

TANGER FACTORY OUTLET CENTERS INC
Form PRE 14A
March 23, 2012
UNITED STATES
SECURITY AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- x Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to 240.14a-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):

- x No fee required
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
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 2. Form, Schedule or Registration Statement No.:

3. Filing Party:
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-

TANGER FACTORY OUTLET CENTERS, INC.
3200 NORTHLINE AVENUE, SUITE 360
GREENSBORO, NORTH CAROLINA 27408
PHONE: 336-292-3010
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NYSE: SKT

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on May 18, 2012

Dear Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the 2012 Annual Meeting of Shareholders of Tanger Factory Outlet Centers, Inc. to be held on Friday, May 18, 2012 at 10 o'clock a.m. at our corporate headquarters, located at 3200 Northline Avenue, Suite 360, Greensboro, NC 27408, 336-292-3010 for the following purposes:

1. To elect the eight directors named in the attached Proxy Statement for a term of office expiring at the 2013 annual meeting of shareholders;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;
3. To amend the articles of incorporation to implement a majority vote standard for uncontested elections of directors;
4. To approve, on a non-binding basis, named executive officer compensation; and
5. 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, 2012 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 and on the proxy card, 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,

Frank C. Marchisello, Jr.
Executive Vice President,
Chief Financial Officer and Secretary

April [3], 2012

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NYSE: SKT

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS

to be held on May 18, 2012

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, 2012.

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” refers to the Annual Meeting of Shareholders of the Company to be held on May 18, 2012, 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 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, 2011 (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 [3], 2012.

Date, Time and Place

We will hold the meeting on Friday, May 18, 2012 at 10 o'clock a.m. at our corporate headquarters, 3200 Northline Avenue, Suite 360, Greensboro, NC, 27408, 336-292-3010, subject to any continuations, postponements or adjournments.

Who Can Vote; Votes per share

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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, 2012, 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, 2012, Common Shares totaling 91,672,724 were issued and outstanding.

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.

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 PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012;
- **FOR** the amendment to the Amended and Restated Articles of Incorporation to implement a majority vote standard for uncontested elections of directors; 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. 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. Under a recent rule change, 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, the approval, on a non-binding basis, of the named executive officer compensation or the amendment to our Amended and Restated Articles of Incorporation to implement a majority vote standard for uncontested elections of directors. 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, continue to have discretionary authority to vote on the ratification of independent auditors, and may do so when you have not provided instructions on that matter.

Quorum and Voting Requirements

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. Directors will be elected by the vote of a plurality of the votes cast by the Common Shares entitled to vote in the election, provided that a quorum is present.

Accordingly, Common Shares which are present at the meeting for any other purpose but which are not voted in the election of directors will not affect the election of the candidates receiving a plurality of the votes cast by the Common Shares entitled to vote in the election at the meeting. Proposals #2, #3 and #4 will be approved if the votes cast

favoring the proposal exceed the votes cast opposing the proposal. Abstentions, broker non-votes and shares which are present at the meeting for any other purpose but which are not voted on a particular proposal will not affect the outcome of the vote on Proposals #2, #3 and #4. Abstentions and broker non-votes will therefore not affect these votes. Any other proposal to come before the meeting will be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal unless the North Carolina Business Corporation Act requires that the proposal be approved by the affirmative vote of a percentage of the votes entitled to be cast on the proposal.

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 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 Georgeson Inc. to assist us in the solicitation of proxies for a fee of \$9,000 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 to shareholders.

PROPOSAL 1

ELECTION OF DIRECTORS

Our By-Laws provide that directors be elected at each Annual Meeting of Shareholders. Pursuant to such By-Laws, our Board has fixed the number of directors to be elected at this year's meeting at eight. 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 for any reason, the proxies reserve discretion to vote or refrain from voting for a substitute nominee or nominees, unless the number of directors constituting the full Board is reduced. The terms of all of our directors expire at the next annual meeting of shareholders or until their successors are elected and qualified.

Board Diversity and Nominee Qualifications

The Board prefers a mix of backgrounds and experience among its members. We do not follow any ratio or formula to determine the appropriate mix. Rather, 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.

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 and managing the financial performance, personnel and processes of large, public companies. Each has had exposure to effective leaders and has developed the ability to judge leadership qualities. Each of them, other than the Company's Chief Executive Officer (referred to as "CEO"), has experience in serving as an executive officer 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.

Information Regarding Nominees (as of March 1, 2012)

Name	Age	Present Principal Occupation or Employment and Five-Year Employment History
Jack Africk	83	<p>Interim Non-Executive Chairman of the Board since September 1, 2009 and Director of the Company since June 4, 1993. Managing Partner of Evolution Partners, LLC, a consulting company, since June 1993. Director, since October 1997, and Vice Chairman of the Board of Directors, since April 2007, of North Atlantic Trading Company, Inc. (referred to as "NATC"), which, through its subsidiaries manufactures, distributes and markets tobacco products. Director, since October 1997, and Vice Chairman of the Board of Directors, President and Chief Executive Officer, since April 2007, of North Atlantic Holding Company, Inc. (referred to as "NAHC"), the corporate parent of NATC. Mr. Africk previously served as President and Chief Operating Officer of both NATC and NAHC from January 1998 to December 1998.</p> <p>Mr. Africk has nearly 19 years of experience on our Board and extensive knowledge of our Company. He also has extensive involvement in serving on corporate boards and working on a range of board committees (frequently as committee chairman). He has more than 47 years of business experience managing large multinational corporations, much of it in the capacity as either a CEO or senior executive officer. Director of the Company since May 13, 1993. President and Chief Executive Officer since January 1, 2009. President and Chief Operating Officer from January 1995 to December 2008; Executive Vice President from 1986 to December 1994.</p>
Steven B. Tanger	63	<p>Mr. Tanger joined the Company's predecessor in 1986 and is the son of our Company's founder, Stanley K. Tanger. Together with his father, Mr. Tanger has helped develop the Company into a portfolio of 36 consolidated and 3 partially owned outlet centers comprising over 11.8 million square feet. 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.</p> <p>Director of the Company since June 4, 1993. 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.</p>
William G. Benton	66	<p>Mr. Benton has nearly 19 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.</p>
Bridget Ryan Berman	51	<p>Director of the Company since January 1, 2009. Chief Executive Officer of Victoria's Secret Direct, LLC, the online catalog division of Victoria's Secret, a specialty retailer of women's intimates, beauty, apparel and accessories, since November 2011. From 2007 to 2011, Ms. Berman was 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</p>

of fashion and luxury goods products, from 2006 to 2007. Vice President/Chief Operating Officer of Apple Computer Retail from 2004 to 2005. Ms. 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. Berman was a member of the board of directors, and served on the audit committee for J. Crew Group, Inc. from 2005 to 2006.

Ms. Berman has over 27 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. Ms. Berman's extensive experience in apparel and retailing enables her to provide invaluable insight into the environment in which the Company operates.

Name	Age	Present Principal Occupation or Employment and Five-Year Employment History
Donald G. Drapkin	64	<p>Director of the Company since March 3, 2011. Founder and Chairman of Casablanca Capital, LLC since 2010. Vice Chairman of Lazard International, a global advisory investment bank, and Chairman of Lazard's Investment Committee from 2007 to 2010. Vice Chairman of MacAndrews & Forbes Holdings, Inc., a holding company with interests in a diversified portfolio of public and private companies, and various of its affiliates from 1987 to 2007. Previously a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom, LLP. Mr. Drapkin is also a member of the American Bar Association and the New York City Bar Association.</p> <p>Mr. Drapkin has demonstrated knowledge of highly sophisticated securities transactions, which he garnered over his 30 plus years of collective executive, management and legal expertise and which the Board expects will be valuable to it when it considers financing options and the deployment of its capital.</p>
Thomas J. Reddin	51	<p>Director of the Company since July 26, 2010. Managing Partner and Owner of Red Dog Ventures since 2009, a venture capital and management consulting 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 Lending Tree.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 Valassis Communications Inc. since July 2010 and Premier Farnell plc since September 2010 and previously served on the Board of Directors of R.H. Donnelley from July 2007 to January 2010.</p> <p>Mr. Reddin has close to 30 years of executive and management experience in consumer marketing and e-commerce. His experience in growing and building businesses and developing and marketing brand name consumer products enables to him to provide invaluable insights into helping the Company elevate its brand awareness.</p>
Thomas E. Robinson	64	<p>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 and 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 also been a director of BRE Properties, Inc. since 2007 and was a trustee of CenterPoint Properties Trust from December 1993 until the trust was acquired in March 2006. He is a former member of the board of governors of the National Association of Real Estate Investment Trusts (or "NAREIT"). In November 2009, NAREIT selected him to receive its Industry Achievement Award for his wisdom, expertise and service to the REIT industry.</p> <p>Mr. Robinson has 18 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.</p>

Allan L. Schuman 77

Director of the Company since August 23, 2004. Chairman of the Board of Ecolab, Inc., a provider of cleaning, food, safety and health protections products, from January 2000 to May 2006. President and Chief Executive Officer of Ecolab from March 1995 to July 2004 and President and Chief Operating Officer from August 1992 to March 1995. Chairman of the Board, since 2008, and Director, since 2001, of The Schwan Food Company.

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.

Vote Required. The nominees will be elected by the affirmative vote of the holders of a plurality of those votes cast at the meeting, 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.

Each nominee who was approved by the Nominating and Corporate Governance Committee for inclusion on the proxy card is standing for re-election.

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

Director Independence

Our Corporate Governance Guidelines and the listing standards of the NYSE require that a majority of our directors be “independent” and 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 currently have no material relationship with us that may interfere with the exercise of their independence from management and the Company. Our Board has affirmatively determined that the following nominees to our Board are “independent”, as that term is defined under the listing standards of the NYSE: Jack Africk, William G. Benton, Bridget Ryan Berman, Donald G. Drapkin, Thomas J. Reddin, Thomas E. Robinson and Allan L. Schuman. We presently have eight directors, including these seven independent directors.

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 Interim Non-Executive Chairman of the Board. Our current leadership structure permits the CEO to focus his attention on managing our Company and permits the Interim Non-Executive Chairman to manage the Board. Accordingly, we believe our current leadership structure, with Mr. Steven B. Tanger serving as CEO and Mr. Jack Africk serving as Interim 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. 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, 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 us. 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 Meetings

The Board held five regular meetings during 2011 and three special meetings. Each of the incumbent directors in office during 2011 attended at least 75% of the meetings held during 2011 by the Board during the period for which he or she has been a director and the committees of which the director was a member. Mr. Drapkin became a director in March 2011. We do not have a formal policy of attendance for directors at our Annual Meeting of Shareholders. Seven of the eight persons serving as our directors at that time attended the 2011 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. Mr. Africk 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 independent directors should meet in executive session at least once per year.

Committees of the Board

The Board has four standing committees to facilitate and assist the Board in the execution of its responsibilities. The current committees are the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Share and Unit Option 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.tangeroutlet.com by first clicking on "INVESTOR RELATIONS", then "CORPORATE OVERVIEW" and then "GOVERNANCE DOCUMENTS". The table below shows current membership for each of the standing committees.

Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Share and Unit Option Committee
Jack Africk	Jack Africk	Jack Africk	Jack Africk
William G. Benton (Chair)	Bridget Ryan Berman (Chair)	William G. Benton	William G. Benton
Donald G. Drapkin	Thomas J. Reddin	Bridget Ryan Berman	Bridget Ryan Berman
Thomas J. Reddin	Thomas E. Robinson	Thomas J. Reddin	Donald G. Drapkin
Thomas E. Robinson	Allan L. Schuman	Thomas E. Robinson (Chair)	Allan L. Schuman (Chair)

Audit Committee. The Board has established an Audit Committee consisting of five of our independent directors, each of whom satisfies the additional independence requirements of Exchange Act Rule 10A-3. 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 is an "audit committee financial expert", as that term is defined in Item 407(d) of Regulation S-K. During 2011, there were five meetings of the Audit Committee.

Compensation Committee. The Board has established a Compensation Committee consisting of five of our independent directors. The Compensation Committee is charged with determining compensation for our CEO and making recommendations to the Board with respect to the compensation of other officers. During 2011, there were five meetings of the Compensation Committee.

Nominating and Corporate Governance Committee. The Board has established a Nominating and Corporate Governance Committee 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 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—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 2011, there were two meetings of the Nominating and Corporate Governance Committee.

Share and Unit Option Committee. The Board has established a Share and Unit Option Committee (referred to as the "Option Committee") consisting of five of our independent directors. The Option Committee administers our Incentive Award Plan which provides for the issuance of equity-based awards to the Company's employees and directors. The Option Committee selects the employees 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. During 2011, there were two meetings of the Option Committee.

Communications with Directors

Any shareholder or interested party is welcome to communicate with our Interim 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 Interim 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 2011 was set and approved by the Board based on the recommendations of, and a peer group analysis performed by, the Company's compensation consultants. During 2011, our non-employee directors were paid an annual compensation fee of \$40,000. In addition, the Interim Non-Executive Chairman of the Board was paid an annual compensation fee of \$115,000, the chairs of the Audit and Compensation committees were each paid an annual compensation fee of \$15,000, and the chairs of Nominating and Corporate Governance and Share and Unit Option committees were each paid an annual compensation fee of \$7,500. 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 committee fees are prorated based on the effective date of his or her appointment. Based on the recommendations of, and a peer group analysis performed by, the Company's compensation consultants in 2012, the Board approved annual compensation to the non-employee directors for 2012 increasing the annual compensation fee to \$50,000 from \$40,000. The other amounts described above were unchanged.

Our employees who are also directors will not be paid any director fees for their services as directors 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. The Board approved to each non-employee director an award of 5,000 restricted Common Shares during 2011. During 2010, the Board approved to each non-employee director an award of restricted Common Shares having a grant date fair value of \$100,000. Based on the closing price of the Company's Common Shares on the day prior to the grant date, the Company issued 5,096 restricted Common Shares in January 2010 to each existing non-employee director. Mr. Reddin was granted 2,144

restricted Common Shares in September 2010, which was prorated based on the effective date of his appointment to the Board. The restrictions on the shares cease to apply with respect to one-third of the shares which are the subject of each grant, and those shares vest, on each December 31st following the date of grant. Dividends are paid on the restricted Common Shares from the date of the grant. All future grants of restricted Common Shares to non-employee directors will be the subject of a separate grant by the Board.

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. Accordingly, effective July 29, 2008, the Board of Directors, on the recommendation of the Compensation Committee, established equity ownership guidelines for non-employee directors. Non-employee directors are required to hold 5,000 shares within 3 years of July 29, 2008 or of election to the Board.

