

**TANGER FACTORY OUTLET CENTERS, INC.**  
**COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**  
**CHARTER**

(adopted March 3, 2004 as amended through October 28, 2013)

**1. PURPOSES AND RESPONSIBILITIES**

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Tanger Factory Outlet Centers, Inc. (the “Company”) shall oversee the Company’s policies relating to compensation and shall make determinations and recommendations to the Board, when appropriate, with respect to compensation. The Committee shall have the following responsibilities:

- A. Review and approve corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer (“CEO”), evaluate the CEO’s performance in light of those goals and objectives, and either as a committee or together with other independent directors (as directed by the Board), determine and approve the CEO’s compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company’s performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.
- B. Make recommendations to the Board with respect to the compensation of directors and executive officers<sup>1</sup> other than the CEO and incentive-compensation and equity-based plans that are subject to board approval.
- C. Periodically review and make recommendations to the Board regarding incentive-compensation plans and equity-based plans, including plans of Tanger Properties Limited Partnership and discharge any responsibilities imposed on (i) the Committee by any of these plans or (ii) the Share and Unit Option Committee by any equity-based plan (including, without limitation, the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership, as it may be amended from time to time); provided that, to the extent the composition of the Committee does not fulfill the requirements of the composition of the Share and Unit Option Committee as set forth in any such equity-based plan, a subcommittee of the Committee that fulfills such requirements will be appointed and discharge the responsibilities imposed on the Share and Unit Option Committee under such plan.
- D. Approve any new equity compensation plan or any material change to an existing plan where shareholder approval has not been obtained.
- E. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company’s policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained

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<sup>1</sup> The term “executive officer” has the same meaning as the term “officer” in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

for purposes of Section 162(m) of the Internal Revenue Code.

- F. Make recommendations to the Board with respect to any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
- G. Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement, and prepare an annual Report of the Compensation Committee on Executive Officer Compensation for inclusion in the Company's annual proxy statement or annual report on Form 10-K in accordance with applicable SEC rules and regulations.
- H. Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
- I. Prepare and issue the evaluation required under "Performance Evaluation" below.
- J. Report its findings and actions to the Board on a regular basis and as requested by the Chairman of the Board, and not less than once per year.
- K. Review and approve any employee loans in an amount in excess of \$100,000.00 or any pre-existing loans to an executive officer.
- L. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

## **2. STRUCTURE AND OPERATIONS**

### **A. Composition and Qualifications**

The Compensation Committee shall consist solely of three or more members of the Board, each of whom has the following qualifications:

- Each member shall be "independent" in accordance with the provisions of Rule 10C-1(b)(1) under the Exchange Act and the rules of the New York Stock Exchange, Inc.
- Each member must be free of any relationship with the Company, its subsidiaries, or its affiliates that, in the judgment of the Board, would impair the member's ability to make independent judgments about executive compensation.

Action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

**B. Appointment and Removal**

Members of the Committee shall be appointed by the Board based on nominations recommended by the Company's Nominating Committee. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

**C. Chairperson**

The Board shall designate one member of the Committee as its chairperson. If the Board does not designate a chairperson, the members of the Committee shall designate a chairperson by the majority vote of the Committee membership.

**3. MEETINGS**

The chairperson (or in his or her absence, a member designated by the chairperson) shall preside at each meeting of the Committee and set the agendas for all Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet at least once each year, or more frequently if circumstances dictate, at a time and place determined by the Chairperson.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

Members of the Committee may participate in a meeting of the Committee through or by the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. The Committee may take action by unanimous written consent.

**4. DELEGATION TO SUBCOMMITTEE**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (i) "Non-Employee Directors" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time, and (ii) "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time.

## **5. PERFORMANCE EVALUATION**

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee.

The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

## **6. RESOURCES AND AUTHORITY OF THE COMMITTEE**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority, in its sole discretion, to select, retain, terminate, and approve the fees and other retention terms of special counsel or other advisors or consultants, as it deems appropriate, without seeking approval of the Board or management. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any special counsel or other advisors or consultants, and shall take into account all relevant factors (including, without limitation, cost) in making any such appointment and determining any such compensation. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall not be required to implement or act consistently with the advice or recommendations of its special counsel or other advisors or consultants to the Committee, and the authority granted in this charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this charter.

In retaining or seeking advice from compensation consultants, outside counsel and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the factors specified by the rules of the New York Stock Exchange, Inc. The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.