Tanger	2016	824,000	—	4,499,176	1,282,350	696,625	7,302,151
Chief Executive Officer	2015	824,000	—	5,401,100	1,064,032	544,146	7,833,278
James F. Williams (4)	2017	$ 360,000	$ —	$ 518,320	$ 168,720	$ 46,481	1,093,521
Senior Vice President and Chief Financial Officer	2016	350,000	—	358,546	96,086	43,726	848,358
Thomas E. McDonough	2017	$ 394,000	$ —	$ 2,226,434	$ 413,175	$ 211,047	$ 3,244,656
President and	2016	382,439	—	2,226,927	526,332	215,670	3,351,368
Chief Operating Officer	2015	382,439	—	2,624,900	449,672	159,598	3,616,609
Chad D. Perry	2017	$ 371,000	$ —	$ 907,059	$ 389,055	$ 92,833	1,759,947
Executive Vice President, General Counsel, and Secretary	2016	360,500	—	907,160	496,138	87,556	1,851,354