The following table shows the total compensation for our non-employee directors for the fiscal year ended December 31, 2011:

DIRECTOR COMPENSATION TABLE

Name	Year	Fees	Share Awards (1)	Option Awards (2)	All Other Compensation (3)	Total
		Earned or Paid In cash				
Jack Africk	2011	\$155,000	\$134,250	---	\$7,021	\$296,271
William G. Benton	2011	55,000	134,250	---	7,021	196,721
Bridget Ryan Berman	2011	55,000	134,250	---	7,021	196,271
Donald G. Drapkin	2011	30,000	131,850	---	3,000	164,850
Thomas J. Reddin	2011	40,000	134,250	---	4,135	178,385
Thomas E. Robinson	2011	47,500	134,250	---	7,021	188,771
Allan L. Schuman	2011	47,500	134,250	---	7,021	188,771

The amounts in this column represent the grant date fair value of restricted Common Shares awards granted during 2011. Except for Mr. Drapkin, each director was granted 5,000 shares with a grant date fair value of \$26.85 per share. Mr. Drapkin, who was appointed to the Board in March 2011, was granted 5,000 shares with a grant date fair value of \$26.37 per share. A discussion of the assumptions used in calculating these values may be found in Note 16 to our 2011 audited consolidated financial statements on pages F-32 through F-34 of our 2011 Annual Report. Except for Mr. Drapkin and Mr. Reddin, unvested restricted Common Shares for each director as of (1)December 31, 2011 were as follows: 1,698 restricted Common Shares granted during 2010 with a grant date fair value of \$19.62 per share and 3,333 restricted Common Shares granted during 2011 with a grant date fair value of \$26.85 per share. Unvested restricted Common Shares for Mr. Drapkin as of December 31, 2011 were 3,333 restricted Common Shares granted during 2011 with a grant date fair value of \$26.85 per share. Unvested restricted Common Shares for Mr. Reddin as of December 31, 2011 were 716 restricted Common Shares granted during 2010 with a grant date fair value of \$23.32 per share and 3,333 restricted Common Shares granted during 2011 with a grant date fair value of \$26.85 per share.

There were no option awards granted during 2011. Aggregate options outstanding for each director as of (2)December 31, 2011 were 10,000 for Mr. Benton and 12,000 for Mr. Schuman. None of the other directors held options as of such date.

(3)Represents dividends paid on unvested restricted Common Shares.

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. Mr. Africk, Ms. Berman, Mr. Reddin, Mr. Robinson and Mr. Schuman currently serve on the Compensation Committee, with Ms. Berman serving as chairperson. 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.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

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, including the Company's compensation policies with respect to Section 162(m) of the Internal Revenue Code of 1986 (referred to as the "Code").

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 (i) "Non-Employee Directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (referred to as the "Exchange Act"), and (ii) "outside directors" for the purposes of Section 162(m) of the Code.

Executive Summary

During 2008 and continuing into 2009, the United States experienced one of the worst recessionary periods since the Great Depression, and financial losses were experienced in virtually all sectors of the economy. Uncertain economic conditions continued in 2010, however, we were able to show a positive total return to shareholders of 36%. In addition, as of December 31, 2010, we delivered returns over the previous 3-, 5- and 10-year periods of 53%, 117% and 706%, respectively, ranking the Company first among the mall REITs over these periods.

Based on our performance in 2010 and our success over the long-term, the following actions were taken with respect to compensation for 2011:

• **Base Salaries** - The executive management team received moderate base salary increases of 3%, which we believed would be generally consistent with increases at similar performing REITs.

• **Annual Incentive Cash bonus** - The Company's annual incentive cash bonus plan was unchanged from the prior year, other than the performance targets which are reset annually by the Compensation Committee. At the time the targets were set, the Compensation Committee believed the targets would be challenging and difficult, but achievable with significant effort and skill in light of the current environment and condition of the overall economy at that time. The 2011 bonus potential for executives was the same as in 2010.

• **Restricted Share Awards** - The Compensation Committee approved an annual grant of time-based restricted share awards equal to the same number of shares as in the previous year for the Named Executive Officers (referred to as the "NEOs"), other than Thomas E. McDonough who joined the Company in August 2010.

The Board of Directors has established minimum equity ownership guidelines for each of the CEO, the Chief Financial Officer (referred to as the "CFO") and the Chief Operating Officer (referred to as the "COO"), requiring each executive to hold shares with a value equivalent to a multiple of his salary.

Shareholder Say-on-Pay Votes

At our 2011 shareholders meeting, we provided our shareholders with the opportunity to cast an annual advisory vote on executive compensation. Over 95% of the votes cast on this “2011 say-on-pay vote” were voted in favor of the proposal. We have considered the 2011 say-on-pay vote and we believe that the overwhelming support of our shareholders for the 2011 say-on-pay vote proposal indicates that our shareholders are generally supportive of our approach to executive compensation. Thus, we did not make changes to our executive compensation arrangements in response to the 2011 say-on-pay vote. In the future, we will continue to consider the outcome of our say-on-pay votes when making compensation decisions regarding the named executive officers.

Compensation Program Objectives and Rewards

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

- Attract, retain and motivate qualified executive management who are enthusiastic about the Company's mission and culture.
- Create a fair, reasonable and balanced compensation program that rewards management's performance and contribution to the Company while closely aligning the interests of management with those of shareholders.
- Provide total compensation to executive officers which is competitive with total compensation paid by other REITs, and other private real estate firms similar to the Company.

What Our Compensation Program is Designed to Reward

The Company's compensation program is designed to reward both teamwork and the individual officer's contribution to the Company with respect to annual and longer-term goals. Annual cash performance-based incentives reward both 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 funds from operations (referred to as "FFO") from the prior year, its dividend payout ratio, its success in renewing a significant amount of the leases expiring during the year, increases obtained in tenant base rents upon executing renewals or new leases, overall occupancy rate maintained at year end, customer traffic and the overall annual total return to shareholders. While the individual amounts of compensation incentives paid may vary among officers, the performance targets that are set are generally the same for all officers, thereby creating an environment where all officers work together to achieve a common goal. See "Annual Cash Incentives: Description and Analysis" on page 15 for further discussion of performance targets used to set 2011 compensation. Equity-based awards provide long-term incentives designed to reward price appreciation of our Common Shares over a multi-year period.

Elements of Compensation

Historically, the Company's primary components of compensation for its executive officers have been base salary, annual incentive cash bonuses and long-term equity-based incentive compensation. 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.

Within the framework of aligning total compensation with corporate and individual performance, the purpose of each of the components is as follows:

- Annual base salaries are designed to provide the executive with a minimum compensation level consistent with the individual's position and duties relative to his or her peers.
- Annual incentive cash bonuses are designed to reward the executive for the achievement of strategic and financial goals of the Company during each fiscal year.
- Long-term incentives are designed to closely align the interests of management with those of shareholders. The long-term incentives granted to executives are evaluated on an annual basis and the terms of the awards are considered relevant to the length of the employment contract and/or performance period.

The Company seeks to maintain a competitive total compensation package that aligns the economic interest of the executives with that of shareholders while maintaining sensitivity to multiple factors including the Company's fiscal year budget, annual accounting cost and the impact to share dilution.

Role of Compensation Consultants and Use of Aggregate Peer Group Data

Since 2004, the Compensation Committee has engaged the services of an outside compensation consultant, FTI Schonbraun McCann Group ("FTI SMG"), to assist it in determining the proper amounts, types and mix of compensation to executive officers in order to achieve the overall objectives as described above. The Compensation Committee, with the help of FTI SMG, annually reviews the compensation practices of other REITs in order to evaluate market trends and compare our compensation programs with our competitors. Based in part on this data and analysis provided by FTI SMG, the Compensation Committee develops a compensation plan that is intended to maintain the link between corporate performance and shareholder wealth creation while being generally competitive within our industry and geographic location.

During each fiscal year, management prepares tally sheets that set forth the Company's total compensation obligations to the

CEO and the other officers. These tally sheets, which include the executive's realized compensation from the prior year and targeted compensation for the coming year, are provided to FTI SMG for the purpose of presenting the Compensation Committee with an analysis of the compensation of our executives compared to that of our peer companies. The analysis prepared by FTI SMG compares each officer's compensation to the average, 25th, 50th, 75th and 90th percentile compensation of officers with similar duties and responsibilities at the targeted peer group companies. The analysis focuses on two categories of compensation: (1) base salary and incentive cash bonus together as a total and (2) total overall compensation. In some cases, the Compensation Committee has determined that setting and paying target compensation above or below the peer group range of the 25th percentile to the 90th percentile is justified due to a number of factors, including the Company's or individual's overall performance relative to the peer group and the unique circumstances associated with any individual officer.

Pursuant to a service agreement by and between the Company and FTI SMG, dated November 23, 2010, FTI SMG was required to provide its analysis through a written report to the Compensation Committee. In its report relating to 2011 compensation, FTI SMG recommended, based on its review of the peer group analysis, current industry trends, existing employment agreements and other factors specifically related to the Company, the level of base and incentive cash bonus compensation to be set for each officer as well as the amount of equity awards to be granted to each officer (or, if applicable, concluded that the recommendations of the CEO with respect to such compensation were reasonable and within peer group standards). The Compensation Committee considered the FTI SMG recommendations and peer group analysis when determining 2011 base salary and annual and long-term incentives.

In selecting the targeted peer group, the Company considers REITs based upon the following characteristics: (i) industry sector, (ii) market capitalization, (iii) peer group continuity from year to year and (iv) peer group utilized by the Company for Common Share performance measurement. In 2011, the compensation consultants recommended, and the compensation committee approved, that the peer group be modified from the 2010 peer group to remove Glimcher Realty Trust, Pennsylvania Real Estate Investment Trust and Ramco-Gershenson Properties Trust. These three firms were replaced with Corporate Office Properties Trust, Digital Realty Trust, Inc. and W.P. Carey & Co. LLC as they believed these companies were more comparable to the Company in terms of financial performance and size. The peer group recommended by FTI SMG and selected by the Compensation Committee for determining 2011 compensation was composed of the following REITs:

Acadia Realty Trust	Regency Centers Corporation
CBL & Associates Properties, Inc.	Saul Centers, Inc.
Cedar Shopping Centers, Inc.	Simon Properties Group, Inc.
Corporate Office Properties Trust	Taubman Centers, Inc.
Developers Diversified Realty Corporation	The Macerich Company
Digital Realty Trust, Inc.	Urstadt Biddle Properties, Inc.
Equity One, Inc.	Weingarten Realty Investors
Federal Realty Investment Trust	W.P. Carey & Co. LLC
Kimco Realty Corporation	

Determination of Compensation Consultant's Objectivity. The Compensation Committee recognizes that it is essential to receive objective advice from its outside compensation consultant. As a result, the Compensation Committee does not allow the Company to engage FTI SMG in matters unrelated to executive compensation as long as FTI SMG serves in the capacity as the Compensation Committee's compensation consultants.

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. Our 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 our senior management. Targets are set in order to drive both annual performance and long-term value creation for shareholders. The CEO and CFO are 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 CEO and CFO's recommendations with respect to executive compensation.

Determination of Executive Compensation

The Compensation Committee considers a broad range of facts and circumstances in setting executive compensation. Among the factors considered for our executives generally, and for the NEOs in particular, are market competitiveness, company results, internal equity, past practice, experience and individual performance. The weight given each factor may differ from year to year, and may differ among individual NEOs in any given year. In general, when determining year-over-year compensation for current NEOs, peer company metrics, business results and internal equity generally factor more heavily into the analysis, particularly when falling within the peer group range.

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 consultants. The financial results against the targets approved by the Compensation Committee under our incentive compensation plans generally determine payouts under those plans for the fiscal year just ended. In addition, these results typically form the basis for 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. Overall, the Compensation Committee and the Board believe that the Company, under the CEO's leadership in 2010, achieved superior financial results, as well as significant achievement on a broad range of non-financial goals.

The Compensation Committee believes that the various elements of compensation (i.e., base salary, incentive cash bonus and equity awards) for the CEO, CFO and COO should be set at levels significantly above the level for the other executive officers and that this policy is consistent with other similar companies. Each of the CEO and CFO has a regulatory requirement and responsibility to make certain certifications with respect to the Company's financial statements and the effectiveness of the Company's internal controls. In addition, Mr. Tanger is responsible for making the most critical decisions for the Company and has played a significant role in the Company's growth in shareholder value since its initial public offering. Given his role as CFO, his responsibilities over the Company's financial reporting processes as well as his supervisory responsibilities over the executive officers that oversee the Company's accounting, finance, information systems, and investor relations functions, the Compensation Committee believes that the various elements of Mr. Marchisello's compensation should be set at a level similar to, but less than, Mr. Tanger's. Mr. McDonough's compensation for his role as COO is also higher than other executives to reflect the importance of his role in making decisions about growth and development, as well as overseeing the critical leasing, marketing and operations functions.

2011 Compensation

When determining the specific amounts of compensation to be provided to the executive officers during 2011, in addition to all of the factors and elements described above, the Compensation Committee noted that the Company had achieved a number of its specific goals for the 2010 fiscal year.

For the year ending December 31, 2010, our shareholders were rewarded with outstanding returns on their investment on a relative basis. The chart below compares our total return to shareholders, as of December 31, 2010, to the index of equity REITs prepared by the National Association of Real Estate Investment Trusts, or NAREIT, and the SNL Shopping Center REIT index prepared by SNL Financial. The chart also shows where our total return performance ranked compared to 8 Mall REITs and 123 Equity REITs as prepared by Keybank Capital Markets.

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	1 Year	3 Year	5 Year	10 Year	
Total return to shareholders:					
Tanger Factory Outlet Centers, Inc.	36	% 53	% 117	% 706	%
NAREIT	28	% 2	% 16	% 178	%
SNL	30	% (23)% (14)% 167	%
Rank among 8 Mall REITs	6th	1st	1st	1st	
Rank among All Equity REITs	44th	9th	6th	6th	

During the uncertain economic conditions in 2010, we were able to show a positive total return to shareholders of 36%. In addition, as of December 31, 2010, we delivered returns over the previous 3-, 5- and 10-year periods of 53%, 117% and 706%, respectively, ranking the Company first among the mall REITs over these periods.

The Company also continued to experience positive operating results. As a matter of fact, due to our positive results, specifically our ability to show positive trends in same center NOI and same space sales and to achieve increases in rental rates during this difficult period, we were the only REIT to receive an upgrade to our investment grade rating during 2010 from Moody's Investor Services, from Baa3 to Baa2.

For the year ended in 2010, our FFO, adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, increased 5.8% as compared to the prior year. This compares to an increase in FFO per share, as adjusted, of 3.4% during 2009 as compared to 2008 and 10.1% during 2008 as compared to 2007. FFO represents income before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate and after adjustments for unconsolidated partnerships and joint ventures. For a further discussion of FFO and adjusted FFO, please see our 2011 Annual Report under the section "Management Discussion and Analysis of Financial Condition and Results of Operations-Supplemental Earnings Measures".

Our same-center net operating income grew 2.6% in 2010, compared to 1.4% in 2009, and 4.1% in 2008. In 2010, our average tenant sales per square foot, on a comparable basis, increased 6.6% to \$354, and average base rental rates on leases released or renewed during 2010 increased 25.9% and 9.2%, respectively. Our 2010 year end occupancy rate was 98.4%, marking the 30th consecutive year we have achieved a year end occupancy rate at or above 95%. From the financial perspective, we maintained a healthy and conservative balance sheet, with over 77.6% of our debt at fixed rates, 100% of our consolidated properties unencumbered, no significant debt maturities until November 2013 and November 2015, and a debt to total market capitalization ratio of 23.2%. We also maintained a strong interest coverage ratio of 4.64 times for the year ended December 31, 2010 compared to 4.16 times for the same period in the prior year.

The compensation consultants performed an analysis that compared our growth rate in FFO over a two year period (projected 2010 vs actual 2009 and projected 2011 vs actual 2009) and our total return to shareholders over three, five, and ten year periods against our peer group. Based on an equal weighting of both the market-based performance and fundamental performance (FFO growth, achievement of development and leasing goals, etc), the compensation consultants believed we placed in the 75th percentile of our peer group.

Base Salary: Description and Analysis

Consistent with the Company's philosophy of tying pay to performance, executives receive a significant percentage of their overall targeted compensation in a form other than base pay. Although the Compensation Committee does not set base salary levels equal to any specific percentile of base salaries paid to comparable officers in the targeted peer group, the NEOs are paid an amount in the form of base pay within range of base salaries paid to comparable officers in the targeted peer group range, and sufficient to attract competent executive talent and maintain a stable management team.

