

TANGER FACTORY OUTLET CENTERS INC
Form DEF 14A
April 03, 2008

UNITED STATES
SECURITY AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant [X]
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))
- [X] 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):

- [X] 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:

5) Total fee paid:

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:

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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on May 16, 2008

Dear Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the 2008 Annual Meeting of Shareholders of Tanger Factory Outlet Centers, Inc. to be held on Friday, May 16, 2008 at 10 o'clock a.m. at the Proximity Hotel, 704 Green Valley Road, Greensboro, North Carolina, (336) 379-8200, for the following purposes:

1. To elect directors to serve for the ensuing year;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008;
3. To transact such other business as may properly come before the meeting or any adjournment(s) thereof.

Only common shareholders of record at the close of business on March 19, 2008 will be entitled to vote at the meeting or any 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 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,

/s/ Stanley K. Tanger
Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer
April 4, 2008

TANGER FACTORY OUTLET CENTERS, INC.

3200 NORTHLINE AVENUE, SUITE 360
GREENSBORO, NORTH CAROLINA 27408
PHONE: 336-292-3010
E-MAIL: tangermail@tangeroutlet.com
NYSE: SKT

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS

to be held on May 16, 2008

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 16, 2008.

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 16, 2008, 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 factory 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 text requires.

Pursuant to rules recently adopted by the Securities and Exchange Commission (referred to as the "SEC"), we are providing 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, 2007 (referred to as the "Annual Report") over the Internet to our shareholders. We are mailing a Notice Regarding Availability of Proxy Materials, including a notice of Annual Meeting of Shareholders, (the "Notice") to our beneficial owners (as defined below). The mailing of the Notice to our beneficial owners is scheduled to begin on or about April 4, 2008. All beneficial holders will have the ability to access the proxy materials and Annual Report by visiting the website at <http://ww3.ics.adp.com/streetlink/SKT> or request to receive a printed set of the proxy materials. 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 are mailing the proxy materials and Annual Report to our shareholders of record (as defined below). The mailing of the proxy materials and Annual Report to our shareholders of record is scheduled to begin on or about April 4, 2008. Any shareholder of record who does not receive a copy of the proxy materials may obtain a copy at the meeting, by contacting Frank C. Marchisello, Jr., Secretary of our Company (phone number: 336-834-6834) or by visiting the website at <http://ww3.ics.adp.com/streetlink/SKT>. Our principal executive offices are located at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 16, 2008:

The Notice of Annual Meeting of Shareholders, proxy statement, proxy card and Annual Report for the year ended December 31, 2007 are available at <http://ww3.ics.adp.com/streetlink/SKT>.

Date, Time and Place

We will hold the meeting on Friday, May 16, 2008 at 10 o'clock a.m. at the Proximity Hotel, 704 Green Valley Road, Greensboro, North Carolina, (336) 379-8200, subject to any adjournments or postponements.

Who Can Vote; Votes per share

All holders of record of our common shares, par value \$.01 per share (referred to as the “Common Shares”) as of the close of business on the record date, March 19, 2008, 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 1, 2008, 31,539,041 Common Shares were issued and outstanding.

How to Vote

Common Shares represented by a properly executed proxy will be voted as directed on the proxy card. To be voted, proxies must be filed with the Secretary of the Company prior to voting.

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, NA, you are considered, with respect to those shares, the “shareholder of record”. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered, with respect to those shares, the “beneficial owner” of those shares held in street name and you have the right to instruct your broker, bank or other nominee how to vote on your behalf. Brokerage firms and other nominees have the authority, under New York Stock Exchange rules at the time of this Proxy Statement, to vote Common Shares for the beneficial owner on certain “routine” matters for which you do not provide voting instructions.

Proposals #1 and #2 above are considered routine matters and where no specification is made on the properly executed and returned form of proxy, the shares will be voted FOR the election of all nominees for director and FOR the ratification of PricewaterhouseCoopers LLP as our independent registered accounting firm. When a proposal is not considered a routine matter and where the broker or nominee has not received specific voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm or nominee cannot vote FOR or AGAINST the proposal for the beneficial owner. This is called a “broker non-vote”.

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. Approval of Proposal #2 by the holders of Common Shares may be by the affirmative vote of a majority of the votes cast for or against the Proposal by the Common Shares. Approval of any other proposal to come before the meeting requires the affirmative vote of a majority of the votes cast for or against the proposal by the Common Shares 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. If a proposal may be approved by the affirmative vote of a majority of the votes cast on 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 the proposal.

Revocation of Proxies

You may revoke your proxy at any time before it is voted by filing a notice of such revocation, by filing a later dated proxy with the Secretary of the Company or by voting in person at the meeting. 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.

