

# Section 1: DEFA14A (DEFA14A)

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   
Filed by a Party other than the Registrant

Check the appropriate box:

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

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
  1. Title of each class of securities to which transaction applies:
  2. Aggregate number of securities to which transaction applies:
  3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  4. Proposed maximum aggregate value of transaction:
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- Fee paid previously with preliminary materials.  
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously.
- Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  1. Amount Previously Paid:
  2. Form, Schedule or Registration Statement No.:
  3. Filing Party:
  4. Date Filed:

Commencing on or about May 1, 2020, Tanger Factory Outlet Centers, Inc. provided the following information to certain shareholders:



**EXECUTIVE COMPENSATION  
OVERVIEW**

May 2020

**Tanger**®

Best Brands,  
Best Price  
and Best  
Experience.®

**Tanger**Outlets

## Annual Meeting of Shareholders to be Held on May 15, 2020

We are writing to ask for your support by voting in accordance with the recommendations of our Board of Directors on all the proposals included in our 2020 Proxy Statement, which was filed on April 3, 2020. Specifically, we are requesting that you vote **FOR** Proposal 3, the approval of the annual advisory vote on the compensation paid to our Named Executive Officers.

As demonstrated in our 2020 Proxy Statement, we believe our compensation program is thoughtfully and effectively designed and works in alignment with the interests of our shareholders.

Additionally, Glass Lewis recommended that shareholders vote **"FOR"** our 2020 "Say-on-Pay" proposal.

This supplemental information summarizes our compensation program highlights and as observed by Glass Lewis and Institutional Shareholder Services (ISS).

Last year we received the support of approximately 93.0% votes cast on our "Say-on-Pay" proposal. As a result, we maintained the same compensation framework this year and look forward to your continued support.

# Executive Compensation Program Highlights and Proxy Advisory Firm Observations

## Proactive reduction of base salaries



Effective April 12, 2020, and in light of the COVID-19 pandemic and in the best interests of shareholders, the Company's executive leadership team proactively **reduced their base salaries by 25%, and in the case of our CEO, such reduction was 50%**



Annual incentives are based on **objective measurable goals** with quantifiable targets



**Reasonable rationale** for lowered annual incentive hurdles has been disclosed within the Proxy Statement



CEO's 3-year **realizable pay is lower than granted pay** over the same period, indicating **alignment of pay for performance**

## Executive Compensation Program Highlights and Proxy Advisory Firm Observations



CEO's LTI awards are majority performance based with defined forward-looking goals



For 2019 awards, the CEO's equity award was significantly reduced



Executives' performance-based LTI awards were forfeited for third consecutive performance cycle, indicating challenging goals and pay for performance alignment



Relative TSR hurdles target above the median at the 55<sup>th</sup> percentile, showing rigor of performance



Absolute TSR hurdles substantially more rigorous for 2020 long-term incentive awards

## Separation and Change-in-Control Benefits

- Glass Lewis, which recommends a vote “FOR” our “Say-on-Pay” proposal, noted no issues with the separation agreement with our now former President and COO, Mr. Thomas E. McDonough. However, ISS states that their lack of support for our “Say-on-Pay” proposal stems from what they label as accelerated vesting of certain outstanding equity awards, which is an enhancement to the treatment he was otherwise entitled to receive upon his retirement.
- ISS acknowledges that severance cash payments are subject to restrictive covenant compliance and are smaller than would normally be authorized upon a qualifying termination.
- While certain equity awards were accelerated for Mr. McDonough, this is a common practice amongst public companies as well as our peers that utilize retirement policies.
  - The actual amount accelerated was approximately \$1.66 million or 54% of the \$3.03 million that ISS had speculated.
- The single-trigger change-in-control equity benefits feature **have been eliminated** from future arrangements, and only remains in legacy agreements. Neither of our new employment agreements with our CEO and new President/Chief Operating Officer have these provisions.

## Annual Meeting of Shareholders to be Held on May 15, 2020

We encourage you to **vote FOR Proposal 3** - the approval of the annual advisory vote of the compensation paid to our named executive officers.

Thank you for your continued support!

**Thomas J. Reddin**  
*Compensation and  
Human Capital  
Committee Chairperson*

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