For 2011, the Company provided, in varying degrees, a base pay increase to the vast majority of its employees (including its executive officers).

Given the Company's success during 2010, the compensation consultants recommended, and the Compensation Committee approved, base salary increases of 3% for each of the NEO's and 3% for all other executive officers. The base salary increases were generally consistent with projected increases for similar performing companies in the REIT industry.

Each of the NEO's 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 29.

Annual Cash Incentives: Description and Analysis

Incentive Cash Bonus Plan For Executive Officers

During 2011, 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 "Incentive Cash Bonus Plan"). The performance criteria were approved and set by the Compensation Committee at the committee meeting held on February 21, 2011. 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.

Each executive's annual incentive cash bonus amount is based upon Threshold, Target, Maximum, and in the case of the CEO, CFO and COO, Minimum, percentages of base salary. See the "2011 Grant of Plan Based Awards" on page 24 or 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 Minimum, Threshold, Target and Maximum amounts for 2011 were as follows (as a percentage of base salary):

Named Executive Officer	Minimum	Threshold	Target	Maximum
Steven B. Tanger, CEO	75%	100%	125%	200%
Frank C. Marchisello, Jr., CFO	75%	100%	125%	170%
Thomas E. McDonough, COO	50%	75%	100%	125%
Lisa J. Morrison, Senior Vice President – Leasing	—	5%	15%	25% ⁽¹⁾
Carrie A. Geldner, Senior Vice President – Chief Marketing Officer	—	5%	15%	25%

Ms. Morrison also participates in separate annual incentive cash bonus plans for leasing employees. See "Annual Incentive 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 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. 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.

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. The corporate performance criteria and the target levels required to achieve the incentive bonus for 2011 approved by the Compensation Committee included:

Performance Criteria	2011 Target Levels				Actual Results	% of total award
	Minimum	Threshold	Target	Maximum		
FFO per share	\$1.36	\$1.38	\$1.40	\$1.44	\$1.44	20%
Achievement of Company's business plan:	87%	90%	92%	94%	92.6%	5%
• Lease renewal rate						
• Average increase in base rental rates:	9%	10%	11%	12%	12.1%	5%
upon lease renewals	26%	30%	32%	34%	50.0%	5%
leased to new tenants	96%	96.5%	97.5%	98%	98.3%	5%
• Average year-end occupancy rate						
• Average increase (decrease) in traffic counts	2%	3%	4%	5%	1.1%	5%
Financial Performance Targets:						
• Percentage increase in same center net operating income	1%	2%	3%	4%	5.3%	10%
• Funds available for distribution (FAD) payout ratio	72%	71%	70%	69%	64%	5%
• Consolidated Debt to Adjusted Total Asset ratio	48%	47%	46%	45%	46.7	5%
Total shareholder return:	Top 50%	Top 30%	Top 25%	Top 15%	Top 36%	8%
• One year performance relative to select companies in Mall and	5%	6%	7%	10%	18.0%	7%

Shopping Center Equity REITs with a market capitalization of at least \$2 billion

• Total return to shareholders

Individual performance objectives for the CEO, CFO and COO	2 of 5 objectives	3 of 5 objectives	4 of 5 objectives	5 of 5 objectives	4 of 5 objectives	20%
Individual performance goals for other officers	—	2 of 4 goals	3 of 4 goals	4 of 4 goals	various	20%

The Compensation Committee, at its discretion, may adjust the predetermined FFO targets to exclude significant charges which they believe are not indicative of the Company's on-going operating performance. No such adjustments were made for the 2011 year.

The Compensation Committee believes that these strategic and financial goals are key drivers in ultimately increasing the equity value of the Company and thus 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 2011, the Company surpassed some of the minimum target levels but did not surpass all of the maximum performance targets. The individual performance objectives for each of Mr. Tanger, Mr. Marchisello, and Mr. McDonough were to (1) enter into a purchase and sale agreement for the development of an outlet center in Canada, (2) break ground and begin construction on one new center in the US or Canada, (3) break ground and begin construction on an additional new center in the US or Canada, (4) close on the acquisition of one outlet center, and (5) close on the acquisition of an additional outlet center. The Company met four of the five objectives during 2011. Ms. Morrison and Ms. Geldner were each assigned four separate individual goals, as set by Mr. Tanger and the officer, which were directly related to achieving the Company's strategic initiatives. Ms. Morrison met 2 of 4 goals and Ms. Geldner met 3.5 of 4 goals. At the time the individual performance objectives were set, the Compensation Committee believed the targets would be challenging and difficult, but achievable with significant effort and skill. The Compensation Committee determined it prudent to pay the bonuses earned by the executive officers during 2011 based on the achievement of the 2011 targets as set at the beginning of the year.

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 basis for reaching certain company goals with respect to achieving minimum overall occupancy rates, minimum renewal rate on leases expiring, and minimum average rental rate increases on existing leases renewed or new leases executed during the year (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 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. 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. Also, Ms. Morrison was eligible to receive a bonus for leases executed in 2011 relating to new development projects (the "New Development Bonus"). 50% of the New Development Bonus is earned and payable upon execution of any specified lease, and the balance is earned and payable when construction actually begins on such new development. There are no targets, thresholds or maximums associated with the New Development Bonus.

In addition, during 2011, Ms. Morrison was eligible to receive a Leasing Team Bonus up to \$20,000 if all of the minimum targets were achieved, and then would receive an additional \$1,000 for each percentage point achieved above the minimum target levels. There were no thresholds or maximums under this plan.

Long-Term Incentives: Description and Analysis

Long term incentives are determined based on peer group compensation practices combined with recommendations of management and the Compensation Committee. 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 or options to acquire Common Shares at a predetermined price. Equity-based awards deliver increased value only when the value

of our Common Shares increases.

The Option Committee administers our Incentive Award Plan, which provides for the issuance of equity-based awards to our officers and employees. The Compensation Committee makes recommendations and provides advice and information to the Option Committee with respect to equity-based awards. The Option Committee makes the awards and establishes the terms and conditions of the awards, including voting, as it deems appropriate.

Restricted Common Share Awards

The purpose of awarding restricted Common Shares is to align the interests of management with those of our shareholders.

Our CEO recommended that the number of restricted Common Shares awarded to each officer in 2011 be, at a minimum, the same number as granted during the previous year based on the Company's financial performance during 2010 and the total returns on investment our shareholders achieved over the last 5 years. Over the 5 year period ending in 2010, our shareholders received a total return of 117%, representing a compound annual return of approximately 17% per year. Also, as of the end of December 31, 2010, our 3 year, 5 year and 10 year total returns to shareholders of 53%, 117% and 706%, respectively, ranked 1st among all publicly traded mall REITs and in the top 9 of all 123 publicly traded equity REITs.

The compensation consultants compared the number of restricted Common Share awards as recommended by the CEO to similar awards granted to comparable officers in the targeted peer group. Based on their review and analysis of current compensation practices and peer group data in the REIT industry, the compensation consultants recommended that executive officers be granted awards identical to the number of restricted Common Shares awarded in the previous year, other than Mr. McDonough who joined the Company in August 2010. Based on such recommendations and consistent with the advice of the Compensation Committee, on January 5, 2011, the Option Committee awarded 144,000 restricted Common Shares to Mr. Tanger, 62,000 restricted Common Shares to Mr. Marchisello, 20,000 restricted common shares to Mr. McDonough, 6,000 restricted Common Shares to each of the other senior executive officers and 5,000 restricted common shares to the non-senior executive officers.

In setting the amounts and terms of the restricted Common Shares, the Compensation Committee and the Option Committee consider 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 Option Committee does not necessarily limit the number of shares to be granted based on the total value or annual expense recognized in the financial statements because the Compensation and Option Committees generally consider grants of restricted Common Shares to represent both an annual reward for individual and Company performance achieved for the most recently completed fiscal year 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.

The restricted Common Shares granted to the executive officers during 2011 vest and the restrictions cease to apply with respect to twenty percent of the shares underlying each award on February 28 of each year over a five-year period, beginning on February 28, 2012. Dividends are paid on all restricted Common Shares whether vested or unvested. The Option Committee believes that restricted Common Share grants with time-based vesting features provide the desired incentive to increase the Company's share price and therefore the wealth of our shareholders over a five-year period. If the Company has poor relative performance that results in poor shareholder returns, then the value of the restricted Common Shares, 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 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 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.

Common Share Option Awards

Options had not been utilized as a means of executive compensation since 2004. The Compensation Committee does consider them, however, as a potential form of compensation and includes them in its annual assessment of executive compensation. The Compensation Committee decided that no options should be awarded to the executive officers in 2011 since all of the executive officers were being awarded restricted Common Shares. However, the Option Committee did grant an aggregate of 191,500 options to all non-executive employees who had been employed with the Company for at least 2 years.

When awarded, options are granted with an exercise price equal to the fair market value of our Common Shares. Under the terms of the Incentive Award Plan, the fair market value of our Common Shares is considered to be the closing price on the last trading day prior to the grant date. The Company does not backdate options, grant options retroactively, or coordinate grants of options so that they are made before announcements of favorable information, or after announcements of unfavorable information.

2010 Multi-Year Performance Award Plan

In January 2010, our Compensation Committee approved the general terms of the Tanger Factory Outlet Centers, Inc. 2010 Notional Unit Multi-Year Performance Award Plan (referred to as the "2010 Multi-Year Performance Award Plan"). The 2010 Multi-Year Performance Award Plan is a long-term incentive compensation plan pursuant to which award recipients, as a group, may earn up to an aggregate of approximately 1,176,000 restricted Common Shares based on the Company's share price appreciation over four years beginning on January 1, 2010. The maximum number of shares will be earned under this plan if the Company achieves 60% or higher share price appreciation over the four-year performance period. After the awards are earned, they will remain subject to transfer restrictions and forfeiture conditions during a one-year vesting period. For notional amounts granted in 2010, any shares earned on December 31, 2013 will vest on December 31, 2014 contingent on continued employment through the vesting date.

Under the 2010 Multi-Year Performance Award Plan, the Option Committee granted 392,000 notional units, net of notional units forfeited, to award recipients, as a group, which may convert into a maximum of approximately 1,176,000 restricted Common Shares based on the aggregate share price appreciation over the four-year period from January 1, 2010 through December 31, 2013. If the Company's aggregate share price appreciation during this period equals or exceeds the minimum threshold of 40%, then the notional units will convert into the Company's Common Shares on a one-for-one basis. The minimum threshold of 40% requires shareholders to receive a significant return before management would begin to share in the value creation. The notional units will convert into Common Shares on a one-for-two basis if the share price appreciation exceeds the target threshold of 50% and on a one-for-three basis if the share price appreciation exceeds the maximum threshold of 60%. The Compensation Committee concluded that these threshold levels and payout ratios, subject to the maximum payout limitation described below, were appropriate to provide an effective retention and motivational tool for the executive management team who are in a position to significantly influence shareholder value creation, and also were similar to plans adopted by other companies in the REIT industry.

The notional amounts will convert on a pro rata basis between share price appreciation thresholds. The share price targets will be reduced on a dollar-for-dollar basis with respect to any dividend payments made during the measurement period, but in no event will the price level target fall below \$24.18 per share. If the Company's share price exceeds the maximum price level target, the number of restricted Common Shares granted will be reduced in order to not exceed the maximum plan value of \$34.5 million (assuming the Company pays \$3.11 per share in dividends during the four year performance period) or \$38.4 million (assuming no dividends are paid).

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, 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 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 earned.

If the Company's aggregate share price appreciation is less than 40% during the four-year performance period, then the notional units will not convert into any Common Shares unless the Company's share performance exceeds the 50th percentile of the share performance of its peer group, in which case the notional units will convert into restricted Common Shares on a one-for-one basis. This is intended to recognize performance relative to our peers and to help ensure that the notional units retain their value for incentive and retention purposes in varying market conditions. All determinations, interpretations and assumptions relating to the vesting and calculation of the performance awards will be made by the Compensation Committee. No additional notional units were granted in 2011.

Retirement Benefits

The Company generally does not provide any retirement benefits to its executive officers, other than matching a portion of employee contributions to a 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.

Employment Contracts and Change in 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 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. For all named executive officers, the employment contracts consider a Change-

in-Control as Good 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 equity grants upon a Change-in-Control. Very often, senior executives lose their jobs in connection with a Change-in-Control. By agreeing up-front to provide severance benefits and accelerated vesting of equity grants in the event of a Change-in-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-in-Control and ensure that management is motivated to negotiate the best acquisition consideration for our shareholders.

The Company currently has employment contracts with each of the NEOs listed in the Summary Compensation table on page 23 of this Proxy Statement. See “Employment Contracts” on page 29 in this Proxy Statement.

On February 28, 2012, we entered into an amended and restated employment agreement with Steven B. Tanger. The amended and restated employment agreement amends and restates Mr. Tanger's previous employment agreement in its entirety, effective as of January 1, 2012. Prior to entering into the amended and restated agreement, the Compensation Committee undertook a comprehensive review of Mr. Tanger's previous employment agreement, initially entered into as of January 1, 2004. The Compensation Committee considered, among other items, corporate governance guidelines and best practices and industry practices.

Pursuant to the employment agreement, Mr. Tanger shall continue to serve as President and Chief Executive Officer of the Company and, if elected or appointed, a member of the Board through January 1, 2017 (the period commencing on the Effective Date and ending on such date, the “Contract Term”). During 2012, Mr. Tanger will be paid an annual base salary of \$800,000. Thereafter, beginning in 2013, Mr. Tanger's annual base salary will be determined by the Board, but may not, without Mr. Tanger's consent, be less than his annual base salary in the prior year. Mr. Tanger may also be eligible to receive an annual incentive bonus, including, under the Company's Amended and Restated Incentive Award Plan.

Pursuant to the employment agreement, the Company granted to Mr. Tanger certain equity awards on February 28, 2012. Such equity awards consist of (1) forty-five thousand (45,000) fully-vested Common Shares, (2) ninety thousand (90,000) restricted Common Shares subject to time vesting (“Time Vesting Shares”) and (3) ninety thousand (90,000) restricted Common Shares subject to performance vesting (“Performance Vesting Shares”). The Time Vesting Shares will vest, subject to Mr. Tanger's continued employment, at the rate of twenty percent (20%) per year with the first shares vesting on January 1, 2013 and an additional twenty percent (20%) vesting on each anniversary of the Effective Date thereafter until the Time Vesting Shares are fully vested. The Performance Vesting Shares will become vested in equal installments on the 90th day following the end of each of the five calendar years during the Contract Term (each, a “Performance Year”) if (A) Mr. Tanger remains in continuous employment through the last day of the Performance Year and (B) the Company's total shareholder return for such Performance Year is equal to or greater than eight percent (8%). Further, if any portion of the Performance Vesting Shares remains unvested as of the end of the fifth Performance Year, such shares will vest if the Company has attained a cumulative total shareholder return for the five Performance Years equal to or greater than forty percent (40%).

All unvested Time Vesting Shares will also fully vest upon termination of Mr. Tanger's employment due to death or Disability, as such term is defined in the employment agreement, his resignation for Good Reason, as defined in the agreement, termination by the Company of his employment other than for Cause, as defined in the employment agreement or the occurrence of a Change of Control, also as defined in the agreement. All unvested Performance Vesting Shares will also fully vest upon termination of Mr. Tanger's employment due to death or Disability or the occurrence of a Change of Control.