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 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. Our directors, officers and employees may, but without compensation other than their regular compensation, also solicit proxies by telephone, telegraph, 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 six. The persons named as proxies in the accompanying form of proxy intend to vote in favor of the election of the six nominees for director designated below, all of whom are presently directors of the Company, to serve until the next Annual Meeting of Shareholders and until their successors are elected and shall qualify. 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. All of our directors serve terms of one year or until the election of their respective successors.

Information Regarding Nominees (as of March 1, 2008)

Name	Age	Present Principal Occupation or Employment and Five-Year Employment History
Stanley K. Tanger	84	Chairman of the Board of Directors and Chief Executive Officer of the Company since March 3, 1993. Mr. Tanger opened one of the country's first outlet shopping centers in Burlington, N.C. in 1981. He was the founder and Chief Executive of the Company's predecessor formed in 1981 until its business was acquired by the Company in 1993.
Steven B. Tanger	59	Director of the Company since May 13, 1993. President and Chief Operating Officer since January 1995; Executive Vice President from 1986 to 1994. Mr. Tanger joined the Company's predecessor in 1986 and is the son of Stanley K. Tanger.
Jack Africk	79	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.
William G. Benton	62	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.

Thomas E. Robinson 60 Director of the Company since January 21, 1994. Managing Director of Stifel, Nicolaus & Company (formerly Legg Mason Wood Walker, Inc.), a financial services firm, since June 1997. 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 is also a director of BRE Properties, Inc.

Allan L. Schuman 73 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.

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 unless the North Carolina Business Corporation Act requires that the nominee be approved by a greater number of affirmative votes than a plurality of the votes cast.

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 New York Stock Exchange require that a majority of our directors must be independent directors and every member of the Board's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee be independent. Generally, independent directors are those directors who are not concurrently serving as officers of the Company and who currently have no material relationship to 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 our Corporate Governance Guidelines and the general independence standards in the listing standards of the New York Stock Exchange: Jack Africk, William G. Benton, Thomas E. Robinson and Allan L. Schuman. We presently have six directors, including these four independent directors.

Attendance at Board Meetings

The Board held five regular meetings during 2007. Each of the above directors attended at least 75% of the meetings held during 2007 by the Board and the committees of which he was a member. The non-management directors are required to meet in executive sessions periodically and following each regularly scheduled quarterly Board meeting. Non-management directors who are not independent under the rules of the New York Stock Exchange may participate in these executive sessions but independent directors should meet in executive session at least once per year. The non-management directors have designated Mr. Jack Africk to serve as Lead Director for purposes of presiding at the executive sessions. Our policies for non-management and independent director executive sessions were adopted with our Corporate Governance Guidelines in 2004. We do not have a formal policy of attendance for directors at our Annual Meeting of Shareholders. All of our directors attended the Annual Meeting of Shareholders in 2007.

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 New York Stock Exchange listing standards, all of the committees are comprised solely of non-employee, independent directors. Charters for 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" and then "CORPORATE GOVERNANCE". 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 (Chair)	Jack Africk	Jack Africk
William G. Benton	William G. Benton	William G. Benton	William G. Benton
(Chair)			
Allan L. Schuman	Thomas E. Robinson	Thomas E. Robinson	Allan L. Schuman
		(Chair)	(Chair)

Allan L. Schuman Allan L. Schuman

Audit Committee. The Board has established an Audit Committee consisting of three of our independent directors. 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 Board has determined that each member of the Audit Committee is “financially literate”, as that term is defined in the listing requirements of the New York Stock Exchange, and that each member of the committee is an “audit committee financial expert”, as that term is defined in Item 401(h) of Regulation S-K. During 2007, there were five meetings of the Audit Committee.

Compensation Committee. The Board has established a Compensation Committee consisting of our four independent directors. The Compensation Committee is charged with determining compensation for our chief executive officer and making recommendations to the Board with respect to the compensation of other officers. During 2007, there were two meetings of the Compensation Committee.

Nominating and Corporate Governance Committee. The Board has established a Nominating and Corporate Governance Committee consisting of our four independent directors. The Nominating and Corporate Governance Committee makes recommendations to the Board of 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. 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 New York Stock Exchange 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” in this Proxy Statement. Shareholder nominees who are nominated in accordance with these procedures will be given the same consideration as nominees for director from other sources. During 2007, there were three 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 three 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 2007, there was one meeting of the Option Committee.

Communications with Directors

Any shareholder or interested party is welcome to communicate with any 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 Lead Director, c/o the Corporate Secretary, 3200 Northline Drive, Suite 360, Greensboro, NC 27408.