During the Contract Term and for ninety (90) days thereafter, the Company will also provide Mr. Tanger with term life insurance coverage under a policy or policies in the face amount of \$5 million and, in the event of termination of

employment prior to the end of the Contract Term (other than for Cause, as defined in the employment agreement, or without Good Reason, as defined in the employment agreement), the Company will pay to Mr. Tanger (or the relevant insurer) an amount equal to the premiums required to maintain such policy or policies through the end of the Contract Term.

If Mr. Tanger's employment is terminated without Cause or for Good Reason, Mr. Tanger will, subject to execution and non-revocation of a release in favor of the Company and its affiliates, receive (1) a lump sum payment equal to three-hundred percent (300%) of the sum of (a) his annual base salary and (b) the greater of (i) his annual bonus for the year immediately preceding the year of termination and (ii) the average of his annual bonuses, if any, earned in the three (3) years immediately preceding the year of termination, and (2) continued participation in the employee benefit plans of the Company or the Operating Partnership through the end of the Contract Term.

If Mr. Tanger's employment is terminated due to death or Disability, Mr. Tanger will receive (1) a lump sum payment equal to the amount of annual base salary to which he would have been entitled through the end of the Contract Term and (2) an amount equal to his annual bonus for the year of termination, prorated based on the number of days of employment in such year.

If Mr. Tanger's employment is terminated due to non-renewal of the Contract Term, Mr. Tanger shall continue to provide consulting services to the Company for one (1) year following the end of the Contract Term and shall continue to receive an amount equal to his annual base salary during such one (1)-year period as compensation for his services. In addition, upon such a termination, all outstanding stock incentive awards held by Mr. Tanger that are not performance-based shall fully vest and all accrued and unvested dividends on Performance Vesting Shares shall fully vest and be paid in lump sum.

All payments and benefits due to Mr. Tanger under the agreement are subject to reduction to the extent necessary to avoid Federal excise tax on certain "excess parachute payments" under Section 4999 of the Code.

During the Contract Term and for a period of twenty-four (24) months thereafter (the "Restricted Period"), Mr. Tanger is generally prohibited from engaging in the management, development or construction of any factory outlet centers or competing retail commercial property or in any active or passive investment in property connected with a factory outlet center or a competing retail commercial property. Such prohibition, however, shall only apply after termination of employment with respect to properties that are within a fifty (50) mile radius of (1) any commercial property owned, leased or operated by the Company and/or related entities on the date of termination of Mr. Tanger's employment or (2) any commercial property which the Company and/or any related entity actively negotiated to acquire, lease or operate within the six (6)-month period prior to the date of termination of Mr. Tanger's employment. During the Restricted Period, Mr. Tanger will also be subject to certain restrictions on solicitation of employees and other service providers of the Company and/or related entities and solicitation of business partners and business affiliates of the Company and/or related entities.

Perquisites

The Company does not provide significant perquisites or personal benefits to executive officers, except that Mr. Tanger was provided with a monthly car allowance of \$800 in 2011. In addition, the Company paid a total of \$44,787 for premiums on life insurance policies for Mr. Tanger during 2011.

Minimum Ownership Guidelines

The Company's Board of Directors expects all non-employee directors, the CEO, the CFO and the COO 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, effective July 29, 2008, the Board of Directors, on the recommendation of the Compensation Committee, established equity ownership guidelines for non-employee directors, the CEO, CFO and COO. Non-employee directors are required to hold 5,000 shares within 3 years of July 29, 2008 or of election to the Board. The executives are required to hold shares with a value equivalent to a multiple of their salary as listed in the table below by the later of December 31, 2013 or five years following their appointment as CEO, CFO or COO.

Title	Multiple
CEO	5 x Base Salary
CFO	3 x Base Salary
COO	3 x Base Salary

Vested and unvested restricted shares count toward the equity ownership guidelines. All non-employee directors and the executives, except for Mr. McDonough, who joined the Company in August 2010 and was appointed COO in

August 2011, met the share ownership guidelines as of December 31, 2011.

Deductibility of Executive Compensation

Subject to certain limited exemptions, Section 162(m) of the Code denies an income tax deduction to any publicly held corporation for compensation paid to a "covered employee" (which is defined as the chief executive officer and each of the Company's other three most highly compensated officers, excluding the chief financial officer) to the extent that such compensation in any taxable year of the employee exceeds \$1 million. In addition to salaries, bonuses payable to the Company's executives under their present employment contracts and compensation attributable to the exercise of options and other share-based awards that may be granted under the Incentive Award Plan constitute compensation subject to the Section

162(m) limitation. The Incentive Award Plan permits, but does not require, share-based awards to qualify as "performance-based compensation" that is exempt from application of the Section 162(m) limitation. It is the Company's policy to take account of the implications of Section 162(m) among all factors reviewed in making compensation decisions. However, the Compensation Committee, while considering tax deductibility as one of its factors 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, and accordingly, some portion of the compensation paid to a Company executive may not be tax deductible by the Company under Section 162(m). The Compensation Committee will, of course, consider alternative forms of compensation, consistent with its compensation goals, that preserve deductibility.

Section 280G, Section 4999 and Section 409A of the Code ("Section 409A") impose certain taxes under specified circumstances. Section 280G and Section 4999 provides 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 in 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 executive'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 impact of Section 409A is considered by the Compensation Committee and the Company's executive plans and programs are generally designed to comply with or be exempt from Section 409A in order to avoid potential adverse tax consequences that may result from noncompliance.

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

Bridget Ryan Berman (Chair)
Jack Africk
Thomas J. Reddin
Thomas E. Robinson
Allan L. Schuman

2011 SUMMARY COMPENSATION TABLE ⁽¹⁾

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, 2011, December 31, 2010 and December 31, 2009:

Name and Principal position	Year	Salary (\$)	Share Awards (\$)(2)	Non-equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)	Total (\$)
Steven B. Tanger President and Chief Executive Officer	2011	\$754,050	\$3,635,280	\$1,200,071	\$413,060(4)	\$6,002,461
	2010	689,700	7,204,680	1,147,050	399,006(4)	9,440,436
	2009	538,900	1,691,40	931,250	323,253(4)	3,484,803
Frank C. Marchisello, Jr. Executive Vice President, Chief Financial Officer	2011	\$393,700	\$1,565,190	\$557,479	\$156,899(5)	\$2,673,268
	2010	382,300	3,114,180	559,050	141,133(5)	4,196,663
	2009	364,100	789,320	479,156	111,025(5)	1,743,601
Thomas E. McDonough Executive Vice President, Chief Operating Officer ⁽⁶⁾	2011	\$360,500	\$504,900	\$382,671	\$33,214(6)	\$1,281,285
	2010	125,616	392,400	64,075	1,938(6)	584,029
Lisa J. Morrison Senior Vice President, Leasing	2011	\$246,800	\$151,470	\$303,751	\$24,779(7)	\$726,800
	2010	239,600	555,660	224,798	23,316(7)	1,043,374
	2009	231,500	84,570	114,776	19,956(7)	450,802
Carrie A. Geldner Senior Vice President, Chief Marketing Officer	2011	\$272,100	\$151,470	\$53,196	\$24,779(7)	\$501,545
	2010	264,200	555,660	54,830	23,543(7)	898,233
	2009	255,300	84,570	46,209	20,496(7)	406,575

- (1) No bonus was paid to an NEO except as part of the annual incentive cash bonus plan, a non-equity incentive plan.
 (1) No NEO currently participates in any defined benefit, actuarial, or non-qualified pension plans of the Company.

The amounts in this column represent the grant date fair value of restricted Common Shares awarded in each respective year, and for 2010, the grant date fair value of notional units granted under the 2010 Multi-Year Performance Award Plan. A discussion of the assumptions used in calculating these values may be found in Note 16 to our 2011 audited consolidated financial statements on pages F-32 to F-34 of our 2011 Annual Report, Note 17 to our 2010 audited consolidated financial statements on pages F-37 to F-39 of our 2010 Annual Report and (2) Note 15 to our 2009 audited consolidated financial statements on pages F-26 to F-27 of our 2009 Annual Report, respectively. With respect to the awards granted under the 2010 Multi-Year Performance Award Plan, the grant date fair value was based on probable performance outcomes. The grant date fair value for these awards, assuming that the highest level of performance conditions will be achieved, was \$8.5 million for Mr. Tanger, \$3.7 million for Mr. Marchisello, and \$845,000 for Ms. Morrison and Ms. Geldner. Mr. McDonough does not participate in 2010 Multi-Year Performance Award Plan.

- (3) Amounts shown consist of payouts under our annual incentive cash bonus plan earned during the fiscal year but paid in the first quarter of the following fiscal year; except that, with respect to Ms. Morrison, the amounts shown reflect (1) the bonus calculated under the terms of her employment contract, since such amount was higher than the bonus she would have received under our annual Incentive Cash Bonus Plan, (2) a separate bonus she earned as a result of her leasing team reaching certain goals with respect to achieving minimum overall occupancy rates,

minimum renewal rate on leases expiring, and minimum average rental rate increases on existing leases renewed or new leases executed during the year and (3) a New Development Bonus.

Mr. Tanger's other compensation during 2011, 2010 and 2009 includes a car allowance of \$9,600 each year and reimbursement of term life insurance premiums totaling \$44,787 during 2011, \$89,608 during 2010 and \$77,419 (4) during 2009, as per the terms of his employment contract. In addition, Mr. Tanger's other compensation includes dividends paid on unvested restricted Common Shares of \$330,025 during 2011, \$289,998 during 2010 and \$226,434 during 2009, as well as a Company match under an employee 401(k) plan of \$9,800 during each year.

Mr. Marchisello's other compensation represents dividends paid on unvested restricted Common Shares of (5) \$147,099 during 2011, \$131,333 during 2010 and \$101,225 during 2009, as well as a Company match under an employee 401(k) plan of \$9,800 during each year.

Mr. McDonough joined the Company in August 2010 and thus his compensation during 2010 represents less than a full year. Mr. McDonough's other compensation represents dividends paid on unvested restricted Common Shares of \$23,414 during 2011 and \$1,938 during 2010, as well as a Company match under an employee 401(k) plan of \$9,800 during 2011.

Ms. Morrison's and Ms. Geldner's other compensation represent dividends paid on unvested restricted Common Shares of \$14,979 during 2011, \$13,743 during 2010 and \$10,696 during 2009. The remaining other compensation for each respective employee represents a Company match under an employee 401(k) plan.

2011 GRANT OF PLAN-BASED AWARDS

The following table summarizes grants of plan-based awards made to named executive officers in the year ended December 31, 2011:

Name	Grant Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)				Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Share Awards: Number of Common Shares or Units (#) (3)	Grant Date Fair Value of Equity Awards (\$) (1)
		Minimum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)	Minimum (#)	Target (#)	Maximum (#)		
Steven B. Tanger	1/5/2011	\$565,538	\$754,050	\$942,563	\$1,508,100	—	—	—	144,000	\$3,635,280
Frank C. Marchisello, Jr.	1/5/2011	\$295,275	\$393,700	\$492,125	\$669,290	—	—	—	62,000	\$1,565,190
Thomas E. McDonough	1/5/2011	\$180,250	\$270,375	\$360,500	\$450,625	—	—	—	20,000	\$504,900
Lisa J. Morrison (4)	1/5/2011	---	\$12,340	\$37,020 20,000 27,951	\$61,700 246,800	—	—	—	6,000	\$151,470
Carrie A. Geldner	1/5/2011	---	\$13,605	\$40,815	\$68,025	—	—	—	6,000	\$151,470

The grant date is considered to be the date the equity-based awards were approved by the Compensation Committee or Option Committee. Under the terms of our Incentive Award Plan, the grant date fair value for restricted Common Share awards is considered to be the closing price of the Company's Common Shares on the day prior to the grant date, which for the January 5, 2011 awards was \$25.245.

These columns show the range of estimated payouts targeted for 2011 performance under our annual incentive cash bonus plan for our executive officers as described in the section titled "Annual Cash Incentives" in the Compensation Discussion and Analysis. The actual cash bonus payment made in 2012 for 2011 performance, based on the metrics described, amounted to 159.15% of base salary for Mr. Tanger, 141.60% of base salary for Mr. Marchisello, 106.15% of base salary for Mr. McDonough and 19.55% of base salary for Ms. Geldner.

(3) Restricted Common Shares granted under our Incentive Award Plan are described in the Outstanding Equity Awards at Fiscal Year-End Table below. Dividends are paid on unvested restricted Common Shares.

The amounts shown in this row under "Estimated Future Payouts under Non-Equity Incentive Plan Awards" columns includes the amounts Ms. Morrison was eligible to receive under our annual Incentive Cash Bonus Plan, (4) the terms of her employment contract, a separate bonus based on leasing team goals and a bonus based on new development project leases. 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 salary or (2) 9.16% of the total commissions earned by our employees who are leasing employees who report to her. Ms Morrison receives the higher of the bonus as calculated under our annual Incentive Cash Bonus Plan or the bonus calculated under the terms of her employment contract, but not both. Ms. Morrison received a cash bonus of \$246,800 in 2012 for 2011 performance based on the terms of her employment contract and did not receive a bonus under our annual Incentive Cash Bonus Plan. In addition, Ms. Morrison received \$29,000 as a separate bonus she earned as a result of her leasing team reaching certain goals with respect to achieving minimum overall occupancy rates, minimum renewal rates on leases expiring, and minimum average rental rate increases on existing leases renewed or new leases executed during the year. Under this plan for 2011, Ms. Morrison could receive up to \$20,000 if the minimum targets were achieved, and then would receive an additional \$1,000 for each percentage point achieved above the minimum target levels. There were no thresholds or maximums under this plan. Finally, Ms. Morrison received a New Development Bonus of \$27,951. Since this was the actual amount earned in 2011, we believe it is a representative amount. However, there is no threshold, target or maximum for the New Development Bonus. The amounts were determined solely based on leases executed in 2011 in connection with new projects.

OUTSTANDING EQUITY AWARDS AT YEAR END 2011

The following table summarizes the number of securities underlying outstanding plan awards for the named executive officers in the year ended December 31, 2011:

Name	Option Awards			Share Awards			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$ (2) (3)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units That Have Not Vested (#) (1)	Market Value of Shares or Units That Have Not Vested (\$ (1) (2)		
Steven B. Tanger	—	—	—	—	19,200(4) 38,400(5) 72,000(6) 115,200(7) 144,000(8)	\$562,944 1,125,888 2,111,040 3,377,664 4,222,080	540,000 (9)	\$15,832,800
Frank C. Marchisello, Jr.	—	—	—	—	8,000(4) 20,000(5) 33,600(6) 49,600(7) 62,000(8)	\$234,560 586,400 985,152 1,454,272 1,817,840	234,000 (9)	\$6,860,880
Thomas E. McDonough	—	—	—	—	8,000(7) 20,000(8)	\$234,560 586,400	—	—
Lisa J. Morrison	—	—	—	—	800(4) 2,400(5) 3,600(6) 4,800(7) 6,000(8)	\$23,456 70,368 105,552 140,736 175,920	54,000 (9)	\$1,583,280
Carrie A. Geldner	—	—	—	—	800(4) 2,400(5) 3,600(6) 4,800(7) 6,000(8)	\$23,456 70,368 105,552 140,736 175,920	54,000 (9)	\$1,583,280

(1) Represents portion of restricted Common Shares that vest based on rendering service over a specific period of time.

(2) Based on the closing price of our Common Shares on December 31, 2011 of \$29.32.