Compensation of Directors

During 2007, our non-employee directors were paid an annual compensation fee of \$20,000 and a per meeting fee of \$1,500 (\$500 for telephone meetings) for each Board meeting and each committee meeting attended. In addition, the Lead Director and the chairman of the Audit Committee were each paid an annual compensation fee of \$10,000 and the chairman of each other committee was paid an annual compensation fee \$7,500. The Board decided not to increase any of their fees during 2008. 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, dividend equivalents 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. Based on the advice and recommendations of an independent compensation consultant retained by the Compensation Committee, the Board approved an award to each non-employee director of 2,500 restricted Common Shares during 2007 and 2006, and 2,000 restricted Common Shares during 2005. The restrictions on the shares shall cease to apply with respect to one-third of the shares which are the subject of each grant, and those shares will 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 following table shows the total compensation for our non-employee directors for each of the fiscal years ended December 31, 2007 and 2006:

DIRECTOR COMPENSATION TABLE

Name	Year	Fees Earned Paid In cash	Share			All Other Compensation (3)	Total
			or Awards (1)	Option Awards (2)			
Jack Africk	2007	\$60,000	\$74,832	\$4,333	\$6,016	\$145,181	
	2006	66,500	42,943	4,339	5,152	118,934	
William Benton	2007	\$56,250	\$74,832	\$4,333	\$6,016	\$141,431	
	2006	56,500	42,943	4,339	5,152	108,934	
Thomas Robinson	2007	\$42,000	\$74,832	\$4,333	\$6,016	\$127,181	
	2006	43,500	42,943	4,339	5,152	95,934	
Allan Schuman	2007	\$44,750	\$74,832	\$3,727	\$6,016	\$129,325	
	2006	35,000	40,058	3,727	4,896	83,681	

- (1) The amounts in this column reflect the dollar amount of restricted Common Shares awards recognized for financial reporting purposes for the fiscal year ended December 31, 2007 and 2006 in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004) (referred to as "FAS 123 (R)") and include awards granted in and prior to 2007 and 2006. Unvested restricted Common Shares for each director as of December 31, 2007 were as follows: 667 restricted Common Shares granted during 2006 with a grant date fair value of \$28.74 per share, 167 restricted Common Shares granted during 2006 with a grant date fair value of \$32.08 per share

and 1,667 restricted Common Shares granted during 2007 with a grant date fair value of \$42.31 per share.

- (2) The amounts in this column reflect the dollar amount of option awards recognized for financial reporting purposes for the fiscal years ended December 31, 2007 and 2006 in accordance with FAS 123 (R) and thus include awards granted prior to 2007 and 2006. Options related to the amounts above were awarded during 2004 and had a grant date fair value of \$2.17 per option for Mr. Africk, Mr. Benton and Mr. Robinson and \$3.11 per option for Mr. Schuman. Aggregate options outstanding for each director as of December 31, 2007 were 30,000 for Mr. Africk; 10,000 for Mr. Benton; 12,000 for Mr. Robinson and 6,000 for Mr. Schuman.
- (3) Represents dividends paid on unvested restricted Common Share awards.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board, which is composed entirely of independent directors, is charged with determining compensation for our Chief Executive Officer (referred to as the “CEO”) and making recommendations to the Board with respect to the compensation of our other officers. Mr. Africk, Mr. Benton, Mr. Robinson and Mr. Schuman currently serve on the Compensation Committee, with Mr. Africk serving as chairman. 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 recommendation 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 plan, 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”).

Compensation Program Objectives and Rewards

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

- To 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 and individual performance for the fiscal year. In measuring an individual executive 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, the 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, increases in tenant sales 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. Equity-based awards provide long-term incentives designed to reward price appreciation of our Common Shares over a five-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.

Within the framework of aligning total compensation with corporate and individual performance, each of the components are evaluated 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. In conjunction with the executive's base salary, the Company attempts to keep total cash compensation within the Company's fiscal year budget while reinforcing its pay-for-performance philosophy.
- 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, the SMG Advisory Group, LLC, (referred to as "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 SMG, annually reviews the compensation practices of other REITs. The Compensation Committee uses this data for informational purposes and does not utilize it to set specific targets or benchmarks. Based in part on this data and analysis provided by SMG, the Compensation Committee develops a compensation plan which 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 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. This analysis is then discussed and reviewed by the Compensation Committee.

The comparative data is useful in setting and adjusting executive compensation. The analysis compares both the base salary and incentive cash bonus together as a total and the total overall compensation to the average, 25th, 50th and 75th percentile of the targeted peer group. In general, the aim is to ensure the target compensation levels are competitive with our peer group, with an opportunity to earn above-market rewards when shareholders have achieved above-market returns. In some cases, the Committee has determined that setting and paying target compensation above this range 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 candidate.