(3) Represents portion of restricted Common Shares that may be earned from the conversion of notional units assuming for purposes of this discussion that the Company achieves its maximum level of share price appreciation over the four year performance period ending December 31, 2013. We have assumed that the share price on December 31, 2013 is equal to the share price on December 31, 2011.

(4) Restricted Common Shares vest at a rate of 20% per year, with vesting dates on 2/28/2008, 2/28/2009, 2/28/2010, 2/28/2011 and 2/28/2012.

(5) Restricted Common Shares vest at a rate of 20% per year, with vesting dates on 2/28/2009, 2/28/2010, 2/28/2011, 2/28/2012 and 2/28/2013.

(6) Restricted Common Shares vest at a rate of 20% per year, with vesting dates on 2/28/2010, 2/28/2011, 2/28/2012, 2/28/2013 and 2/28/2014.

(7) Restricted Common Shares vest at a rate of 20% per year, with vesting date on 2/28/2011, 2/28/2012, 2/28/2013, 2/28/2014 and 2/28/2015.

(8) Restricted Common Shares vest at a rate of 20% per year, with vesting date on 2/28/2012, 2/28/2013, 2/28/2014, 2/28/2015 and 2/28/2016.

(9) Notional units will convert into restricted shares, if earned, on January 1, 2014 and vest on December 31, 2014.

OPTIONS EXERCISES AND COMMON SHARES VESTED IN 2011

The following table summarizes the option exercises and the vesting of restricted share awards for each of our named executive officers for the year ended December 31, 2011:

Name	Option Awards		Share Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) (1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) (2)
Steven B. Tanger	28,000	\$501,270	110,400	\$2,914,560
Frank C. Marchisello, Jr.	—	—	49,600	1,309,440
Thomas E. McDonough	—	—	2,000	51,420
Lisa J. Morrison	—	—	5,200	137,280
Carrie A. Geldner	—	—	5,200	137,280

(1) Amounts reflect the closing market price on the day prior to the exercise date in accordance with the terms of our Incentive Award Plan.

(2) Amounts reflect the closing market price on the day prior to the vesting date in accordance with the terms of our Incentive Award Plan.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2011 with respect to compensation plans under which the Company's equity securities are authorized for issuance:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
Equity compensation plans approved by security holders	1,437,200	\$20.92	4,103,720
Equity compensation plans not approved by security holders	—	—	—
Total	1,437,200	\$20.92	4,103,720

Includes 1,176,000 restricted Common Shares, the maximum amount of restricted Common Shares that may be issued under the 2010 Multi-Year Performance Award Plan. Under the plan, the Company issued 392,000 notional units, net of notional units forfeited, which will convert into restricted Common Shares on a one for one basis, one for two basis, or one for three basis, depending upon the amount by which the Company's Common Shares appreciate above a minimum level over a four year period ending December 31, 2013. The weighted average exercise price in column (b) does not take these awards into account.

Employment Contracts

The following summary sets forth the material terms of the employment contracts with the named executive officers in effect as of December 31, 2011. For information regarding the amended and restated employment agreement for Mr. Tanger, effective as of January 1, 2012, please see "Employment Contracts and Change of Control" on page 19.

Steven B. Tanger will receive annual cash compensation in the form of salary and bonus pursuant to a three-year employment contract originally effective as of January 1, 2004. The employment contract automatically extends for one additional year on January 1 of each year unless the executive's employment is terminated, or we give written notice to the executive within 180 days prior to such January 1 that the contract term will not be automatically extended. The base salary provided for in such contract may be increased but not decreased each year.

Upon termination of employment, Mr. Tanger has agreed not to compete with us for one year (or three years if severance compensation is received) within a 50 mile radius of the site of any commercial property owned, leased or operated by us as of the date of Mr. Tanger's employment termination or within a 50 mile radius of any commercial property that we negotiated to acquire, lease or operate within the six month period prior to Mr. Tanger's employment termination. Mr. Tanger's covenant not to compete mandates that, during the term of his employment contract and during the effective period of the covenant, Mr. Tanger shall direct his commercial real estate activities through us, with exceptions for development of properties that were owned collectively or individually by him, by members of his family or by any entity in which any of them owned an interest or that was for the benefit of any of them prior to the Company's initial public offering (referred to as the "Excluded Properties"). In no event will Mr. Tanger engage in the development, construction, or management of outlet shopping centers or other competing retail commercial property outside of the Company or the Operating Partnership during the effective period of the covenant not to compete (with the exception of the Excluded Properties).

In addition, Mr. Tanger will not engage in any active or passive investment in property relating to outlet centers or other competing retail commercial property, with the exception of the ownership of up to one percent of the securities of any publicly traded company, Mr. Tanger is also permitted to engage in service on the board of directors of any publicly traded company.

If the employment of Mr. Tanger terminates without Cause, as defined in the agreement, or such employment is terminated by Mr. Tanger with Good Reason, as defined in the agreement, Mr. Tanger shall receive a severance benefit in the form of a lump sum cash payment equal to 300% of the sum of (a) his annual base salary, (b) the higher of (i) the prior year's annual bonus or (ii) the average annual bonus for the preceding three years, and (c) his automobile allowance for the current year subject to the limitations required to comply with Section 409A of the Code. Share based awards under our Incentive Award Plan are included in the calculation of the prior year's annual bonus and average annual bonus. Upon such a termination, Mr. Tanger is also entitled to receive continued benefits, including the payment of life insurance premiums, for the remaining contract term as if employment had not been terminated. If employment terminates by reason of death or disability, Mr. Tanger or his estate shall receive a lump sum amount equal to (a) his annual base salary that would have been paid for the remaining contract term if employment had not terminated, plus (b) his annual bonus that would have been paid during the year of termination had employment not terminated, multiplied by a fraction the numerator of which is the number of days in the year prior to termination and the denominator of which is 365. Mr. Tanger would also be entitled to the continued payment of life insurance premiums for the remainder of the contract term upon a termination for disability.

The employment contract of Mr. Tanger also grants him certain registration rights with respect to the Common Shares that he beneficially owns.

Frank C. Marchisello, Jr. has a three-year employment contract originally effective January 1, 2004. Mr. Marchisello's contract automatically extends for one additional year on January 1 of each year unless the executive's employment is

terminated, or we give written notice to the executive within 180 days prior to such January 1 that the contract term will not be automatically extended. The base salary provided for in Mr. Marchisello's contract may be increased but not decreased each year.

If Mr. Marchisello's employment is terminated by reason of death or disability, he or his estate will receive as additional compensation a lump sum payment in an amount equal to his annual base salary and a pro rata portion of the annual bonus earned for the contract year in which the termination occurs. Further, if Mr. Marchisello's employment is terminated by us without Cause, or by Mr. Marchisello for Good Reason, as those terms are defined in the agreement, Mr. Marchisello will receive a severance payment in an amount equal to 300% of the sum of (a) his annual base salary for the current contract year and (b) the higher of (i) the prior year's annual bonus or (ii) the average annual bonus for the preceding three years, to be paid monthly over the succeeding 36 months subject to the limitations required to comply with Section 409A. Share based awards under our Incentive Award Plan are included in the calculation of the prior year's annual bonus and average annual bonus.

Thomas E. McDonough entered into an employment agreement effective August 23, 2010 and expiring on December 31, 2013. Mr. McDonough's contract will be automatically extended for one additional year at the end of the initial term and for each year thereafter, unless either party gives written notice to the other party within 180 days prior to the end of the initial term or extended term that the contract term will not be automatically extended.

Pursuant to the terms of the agreement, Mr. McDonough's annual base salary may not be less than \$350,000. Mr. McDonough is eligible to receive an annual incentive bonus based on performance criteria approved by the Company's Compensation Committee.

If Mr. McDonough's employment is terminated by reason of death or disability, he or his estate will receive as additional compensation a lump sum payment in an amount equal to his annual base salary and a pro rata portion of the annual bonus earned for the contract year in which the termination occurs. Further, if Mr. McDonough's employment is terminated by us without Cause, or by Mr. McDonough for Good Reason, as those terms are defined in the agreement, Mr. McDonough will receive a severance payment in an amount equal to 300% of the sum of (a) his annual base salary for the then-current contract year and (b) the average annual bonus for the preceding three years to be paid monthly or bi-weekly over the succeeding 36 months subject to the limitations required to comply with Section 409A. Share based awards under our Incentive Award Plan are included in the calculation of the prior year's annual bonus and average annual bonus.

Lisa J. Morrison has a three year employment contract originally effective January 1, 2008. Ms. Morrison's contract automatically extends for one additional year at the end of the initial term and for each year thereafter, unless the executive's employment is terminated, or either we or the executive give written notice within 180 days prior to end of the initial term or extended term that the contract term will not be automatically extended. During the initial term, Ms. Morrison's base salary may not be less than \$231,500. In addition to her base salary, for the contract year beginning January 1, 2008 and, if approved by the Company's Board of Directors, for each contract year thereafter, Ms. Morrison will be paid an annual bonus in an amount equal to the lesser of (i) her base salary in effect on the last day of such contract year and (ii) an amount equal to nine and sixteen one-hundredths percent (9.16%) of the total commissions earned by our employees who are leasing representatives 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. If the amount determined under clause (ii) is greater than 100% of Ms. Morrison's annual base salary, such excess amount will be carried over to the next succeeding contract year, subject to Ms. Morrison's continued employment through December 31 of such succeeding contract year. Ms. Morrison will receive the higher of the bonus determined under her employment contract and the bonus determined pursuant to the Company's annual bonus plan.

Carrie A. Geldner has a three year employment contract effective January 1, 2008. The employment contract automatically extends for one additional year at the end of the initial term and for each year thereafter, unless the executive's employment is terminated, or either we or the executive give written notice within 180 days prior to end of the initial term or extended term that the contract term will not be automatically extended. Ms. Geldner's base salary for subsequent years in no event may be less than \$255,300.

If Ms. Morrison or Ms. Geldner's employment is terminated by reason of death or disability, she or her estate will receive as additional compensation a lump-sum payment in an amount equal to half of her annual base salary and a pro rata portion of the annual bonus earned for the contract year in which the termination occurs. Further, if the employment of the executive is terminated by us without Cause, or by the executive for Good Reason, as those terms are defined in her agreements, the terminated executive will receive a severance payment in an amount equal to the sum of (a) 100% of her annual base salary for the current contract year, and (b) her average annual bonus for the three consecutive contract years immediately preceding the contract year in which the termination occurs, to be paid monthly over the succeeding 12 months subject to the limitations required to comply with Section 409A.

During the term of Mr. Marchisello's employment and for a period of one year thereafter (three years if he receives the 300% severance payment described above), Mr. Marchisello is prohibited from engaging directly or indirectly in any aspect of the outlet business within a 50 mile radius of the site of any commercial property owned, leased or operated by us as of the date of Mr. Marchisello's employment termination or within a 50 mile radius of any commercial property that we negotiated to acquire, lease or operate within the six month period prior to Mr. Marchisello's employment termination. During the term of Mr. McDonough's employment, and for a period of one year thereafter if Mr. McDonough's employment is terminated by us for Cause or by Mr. McDonough without Good Reason (three years if he receives the 300% severance payment described above), Mr. McDonough is prohibited from engaging directly or indirectly in any aspect of the outlet business within a radius of 50 miles of any outlet center owned or operated by us. During the respective terms of employment of Ms. Geldner and Ms. Morrison, and for a period of six months thereafter (one year if the executive receives a severance payment as described above if employment is terminated by the Company without Cause or by the executive for Good Reason), the executive is prohibited from (a) engaging in any activities involving developing or operating an outlet shopping facility within a radius of 50 miles of

any retail shopping facility owned, (with an effective ownership interest of 50% or more) or operated by the Company within the 365-day period ending on the date of termination of the executive's employment, (b) engaging in any activities involving developing or operating an outlet shopping facility within a radius of 50 miles of any site that, within the 365-day period ending on the date of termination of the executive's employment, the Company or its affiliate negotiated to acquire and/or lease for the development or operation of a retail shopping facility or (c) engaging in any activities involving developing or operating any other type of retail shopping facility that, within the 365-day period ending on the date of the termination of his/her employment, was (i) under development by the Company or its affiliate; (ii) owned (with an effective ownership interest of 50% or more), directly or indirectly, by the Company; or (iii) operated by the Company.

Mr. Tanger and Mr. Marchisello, Jr. are employed and compensated by both the Operating Partnership and the Company. The Compensation Committee believes that the allocation of such persons' compensation between the Company and the Operating Partnership reflects the services provided by such persons with respect to each entity. All other employees are employed solely by the Operating Partnership.

Potential Payments on Termination or Change in Control

The table below reflects the amount of compensation payable to each of our named executive officers in the event of a termination of such executive's employment. In particular, the table below sets forth the amount of compensation payable to each named executive officer in connection with each of the following different types of termination of employment: (1) termination by the Company without Cause or by the executive for Good Reason, (2) termination by the Company without Cause or by the executive for Good Reason following a Change in Control, (3) termination as a result of death, (4) termination as result of Disability, and (5) termination by the Company for Cause or by the executive without Good Reason.

The terms "Cause", "Change in Control", "Disability" and "Good Reason" as defined in the employment contracts of Mr. Tanger and Mr. Marchisello in effect as of December 31, 2011 are generally as stated below:

"Cause" - The Operating Partnership or, as applicable, the Company shall have "Cause" to terminate the executive's employment upon the executive's (i) causing material harm to the Operating Partnership or, as applicable, the Company through a material act of dishonesty in the performance of his duties, (ii) conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) willful failure to perform his material duties (other than a failure due to disability) after written notice and a reasonable opportunity to cure.

"Change in Control" - shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Company or the Operating Partnership of more than 50% of its assets to a single purchaser or to a group of associated purchasers; (B) a merger, consolidation or similar transaction in which the Company or the Operating Partnership does not survive as an independent, publicly owned corporation or the Company ceases to be the sole general partner of the Operating Partnership; or (C) the acquisition of securities of the Company or the Operating Partnership in one or a related series of transactions (other than pursuant to an internal reorganization) by a single purchaser or a group of associated purchasers (other than the executive or any of his lineal descendants, lineal ancestors or siblings) which results in their ownership of twenty-five (25%) percent or more of the number of Common Shares (treating any Operating Partnership Units or Preferred Shares acquired by such purchaser or purchasers as if they had been converted to Common Shares) that would be outstanding if all of the Operating Partnership Units and Preferred Shares were converted into Common Shares; (D) a merger involving the Company if, immediately following the merger, the holders of the Company's shares immediately prior to the merger own less than fifty percent (50%) of the surviving company's outstanding shares having unlimited voting rights or less than fifty percent (50%) of the value of all of the surviving company's outstanding shares; or (E) a majority of the members of the Operating Partnership's or, as applicable, the Company's Board of Directors are replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to

the date of the appointment or election.

“Disability” - shall mean the absence of the executive from the executive's duties to the Operating Partnership and/or, as applicable, the Company on a full-time basis for a total of 16 consecutive weeks during any 12 month period as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Operating Partnership or, as applicable, the Company and acceptable to the executive or the executive's legal representative.

“Good Reason” - The executive shall have Good Reason to terminate his employment upon the occurrence of any of the following events:

any material adverse change in job titles, duties, responsibilities, perquisites, or authority without his consent;

if, after a Change in Control, either (i) the principal duties of the executive are required to be performed at a location other than the Greensboro, North Carolina metropolitan area (or New York, New York in the case of Mr. Tanger) without his consent or (ii) in the case of Mr. Tanger, the executive no longer reports directly to the Board of Directors;

a material breach of the employment agreement by the Operating Partnership or, as applicable, the Company, including without limitation, the failure to pay compensation or benefits when due if such failure is not cured within 30 days after written demand for payment thereof;

the executive's election to terminate employment within the 180 day period following a Change in Control; or

in the case of Mr. Tanger, if the executive is removed, or is not re-elected as a Director of the Company.

The terms "Cause", "Change in Control", "Good Reason" and "Disability" as defined in the employment contract of Mr. McDonough, are generally as stated below:

"Cause" The Operating Partnership shall have "Cause" to terminate executive's employment upon (i) executive causing material harm to the Operating Partnership through a material act of dishonesty in the performance of his duties hereunder, (ii) his conviction of a felony involving moral turpitude, fraud or embezzlement, or (iii) his willful failure to perform his material duties under this Agreement (other than a failure due to disability) after written notice specifying the failure and a reasonable opportunity to cure (it being understood that if his failure to perform is not of a type requiring a single action to cure fully, that he may commence the cure promptly after such written notice and thereafter diligently prosecute such cure to completion).

"Change of Control" shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Operating Partnership or Company of more than 50% of its assets to a single purchaser or to a group of associated purchasers; (B) a merger, consolidation or similar transaction in which the Company or the Operating Partnership does not survive as an independent, publicly owned corporation or the Company or an entity wholly owned by the Company ceases to be the sole general partner of the Operating Partnership; or (C) the acquisition of securities of the Company or the Operating Partnership in one or a related series of transactions (other than pursuant to an internal reorganization) by a single purchaser or a group of associated purchasers (other than Executive or any of his lineal descendants, lineal ancestors or siblings) which results in their ownership of twenty-five (25%) percent or more of the number of Common Shares of the Company (treating any Partnership Units or Preferred Shares acquired by such purchaser or purchasers as if they had been converted to Common Shares) that would be outstanding if all of the Partnership Units and Preferred Shares were converted into Common Shares; (D) a merger involving the Company if, immediately following the merger, the holders of the Company's shares immediately prior to the merger own less than fifty (50%) of the surviving company's outstanding shares having unlimited voting rights or less than fifty percent (50%) of the value of all of the surviving company's outstanding shares; or (E) a majority of the members of the Operating Partnership's Board of Directors are replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

"Disability" shall mean the absence of executive from executive's duties to the Operating Partnership on a full-time basis for a total of 16 consecutive weeks during any 12 month period as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Operating Partnership and acceptable to Executive or Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

"Good Reason" Executive shall have Good Reason to terminate his employment upon the occurrence of any of the following events: (i) any material adverse change in his job titles, duties, responsibilities, perquisites, or authority without his consent; (ii) if, after a Change of Control, any of the principal duties of executive are required to be performed at a location other than the Greensboro, North Carolina metropolitan area without his consent; (iii) a material breach of the employment agreement by the Operating Partnership, including without limitation, the failure to

pay compensation or benefits when due hereunder if such failure is not cured within 30 days after delivery to the Operating Partnership of Executive's written demand for payment thereof; or (iv) if executive elects to terminate his employment by written notice to the Operating Partnership within the 180 day period following a Change of Control.

The terms "Cause", "Change in Control", "Good Reason" and "Disability" as defined in the employment contract of Ms. Morrison, are generally as stated below:

"Cause" - The Operating Partnership shall have "Cause" to terminate the executive's employment upon (i) the Operating Partnership's determination that the executive has embezzled money or property, (ii) the executive's willful refusal to perform reasonable duties incident to her employment after ten (10) days' written notice to the executive from the Chief Executive

Officer, Chief Operating Officer or Board of Directors of the specific duties to be performed or (iii) conviction of a felony that, in the judgment of the Board of Directors, adversely affects the business or reputation of the Company.

“Change in Control” - shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Operating Partnership or the Company of more than fifty percent of the total gross fair market value of its assets to a single purchaser or to a group of associated purchasers; (B) the acquisition of securities of the Company or the Operating Partnership in one or a related series of transactions (other than pursuant to an internal reorganization) by a single purchaser or a group of associated purchasers (other than executive or any of her lineal descendants, lineal ancestors or siblings) which results in their ownership of fifty percent or more of the Common Shares (treating any Operating Partnership Units or Preferred Shares acquired by such purchaser or purchasers as if they had been converted to Common Shares) that would be outstanding if all of the Operating Partnership Units and Preferred Shares were converted into Common Shares; or (C) a majority of the members of the Operating Partnership’s Board of Directors are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

“Good Reason” – Ms. Morrison shall have Good Reason to terminate her employment upon any of the following events:

- the Operating Partnership materially fails to make payment of amounts due to her under the employment agreement;
- the Operating Partnership commits a material breach of its obligations under the employment agreement;

the principal duties of Ms. Morrison are required to be performed at a location other than the Greensboro, North Carolina metropolitan area without her consent following the occurrence of (A) a Change in Control, (B) a merger, consolidation or similar transaction in which the Company or the Operating Partnership does not survive as an independent, publicly owned corporation or the Company or an entity wholly owned by the Company ceases to be the sole general partner of the Operating Partnership, or (C) a merger involving the Company if, immediately following the merger, the holders of the Company’s shares immediately prior to the merger own less than fifty percent of the surviving company’s outstanding shares having unlimited voting rights or less than fifty percent of the value of all of the surviving company’s outstanding shares.

“Disability” - shall mean Ms. Morrison’s inability, due to a physical or mental illness that is expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, to perform any of the material duties assigned to her by the Operating Partnership for a period of ninety (90) days or more within any twelve consecutive calendar months.

The terms “Cause”, “Change in Control”, “Good Reason” and “Disability” as defined in the employment contract of Ms. Geldner, are generally as stated below:

“Cause” - The Operating Partnership shall have “Cause” to terminate the executive's employment upon (i) the Operating Partnership's determination that the executive has embezzled money or property, (ii) the executive's willful refusal to perform reasonable duties incident to her employment after ten (10) days' written notice to the executive from the Chief Executive Officer, Chief Operating Officer or Board of Directors of the specific duties to be performed or (iii) conviction of a felony that, in the judgment of the Board of Directors, adversely affects the business or reputation of the Company.

"Change in Control" - - shall mean (A) the sale, lease, exchange or other transfer (other than pursuant to internal reorganization) by the Company or the Operating Partnership of more than 50% of its assets to a single purchaser or to a group of associated purchasers; (B) a merger, consolidation or similar transaction in which the Company or the Operating Partnership does not survive as an independent, publicly owned corporation or the Company ceases to be the sole general partner of the Operating Partnership; or (C) the acquisition of securities of the Company or the

Operating Partnership in one or a related series of transactions (other than pursuant to an internal reorganization) by a single purchaser or a group of associated purchasers (other than the executive or any of his or her lineal descendants, lineal ancestors or siblings) which results in their ownership of twenty-five (25%) percent or more of the number of Common Shares (treating any Operating Partnership Units or Preferred Shares acquired by such purchaser or purchasers as if they had been converted to Common Shares) that would be outstanding if all of the Operating Partnership Units and Preferred Shares were converted into Common Shares; (D) a merger involving the Company if, immediately following the merger, the holders of the Company's shares immediately prior to the merger own less than fifty percent (50%) of the surviving company's outstanding shares having unlimited voting rights or less than fifty percent (50%) of the value of all of the surviving company's outstanding shares; or (E) a majority of the members of the Operating Partnership's or, as applicable, the Company's Board of Directors are replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

“Good Reason” - Ms. Geldner shall have Good Reason to terminate her employment upon any of the following events:

the Operating Partnership fails to make payment of amounts due to her under the employment agreement within 30 days after she has made written demand for such amounts;

the Operating Partnership commits a material breach of its obligations under the employment agreement and fails to cure such breach after 30 days' notice;

the principal duties of Ms. Geldner are required to be performed at a location other than the Greensboro, North Carolina metropolitan area without her consent following the occurrence of a Change in Control; or

Ms. Geldner elects to terminate her employment by written notice to the Operating Partnership within the 180-day period following a Change in Control.

“Disability” - shall mean Ms. Geldner's inability, due to a physical or mental illness or other cause, to perform any of the material duties assigned to her by the Operating Partnership for a period of ninety (90) days or more within any twelve consecutive calendar months.

The employment contracts of the NEOs other than Mr. Tanger consider a Change in Control as Good Reason for an executive to terminate his or her employment, and thus would entitle him or her to certain severance benefits. In addition, for purposes of the table below, however, we consider the caption representing the termination by the Company without Cause or by the executive for Good Reason to exclude an event of a Change in Control. In addition, any severance benefits or additional compensation that these executives are eligible to receive upon termination will be reduced to the extent necessary to prevent the executive from having any liability for the federal excise tax levied on certain “excess parachute payments” under section 4999 of the Code. The amounts shown in the table below are the maximum amounts the executives would be eligible to receive upon termination assuming no such reduction in compensation or benefits would be required.

The amounts shown below assume that such termination was effective December 31, 2011, and thus amounts earned through such time are estimates of the amounts that would be paid out to the executives upon termination. Also included in table below is the value of restricted Common Shares assumed to be earned upon termination from the conversion of the notional units under the Company's 2010 Multi-Year Performance Award Plan. Under the plan, the Company issued 392,000 notional units, net of notional units forfeited, which will convert into restricted Common Shares on a one for one basis, one for two basis, or one for three basis, depending upon the amount by which the Company's Common Shares appreciate above a minimum level over a four year period ending December 31, 2013. For a further discussion of the plan, see "Compensation Discussion and Analysis-2010 Multi-Year Performance Award Plan" included in this Proxy Statement. For a termination without Cause, for Good Reason, death or Disability, each notional unit will convert based upon the share price at the end of the four year performance period, and the restricted Common Shares earned had a termination not occurred will be reduced pro-rata for time employed. Such shares will vest immediately upon the end of the four year performance period. For a termination upon a Change in Control, the share price appreciation targets will be reduced pro rata based upon the period of time that the effective date of the plan to the date of the Change in Control bears to the four year performance period, and any restricted Common Shares earned will vest immediately upon the Change in Control. If the notional units are earned, and thereby converted into restricted Common Shares, then award recipients will be entitled to receive a payment of all dividends and other distributions through the termination date that would have been paid had the number of earned Common Shares been issued at the beginning of the performance period.

The actual amounts to be paid can only be determined at the time of such executive's separation from the Company and/or the Operating Partnership.

Name	Cash Severance Payment (\$)(2)	Share Awards (\$)(3)	Continuation of Benefits (\$)(4)	All Other Comp. (\$)(5)	Total (\$)
Steven B. Tanger ⁽¹⁾					
• Without Cause or For Good Reason	\$17,099,928	\$19,739,916	\$29,984	\$89,573	\$36,959,401
• Change in Control	17,099,928	28,080,216	29,984	89,573	45,299,701
• Death	6,454,026	19,739,916	—	—	26,193,942
• Disability	6,454,026	19,739,916	—	89,573	26,283,515
• For Cause or without Good Reason	—	—	—	—	—
Frank C. Marchisello, Jr.					
• Without Cause or For Good Reason	\$7,223,154	\$8,692,354	—	—	\$15,915,508
• Change in Control	7,223,154	12,306,484	—	—	19,529,638
• Death or Disability	2,407,718	8,692,354	—	—	11,100,072
• For Cause or without Good Reason	—	—	—	—	—
Thomas E. McDonough					
• Without Cause or For Good Reason	\$2,454,015	\$820,960	—	—	\$3,274,975
• Change in Control	2,454,015	820,960	—	—	3,274,975
• Death or Disability	818,005	820,960	—	—	1,638,965
• For Cause or without Good Reason	—	—	—	—	—
Lisa J. Morrison					
• Without Cause or For Good Reason	\$461,242	\$1,654,990	—	—	\$2,116,232
• Change in Control	461,242	2,489,020	—	—	2,950,262
• Death or Disability	427,151	1,654,990	—	—	2,082,141
• For Cause or without Good Reason	—	—	—	—	—
Carrie A. Geldner					
• Without Cause or For Good Reason	\$323,512	\$1,350,062	—	—	\$1,673,574
• Change in Control	323,512	2,184,092	—	—	2,507,604
• Death or Disability	189,246	1,350,062	—	—	1,539,308
• For Cause or without Good Reason	—	—	—	—	—

In February 2012, Mr. Tanger's employment contract was amended and restated effective January 1, 2012. The amounts above are calculated based on the terms and provisions of his prior employment contract, in effect as of (1)December 31, 2011, and does not include the grants of equity awards made during 2012 pursuant to the terms of the Mr. Tanger's new employment contract as more fully described in this Proxy Statement under the caption "Compensation Discussion and Analysis- Employment Contracts and Change in Control".

(2) The terms of the cash severance payments due each officer under each scenario are more fully described elsewhere in this Proxy Statement under the caption "Employment Contracts".

(3)

Amounts shown in this column include the value of restricted Common Shares which (1) were unvested at December 31, 2011 and that would immediately vest upon termination of employment, and (2) are assumed to be earned from the conversion of notional units and which would vest at the end of the four year performance period in the case of a termination without Cause, for Good Reason, Death or Disability, or immediately upon a Change in Control. In estimating the number of restricted Common Shares to be earned from the conversion of notional units, the share price at the end of the four year performance period is assumed to be equivalent to the share price at the end of the current fiscal year ended December 31, 2011, and dividends are assumed to be paid during the four year performance period at similar rates as during 2011. For a termination without Cause, for Good Reason, death or Disability, each notional unit is assumed to be converted into the maximum of three Common Shares, and for a termination upon a Change in Control, each notional unit is assumed to be converted into the maximum three Common Shares. The value of the restricted Common Shares is based on the closing price of our Common Shares on December 31, 2011 of \$29.32.

- (4) Includes estimated costs of continuation of benefits for the remainder of Mr. Tanger's employment contract for group medical and dental coverage, disability insurance and life insurance premiums on \$100,000 of coverage.
- (5) Represents estimated premiums on term life insurance policies for Mr. Tanger to be paid for the remainder of his employment contract.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of March 1, 2012, or such other date as indicated in the notes thereto, available to us with respect to our Common Shares, and of units of partnership interests in the Operating Partnership (referred to as the "Units") (i) held by those persons known by us to be the beneficial owners (as determined under the rules of the SEC) of more than 5% of such shares, (ii) held individually by the directors and our named executive officers identified elsewhere in this Proxy Statement, and (iii) held by our directors and all of our executive officers as a group.

	Number of Common Shares Beneficially Owned ⁽¹⁾	Percent of All Common Shares	Number of Common Shares Receivable Upon Exchange of Units Beneficially Owned ⁽²⁾	Percent of All Common Shares (including upon exchange of such owner's Units)
Steven B. Tanger ⁽³⁾ Tanger Factory Outlet Centers, Inc. 3200 Northline Avenue, Suite 360 Greensboro, NC 27408	636,557	*	4,611,872	5.5%
The Vanguard Group, Inc. ⁽⁴⁾ Vanguard REIT Index Fund 100 Vanguard Blvd. Malvern, PA 19355	9,229,025	10.1%	—	10.1%
Deutsche Bank AG ⁽⁵⁾ RREEF America, L.L.C. Deutsche Investment Management Americas Deutsche Bank Trust Company Americas Oppenheim Asset Management Services S.a. r.l. 4IP Management S.A. Theodor-Heuss-Allee 70 60468 Frankfurt am Main Federal Republic of Germany	8,445,428	9.2%	—	9.2%
BlackRock, Inc. ⁽⁶⁾ 40 East 52nd Street New York, NY 10022	8,035,071	8.8%	—	8.8%
Stichting Pensioenfonds ABP ⁽⁷⁾ APG Asset Management US, Inc. APG Group APG All Pensions Group NV 666 Third Avenue, 2nd Floor New York, NY 10017	5,226,296	5.7%	—	5.7%
FMR LLC ⁽⁸⁾ 82 Devonshire Street Boston, MA 02109	4,689,096	5.1%	—	5.1%

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Jack Africk	160,596	*	—	*
William G. Benton (9)	74,181	*	—	*
Bridget Ryan Berman	20,096	*	—	*
Thomas E. Robinson	55,617	*	—	*
Allan L. Schuman ⁽¹⁰⁾	51,096	*	—	*
Thomas J. Reddin	12,144	*	—	*
Frank C. Marchisello, Jr.	261,584	*	—	*
Thomas E. McDonough	60,000	*	—	*
Lisa J. Morrison	19,904	*	—	*
Carrie A. Geldner ⁽¹¹⁾	28,304	*	—	*
Directors and Executive Officers as a Group (15 persons) ⁽¹²⁾	1,454,035	1.6%	4,614,872	6.3%

*Less than 1%

The ownership of Common Shares reported herein is based upon filings with the SEC and is subject to
(1) confirmation by us that such ownership did not violate the ownership restrictions in the Company's Articles of Incorporation.

Represents Common Shares that may be acquired upon the exchange of Units beneficially owned. Each
(2) exchangeable Unit of the Operating Partnership and each Unit that may be acquired upon the exercise of options to purchase Units may be exchanged for four of our Common Shares.

Also includes 914,302 Units of Tanger Properties Limited Partnership (the "Operating Partnership") held directly by Mr. Tanger, 5,884 Common Shares of Tanger Factory Outlet Centers, Inc. (the "Company") and 32,095 Units of the Operating Partnership held by Tanger - P.F. Properties, Inc. (referred to as "TPFP"), and 37,873 Common Shares of the Company and 206,571 Units of the Operating Partnership held by Pigeon Forge Factory Stores, Inc. (referred to as "PFFS"). Mr. Tanger is the President, a board member, and a shareholder of both TPFP and PFFS and thus may be deemed to control TPFP and PFFS and to have shared voting and dispositive power of all such
(3) Common Shares and Units held by each such entity. The Units of the Operating Partnership are exchangeable into 4,611,872 Common Shares of the Company. Excludes 894,392 Common Shares and 156,349 Units exchangeable into 625,396 Common Shares of the Company, which are held in various trusts of which Mr. Tanger is a beneficiary, but is not the trustee and does not otherwise have investment or voting control with respect to the securities held by such trusts. Excludes 685,727 Common Shares held in a trust of which Mr. Tanger is a beneficiary, but is not the trustee and does not otherwise have investment or voting control pledged as security for certain personal loans.

We have received copies of a Schedule 13G/A as filed with the SEC by The Vanguard Group, Inc. (referred to as "Vanguard") and a Schedule 13G/A filed January 27, 2012 by Vanguard REIT Index Fund (referred to as "REIT Fund"), a client of Vanguard, reporting ownership of these shares as of December 31, 2011. As reported by
(4) Vanguard in its 13G/A, (i) Vanguard has sole dispositive power for 9,110,091 of such shares, which includes shares owned by REIT Fund, and shared dispositive power for 118,934 of such shares, and (ii) Vanguard Fiduciary Trust Company has sole voting power for 118,934 of such shares. As reported by REIT Fund in its Schedule 13G/A, REIT Fund has sole voting power for 4,761,517 of such shares.

We have received a copy of Schedule 13G as filed with the SEC by Deutsche Bank AG (referred to as "Deutsche Bank"), RREEF America, L.L.C (referred to as "RREEF"), Deutsche Investment Management Americas (referred to as "DIMA"), Deutsche Bank Trust Company Americas (referred to as "DBTC"), Oppenheim Asset Management Services S.a. r.l. (referred to as "OAMS"), and 4IP Management S.A. (referred to as "4IP") reporting ownership of these shares as of December 30, 2011. As reported in said Schedule 13G, (i) Deutsche Bank has sole dispositive
(5) power for 8,445,428 of such shares, and sole voting power of 5,908,568 of such shares, (ii) RREEF has sole dispositive power for 8,161,911 of such shares, and sole voting power of 5,625,051 of such shares, (iii) DIMA has sole dispositive and voting power for 271,627 of such shares, (iv) DBTC has sole dispositive and voting power for 2,800 of such shares, (v) OAMS has sole dispositive and voting power for 9,056 of such shares, and (vi) 4IP has sole dispositive and voting power for 34 of such shares.

We have received a copy of Schedule 13G/A as filed with the SEC by BlackRock, Inc. reporting ownership of
(6) these shares as of December 30, 2011. As reported in said Schedule 13G/A, Blackrock has sole dispositive and voting power for all such shares.

(7) We have received copies of separate Schedules 13G as filed with the SEC by (i) Stichting Pensioenfonds ABP (referred to as "Stichting") and (ii) APG Asset Management US, Inc. (referred to as "APG US"), APG Group, and APG All Pensions Group NV (referred to as "APG NV") reporting ownership of these shares as of December 31, 2011. As reported by Stichting in its Schedule 13G, Stichting has sole dispositive and voting power for all such shares, which shares include those reported by APG US, APG Group, and APG NV in their respective Schedule

13G by virtue of Stichting's ownership of APG US, APG Group, and APG NV. As reported by APG US, APG Group and APG NV in their Schedule 13G, APG US, APG Group, and APG NV all have sole dispositive and voting power for all such shares. APG NV is the exclusive investment manager with the power to vote and make all investment decisions for all such shares. APG NV has delegated its investment and voting power with respect to these shares to APG US.

We have received a copy of Schedule 13G/A as filed with the SEC by FMR LLC (referred to as "FMR") and Edward C. Johnson 3rd reporting ownership of these shares as of December 31, 2011. As reported in said Schedule 13G/A, (8) FMR and Edward C. Johnson 3rd have sole dispositive power for 4,689,096 of such shares, and FMR has sole voting power for 200,150 of such shares.

(9) Includes 10,000 options to purchase our Common Shares exercisable within 60 days. Also includes 38,165 Common Shares which Mr. Benton has pledged as security for certain personal loans.

(10) Includes 12,000 options to purchase our Common Shares exercisable within 60 days.

(11) Includes 8,800 Common Shares pledged as security for certain personal loans.

Includes 25,000 Common Shares which may be acquired upon the exercise of options to purchase Common
(12) Shares or options to purchase Units exercisable within 60 days. Also includes 4,611,872 Common Shares which may be acquired upon exchange of 1,152,968 Units of TPLP.

Certain Relationships and Related Party Transactions

During the third quarter of 2010, Stanley K. Tanger, the Company's founder, transferred his general partnership interest in the Tanger Family Limited Partnership, to the Stanley K. Tanger Marital Trust. As discussed in Note 2 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC on February 29, 2012, the Tanger Family Limited Partnership was the noncontrolling interest in the Company's consolidated financial statements. The sole trustee of the Stanley K. Tanger Marital Trust, and thus effectively the general partner of Tanger Family Limited Partnership, was John H. Vernon. Mr. Vernon is a partner at the law firm of Vernon, Vernon, Wooten, Brown, Andrews & Garrett, (referred to as the "Vernon Law Firm"), which has served as the principal outside counsel of the Company and Operating Partnership since their inception in 1993. Based on Mr. Vernon's position as trustee of the Stanley K. Tanger Marital Trust, the general partner of the Tanger Family Limited Partnership, he was considered a related party until the dissolution of the Tanger Family Limited Partnership on June 1, 2011. However, Mr. Vernon had neither ownership rights nor economic interests in either the Tanger Family Limited Partnership or the Stanley K. Tanger Marital Trust while he served as trustee.

We paid to the Vernon Law Firm fees of approximately \$1,617,000 for the year ended December 31, 2011. Mr. Vernon does not have a direct interest in such fees paid to the Vernon Law Firm, but does have an indirect interest in such fees as a member of the law firm. The Vernon Law Firm estimated that approximately \$262,000 of Mr. Vernon's compensation for the calendar year ended December 31, 2011 was attributable to fees received by the Vernon Law Firm from the Company for that year. Effective June 1, 2011, upon dissolution of the Tanger Family Limited Partnership, Mr. Vernon was no longer considered a related party.

For the year ended December 31, 2011, the Tanger Family Limited Partnership received quarterly distributions of earnings from the Operating Partnership totaling \$4.8 million.

On June 1, 2011, the Tanger Family Limited Partnership was dissolved in connection with the settling of the estate of Stanley K. Tanger. Upon dissolution of the Tanger Family Limited Partnership, the units of the Operating Partnership owned by the Tanger Family Limited Partnership were distributed to the individual beneficial owners of the Tanger Family Limited Partnership (collectively referred to as the "Family Limited Partners"), who are primarily the descendants of Stanley Tanger (including Steven Tanger, the Company's Chief Executive Officer), their spouses or former spouses or their children and/or trusts for their benefit. Each such individual beneficial owner is now an individual limited partner of the Operating Partnership, and each has the ability to exchange their Operating Partnership Units for the Company's Common Shares in the ratio of one Unit for four Common Shares. During 2011, 160,332 Units were exchanged by a Family Limited Partner for 641,328 Common Shares.

In 2004, the Company adopted a Code of Business Conduct and Ethics (referred to as the "Code of Conduct"), which is posted on the Company's website at www.tangeroutlet.com and is available by clicking on "INVESTOR RELATIONS", then "CORPORATE OVERVIEW" and then "GOVERNANCE DOCUMENTS" or by writing to our Director of Administration at our principal executive offices. The Code of Conduct states that conflicts of interest should be avoided wherever possible. Conflicts of interest are broadly defined to include any situation where a person's private interest interferes in any way with the interests of the Company. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the applicable Code of Ethics Contact Person. From time to time, the Company may waive the application of provisions of the Code of Conduct. Any such waiver involving conduct of officers or directors of the Company may be made only by the Board and must be promptly disclosed as required by the rules of the SEC or the NYSE. Any waiver with respect to the conduct of other employees may be made only by the Chief Executive Officer. We intend to post on our website all disclosures that are required by law or the NYSE listing standards concerning any amendments to, or waivers from, any provision of our Code of Conduct.

In 2009, the Company adopted the Related Party Transaction Policy and Procedures, which is posted on the Company's website at www.tangeroutlet.com and is available by clicking on "INVESTOR RELATIONS", then "CORPORATE OVERVIEW" and then "GOVERNANCE DOCUMENTS" or by writing to our Director of Administration at our principal executive offices. The Related Party Transaction Policy and Procedures requires the approval or ratification by the Audit Committee of any "related party transaction," defined as any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds \$100,000 and one of our executive officers, directors, director nominees, 5% shareholders (or their immediate family members) or any entity with which any of the foregoing persons is an employee, general partner, principal or 5% shareholder, each of whom we refer to as a "related person," has a direct or indirect interest as set forth in Item 404 of Regulation S-K. The policy provides that management must present to the Audit Committee for review and approval each proposed related party transaction (other than related party transactions involving compensation matters and certain ordinary course transactions). The Audit Committee must review the relevant facts and circumstances of the transaction, including if the transaction is on terms

comparable to those that could be obtained in arm's-length dealings with an unrelated third party and the extent of the related party's interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of our Code of Conduct, and either approve or disapprove the related party transaction. If advance approval of a related party transaction requiring the Audit Committee's approval is not feasible, the transaction may be preliminarily entered into by management upon prior approval of the transaction by the chair of the Audit Committee subject to ratification of the transaction by the Audit Committee at its next regularly scheduled meeting. No director may participate in approval of a related party transaction for which he or she is a related party.

PROPOSAL 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed the firm of PricewaterhouseCoopers LLP to audit the accounts of the Company for the fiscal year ending on December 31, 2012 and to perform such other services as may be required. The submission of this matter for approval by shareholders is not legally required; however, the Board of Directors believes that such submission is consistent with best practices in corporate governance and is an opportunity for shareholders to provide direct feedback to the Board of Directors on an important issue of corporate governance. If the shareholders do not approve the selection of PricewaterhouseCoopers LLP, the selection of such firm as our independent registered public accounting firm will be reconsidered. Should the firm be unable to perform these services for any reason, the Audit Committee will appoint other independent registered public accountants to perform these services.

PricewaterhouseCoopers LLP served as our independent registered public accountants for the fiscal year ended December 31, 2011. There are no affiliations between the Company and PricewaterhouseCoopers LLP, its partners, associates or employees, other than its engagement as an independent registered public accounting firm for the Company. Representatives of PricewaterhouseCoopers LLP are expected to be present at the meeting, will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from shareholders. See the "Report of the Audit Committee", included below, for information relating to the fees billed to the Company by PricewaterhouseCoopers LLP for the fiscal years ended December 31, 2011 and 2010.

Vote Required. The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered accounting firm will be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal, provided that a quorum is present. Accordingly, abstentions 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 proposal. Because brokers have discretionary authority to vote on the ratification of the selection of PricewaterhouseCoopers LLP, we do not expect any broker non-votes in connection with the ratification.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM REPORT OF THE AUDIT COMMITTEE

The Audit Committee has provided the following report:

During 2011, we reviewed with the Company's CFO, Director of Internal Audit and the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP (referred to as "PwC"), the scope of the annual audit and audit plans, the results of internal and external audit examinations, the evaluation by PwC of the Company's system of internal control, the quality of the Company's financial reporting and the Company's process for legal and regulatory compliance. We also monitored the progress and results of the testing of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002.

Management is responsible for the Company's system of internal control, the financial reporting process and the assessment of the effectiveness of internal control over financial reporting. PwC is responsible for performing an integrated audit and issuing reports and opinions on the following:

1. the Company's consolidated financial statements; and
2. the Company's internal control over financial reporting.

As provided in our Charter, our responsibilities include monitoring and overseeing these processes.

Consistent with this oversight responsibility, PwC reports directly to us. We appointed PwC as the Company's independent registered public accounting firm and approved the compensation of the firm. We reviewed and approved all non-audit services performed by PwC during 2011 and determined that the provision of the services was compatible with maintaining PwC's independence. Each year we pre-approve certain specific non-audit services and associated fees to be performed by PwC, including certain tax consulting services for which any one service would be \$30,000 or less, and for all such services which would be less than \$200,000 in the aggregate. In addition, we have delegated to the chairman of the Audit Committee the authority to pre-approve other non-audit services to be performed by PwC and associated fees, provided that the chairman reports all such decisions at the Audit Committee's next regularly scheduled meeting.

We have received the written disclosures and letters from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence, including independence with respect to tax services, and we discussed with PwC its independence.

We reviewed and discussed the 2011 consolidated financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting with management and PwC. We also discussed the certification process with the CEO and CFO. Management represented to us that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and that the Company's internal control over financial reporting was effective. We discussed with PwC the matters required to be discussed by PCAOB AU 380.

Based on these discussions and reviews, we recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the SEC.

The following is a summary of the fees billed to the Company by PwC for the fiscal years ended December 31, 2011 and 2010:

	2011	2010
Audit fees	\$806,000	\$475,100
Audit-related fees	85,000	37,800
Tax fees-tax compliance and preparation fees	193,231	250,290
	1,084,231	763,190
Tax Fees-other	65,805	2,603
All other fees	—	—
Subtotal	65,805	2,603
Total	1,150,036	765,793

The audit fees for the years ended December 31, 2011 and 2010, respectively, were for professional services rendered for the integrated audits of our consolidated financial statements and internal controls over financial reporting. The audit fees for the year ended December 31, 2011 increased compared to the year ended December 31, 2010 primarily due to certain property acquisitions and joint venture transactions completed by the Company during 2011 that were not present in the prior year. Also included for the years ended December 31, 2011 and 2010 were services related to the issuance of comfort letters and documents filed with the SEC.

The audit-related fees for the years ended December 31, 2011 were for consultations and special audit work related to the acquisition of three outlet centers. The audit-related fees for 2010 were for consultations on derivative transactions, and consultations and special audit work for a potential acquisition and a potential joint venture transaction.

The tax fees for the year ended December 31, 2011 and 2010 were for tax compliance and preparation including tax return preparation and review.

The tax fees – other for the year ended December 31, 2011 and 2010 were for tax planning, advice, and consulting.

The percentage of tax fees and tax fees-other approved pursuant to the pre-approved policies was 31% during 2011 and 8% during 2010.

THE AUDIT COMMITTEE

William G. Benton (Chair)

Jack Africk

Donald G. Drapkin

Thomas J. Reddin

Thomas E. Robinson

PROPOSAL 3

AMENDMENT TO THE AMENDED AND RESTATED ARTICLES OF INCORPORATION TO IMPLEMENT A MAJORITY VOTE STANDARD FOR UNCONTESTED ELECTIONS OF DIRECTORS

The Board of Directors has adopted and recommends that shareholders approve an amendment to our Amended and Restated Articles of Incorporation (the “Articles of Incorporation”) to implement a majority vote standard for uncontested elections of Directors. The North Carolina Business Corporation Act (the “Act”) provides that, unless otherwise specified in a company's articles of incorporation, a director is elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. The Company's Articles of Incorporation do not specify the voting standard required in director elections, so the Company's directors are currently elected by a plurality vote. As a result, implementing a majority voting standard for uncontested elections of Directors requires that the shareholders approve an amendment to our Articles of Incorporation.

Approval of this proposal by shareholders will change the standard for the election of Directors in uncontested elections from a plurality vote standard to a majority vote standard beginning at the 2013 Annual Meeting of Shareholders. The plurality vote standard for the election of Directors would be retained in contested elections., The Board has already approved conforming changes to the By-Laws to reflect the majority vote standard for uncontested elections of Directors, and has approved the addition of a Director resignation policy to our Corporate Governance Guidelines, as further described below. These amendments to the By-Laws and Corporate Governance Guidelines will become effective only upon the amendment of our Articles of Incorporation as described in this proposal. If this proposal is not approved by shareholders, the existing plurality vote standard will remain in effect for all elections of Directors.

If this proposal is approved by shareholders, beginning at the 2013 Annual Meeting of Shareholders, other than in a contested election, an incumbent Director who is nominated to the Board who receives more votes cast “for” his or her election than votes cast “against” his or her election will be elected. Abstentions and broker non-votes would not be considered votes cast. An incumbent Director who does not receive more votes cast “for” his or her election than votes cast “against” his or her election will not be elected. However, under the Act, such Director will “hold over” in office as a Director until his or her successor is elected or until there is a decrease in the number of Directors. An uncontested election would generally be defined as any election of directors in which the number of candidates for election as directors does not exceed the number of directors to be elected.

Pursuant to our pending Director resignation policy approved by the Board, all of our Director nominees must tender his or her irrevocable resignation at or prior to their nomination. 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 more votes cast “for” his or her election than votes cast “against” his or her election, 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. Within 90 days from the date of the certification of the election results, which may be extended in certain circumstances, the Board (not including the Director nominee in question) would make a final determination as to whether to accept or reject the Director nominee's resignation. The Company would then promptly disclose the Board's decision in a document furnished or filed of the Securities and Exchange Commission.

The Board recognizes that many shareholders believe a majority vote standard for uncontested elections of Directors will increase the Board of Directors' accountability to shareholders and provide shareholders with a more meaningful role in director elections. Therefore, the Board is proposing that the Company implement a majority vote standard for uncontested elections of Directors.

If the shareholders approve this proposal, then Article IV of the Company's Amended and Restated Articles of Incorporation will be amended as set forth below:

RESOLVED that Article IV of the Company's Amended and Restated Articles of Incorporation shall be amended by adding the following new paragraph at the end thereof:

“Each director to be elected by the shareholders shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election (with abstentions and “broker non-votes” not counted as a vote cast either for or against that nominee's election) by the shares entitled to vote in the election at a meeting at which a quorum is present; provided, however, that directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the

election at a meeting at which a quorum is present if the Secretary of the Corporation determines that the number of nominees, as determined in accordance with the Corporation's By-Laws, exceeds the number of directors to be elected, and the Secretary of the Corporation has not rescinded such determination by the record date for such meeting. If directors are to be elected by a plurality of the votes cast, shareholders shall not be permitted to vote against a nominee.”

Vote Required. The Proposal to amend the Company's Amended and Restated Articles of Incorporation to implement a majority voting standard in uncontested elections of Directors will be approved if the votes cast favoring the Proposal exceed the votes cast opposing the Proposal; 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 proposal.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE AMENDMENT TO THE AMENDED AND RESTATED ARTICLES OF INCORPORATION TO IMPLEMENT A MAJORITY VOTE STANDARD FOR UNCONTESTED ELECTIONS OF DIRECTORS.

PROPOSAL 4

ADVISORY VOTE ON EXECUTIVE COMPENSATION

We are seeking advisory shareholder approval of the compensation of the named executive officers as disclosed in the section of this proxy statement titled “Executive Compensation.” The Company has determined to hold a "say-on-pay" advisory vote every year and the next "say-on-pay" advisory vote will occur at the 2013 Annual Meeting of Shareholders. In accordance with this determination and Section 14A of the Securities Exchange Act of 1934, as amended, shareholders are being asked to vote on the following advisory resolution:

“RESOLVED, that the shareholders approve the compensation of the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission in the Company's Proxy Statement for the 2012 Annual Meeting of Shareholders (which disclosure includes Compensation Discussion and Analysis, the compensation tables and any related material).”

Although the vote is advisory, and non-binding, the Board of Directors and the Compensation Committee will review the voting results in connections with their ongoing evaluation of the Company's compensation program.

As described more fully in the Compensation Discussion and Analysis section of this proxy statement, the Company's compensation program is designed to reward both teamwork and the individual officer's contribution to the Company with respect to annual and longer-term goals. The Company's primary components of compensation for its executive officers have been base salary, annual incentive cash bonuses and long-term equity-based incentive compensation. There is no pre-established policy or target for the allocation between cash and non-cash incentive compensation.

As discussed previously in this proxy statement, when determining the specific amounts of compensation to be provided to the executive officers during 2011, in addition to all of the factors and elements described above, the Compensation Committee noted that the Company had achieved a number of its specific goals for the 2010 fiscal year. For the year ending December 31, 2010, our shareholders were rewarded with strong returns on their investment on a relative basis. The chart below compares our total returns to shareholders to the index of equity REITs prepared by the NAREIT and the SNL Shopping Center REIT index prepared by SNL Financial. The chart also shows where our total return performance ranked compared to 8 Mall REITs and 123 Equity REITs as prepared by Keybank Capital Markets.

1 Year

3 Year

5 Year

10 Year

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Total return to shareholders:

Tanger Factory Outlet Centers, Inc.	36	% 53	% 117	% 706	%
NAREIT	28	% 2	% 16	% 178	%
SNL	30	% (23)% (14)% 167	%
Rank among 8 Mall REITs	6th	1st	1st	1st	
Rank among All Equity REITs	44th	9th	6th	6th	

During the uncertain economic conditions in 2010, we were able to show a positive total return to shareholders of 36%. In addition, as of December 31, 2010, we delivered returns over the previous 3-, 5- and 10-year periods of 53%, 117% and 706%, respectively, ranking the Company first among the mall REITs over these periods.

The Company also continued to experience positive operating results. As a matter of fact, due to our positive results, specifically our ability to show positive trends in same center NOI and same space sales and to achieve increases in rental rates during this difficult period, we were the only REIT to receive an upgrade to our investment grade rating during 2010 from Moody's Investor Services, from Baa3 to Baa2.

For the year ended in 2010, our FFO, adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance, increased 5.8% as compared to the prior year. This compares to an increase in FFO per share, as adjusted, of 3.4% during 2009 as compared to 2008 and 10.1% during 2008 as compared to 2007. FFO represents income before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate and after adjustments for unconsolidated partnerships and joint ventures. For a further discussion of FFO and adjusted FFO, please see our 2011 Annual Report under the section "Management Discussion and Analysis of Financial Condition and Results of Operations-Supplemental Earnings Measures".

Our same-center net operating income grew 2.6% in 2010, compared to 1.4% in 2009, and 4.1% in 2008. In 2010, our average tenant sales per square foot, on a comparable basis, increased 6.6% to \$354, and average base rental rates on leases released or renewed during 2010 increased 25.9% and 9.2%, respectively. Our 2010 year end occupancy rate was 98.4%, marking the 30th consecutive year we have achieved a year end occupancy rate at or above 95%. From the financial perspective, we maintained a healthy and conservative balance sheet, with over 77.6% of our debt at fixed rates, 100% of our consolidated properties unencumbered, no significant debt maturities until November, 2013 and November, 2015, and a debt to total market capitalization ratio of 23.2%. We also maintained a strong interest coverage ratio of 4.64 times for the year ended December 31, 2010 compared to 4.16 times for the same period in the prior year.

Shareholders are urged to read the Compensation Discussion and Analysis section of this Proxy Statement, which discusses in detail how our compensation policies and procedures implement our compensation philosophy.

Vote Required. This non-binding advisory vote shall be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal. 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 proposal.

THE BOARD RECOMMENDS THAT YOU VOTE FOR, ON A NON-BINDING BASIS, THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance.

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of the ownership and changes in the ownership (Forms 3, 4 and 5) with the SEC and the New York Stock Exchange. Officers, directors and beneficial owners of more than ten percent of our Common Shares are required by the SEC's regulations to furnish us with copies of all such forms which they file.

Based solely on our review of the copies of Forms 3, 4 and 5 and the amendments thereto received by us for the year ended December 31, 2011, or written representations from certain reporting persons, we believe that no Forms 3, 4 or 5 were filed delinquent.

Shareholder Proposals and Nominations for the 2013 Annual Meeting of Shareholders.

Shareholder Proposals for Inclusion in the 2013 Proxy Statement

Proposals of shareholders pursuant to Rule 14a-8 of the Exchange Act intended to be presented at our Annual Meeting of Shareholders to be held in 2013 must be received by us no later than December 4, 2012. Such proposals must comply with the requirements as to form and substance established by the SEC for such proposals in order to be included in our Proxy Statement. Proposals should be sent to Tanger Factory Outlet Centers, Inc., 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408, Attn: Corporate Secretary.

Other Proposals and Shareholder Nominations for Director

Under our By-Laws, certain procedures are provided that a shareholder must follow to nominate persons for election as Directors or to propose an item of business at an Annual Meeting of Shareholders that is not intended to be included in our Proxy Statement pursuant to Rule 14a-8. These procedures provide that nominations for Director and/or an item of business to be introduced at an Annual Meeting of Shareholders must be submitted in writing to the Corporate Secretary at our principal executive offices. We must receive the notice of your intention to introduce a nomination or to propose an item of business not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting.

For the 2013 Annual Meeting, such nominations or proposals must be received by our Corporate Secretary not earlier than the close of business on January 18, 2013 and not later than the close of business on February 17, 2013 in order to be considered at the Annual Meeting. If we do not receive notice during that time period, any such defective matters raised at the meeting will be disregarded and the persons named as proxies in the proxy materials relating to the 2013 Annual Meeting will use their discretion in voting the proxies with respect to any such matters. A shareholder's notice to nominate a director or bring any other business before the 2013 Annual Meeting must set forth certain information specified in our By-Laws.

If the date of the 2013 Annual Meeting is more than 30 days before or more than 60 days after May 18, 2013, shareholders must submit such nominations or proposals not earlier than the close of business on the 120th day prior to the meeting and not later than the close of business on the later of the 90th day prior to the meeting or the 10th day following the date on which public announcement of the date of the meeting is first made by us. In addition, with respect to nominations for directors, if the number of directors to be elected at the 2013 Annual Meeting is increased and there is no public announcement by us naming all of the nominees for director or specifying the size of the increased Board at least 70 days prior to May 18, 2013, notice will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is delivered to the Corporate Secretary at our principal

executive offices not later than the close of business on the 10th day following the day on which such public announcement is first made by us.

Shareholder Suggestions for Director Nominations

The Nominating and Corporate Governance Committee of the Board will consider suggestions from shareholders for nominees for election as directors to be presented at the 2013 Annual Meeting. The person proposing the nominee must be a shareholder entitled to vote at the 2013 Annual Meeting and the suggestion must be made pursuant to timely notice. Shareholder suggestions for director nominees must be received between January 18, 2013 and February 17, 2013, and should include: (i) the nominee's written consent to being named in the Proxy Statement as a nominee and to serve as a director if elected, (ii) the name and address of the shareholder submitting the suggestion or beneficial owner on whose behalf the proposed candidate is being suggested for nomination, and (iii) the class and number of our shares owned beneficially and of record by the

shareholder or beneficial owner submitting the nomination. The Nominating and Corporate Governance Committee will consider nominees suggested by shareholders on the same terms as nominees selected by the Nominating and Corporate Governance Committee.

Board Committee Charters, Corporate Governance Guidelines and Code of Business Conduct and Ethics.

Each of the Board's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee operate under written charters adopted by the Board. The Board has also adopted written Corporate Governance Guidelines in accordance with listing requirements of the New York Stock Exchange and a written Code of Business Conduct and Ethics that applies to directors, management and employees of the Company. We have made available copies of our Board Committee Charters, Corporate Governance Guidelines and Code of Business Conduct and Ethics on our website at www.tangeroutlet.com by first clicking on "INVESTOR RELATIONS", then "CORPORATE OVERVIEW", and then, "GOVERNANCE DOCUMENTS". Copies of these documents may also be obtained by sending a request in writing to Tanger Factory Outlet Centers, Inc., 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408, Attn: Corporate Secretary.

Householding of Proxy Materials.

The SEC permits a single set of annual reports, proxy statements, and Notices to be sent to any household at which two or more shareholders reside, if it is believed the shareholders are members of the same family. Each shareholder would receive a separate voter instruction form if you have received printed proxy materials. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces mailing and printing costs. A number of brokerage firms have instituted householding. Only one copy of the Notice will be sent to certain beneficial shareholders who share a single address, unless any shareholder residing at that address gave contrary instructions.

Depending upon the practices of your broker, bank or other nominee, you may be required to contact them directly to discontinue duplicate mailings to your household. If you wish to revoke your consent to householding, you must contact your broker, bank or other nominee. If you hold Common Shares in your own name as a shareholder of record, householding will not apply to you. Extra copies of any annual report, Proxy Statement, information statement or Notice Regarding the Availability of Proxy Materials may be obtained free of charge by calling our Investor Relations Department at (336) 834-6892 or sending your request to the attention of the Secretary of the Company at 3200 Northline Avenue, Suite 360, Greensboro, NC 27408.

Other Business.

We know of no other business which will come before the meeting for action. However, if any business comes before the meeting, the persons designated as proxies will have authority to vote in accordance with their best judgment with respect to such business.