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 for Common Share performance measurement. The peer group that was selected for 2007 includes the following REITs:

Acadia Realty Trust	Ramco-Gershenson Properties Trust
CBL & Associates Properties, Inc.	Realty Income Corporation
Developers Diversified Realty Corporation	Regency Centers Corporation
Equity One, Inc.	Simon Properties Group, Inc.
Federal Realty Investment Trust	Taubman Centers, Inc.
Glimcher Realty Trust	The Macerich Company
Kimco Realty Corporation	Urstadt Biddle Properties, Inc.
National Retail Properties, Inc.	Weingarten Realty Investors
Pennsylvania Real Estate Investment Trust	

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, Mr. Stanley K. Tanger, is actively engaged in setting compensation for other executives through a variety of means, including recommending for Committee approval the financial performance goals for his executive team. He works closely with our Chief Operating Officer (referred to as the “COO”), Mr. Steven B. Tanger, in analyzing relevant market data to determine 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 COO 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 COO’s recommendations with respect to executive compensation.

Determination of Executive Compensation

A broad range of facts and circumstances is considered in setting executive compensation. Among the factors considered for our executives generally, and for the named executive officers (referred to as 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 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 working relationship with the Board. Overall, the Compensation Committee and the Board believe that the Company, under the CEO's leadership in 2007, achieved superior financial results, as well as significant achievement on a broad range of non-financial goals.

2007 Compensation

When determining the specific amounts of compensation to be provided to the executive officers during 2007, 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 2006 fiscal year. For the year ending December 31, 2006, our shareholders were rewarded with outstanding returns on their investment:

- During 2006, our shareholders received a 41.5% total return on their investment, up from 14.3% in 2005 and 38.1% in 2004
- Over the 5 year period ending in 2006, our shareholders received a total return of 413.50%, representing a compound annual return of approximately 39% per year
- We outperformed the S&P 500 for the 7th consecutive year and the NAREIT All Equity REIT Index for the 5th consecutive year
- We ranked 1st among 9 mall REITs and 5th out of 104 equity REITs in total return to shareholders during the last five years

During 2006, our FFO for the year, excluding non-recurring charges, increased 14.9% on a per share basis as compared to the prior year. This compares to an increase in FFO per share of 11%, excluding non-recurring charges, during 2005 as compared to 2004. 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, please see our 2007 Annual Report under the section “Management Discussion and Analysis of Financial Condition and Results of Operations-Funds from Operations”.

Our market capitalization increased 24% during 2006 to \$2.2 billion, average tenant sales per square foot, on a comparable basis, increased 4.8% to \$338, and average base rental rates on leases released and renewed during the year increased 22.9% and 11.4%, respectively. We opened two new outlet centers during the year, a 352,300 square foot center in Charleston, South Carolina and a 264,900 square foot outlet center in Wisconsin Dells, Wisconsin. Our year end occupancy rate was 97.5%, marking the 26th consecutive year we have achieved a year end occupancy rate at or above 95%.

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 determine base salary levels on 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 the peer group range, and sufficient to attract competent executive talent and maintain a stable management team.

For 2007, the Company provided, in varying degrees, a base pay increase to the vast majority of its employees; likewise, all of the NEOs received base pay increases in various degrees in 2007. The amount of the increases, if any, varied primarily based on market competitiveness, with the base salary increases being effective January 1, 2007.

Given the Company’s success during 2006, the Compensation Committee recommended that the salary of the CEO, be increased during 2007 by 10%, the salary of the COO be increased by 8%, the salary of the Chief Financial Officer (referred to as the “CFO”) be increased 7% and that the salaries of all other executive officers be increased up to 5% at the discretion of the CEO and COO. Based upon the recommendations of the compensation consultants, the CEO and COO determined it was appropriate to increase the salaries of each of the other NEOs by 5% in order to reward these officers uniformly based on the Company’s performance. The Compensation Committee believes that the base salary

increases for the CEO, COO and CFO reflect the importance and critical nature of these positions as they relate to the success of the Company. The difference in the amounts of compensation paid to the CEO and the rest of the named executive officers is primarily the result of the consideration of aggregate market data that reflects the differing roles and responsibilities of the NEOs. The Compensation Committee believed that each executive officer's base salary compensation was fair compared to his or her comparable position within the peer group.

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" in this Proxy Statement.

Annual Cash Incentives: Description and Analysis

During 2007, all executive officers were eligible for an annual incentive cash bonus payment based upon achieving certain performance criteria during the year. The performance criteria were approved and set by the Compensation Committee at the beginning of the fiscal year. 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 completed.

Each executive's annual incentive cash bonus amount is based upon Threshold, Target, Maximum, and in the case of the CEO, COO and CFO, Minimum, percentages of base salary. See the 2007 Grant of Plan Based Awards on page 16 for the dollar amounts payable under each of these categories. Generally, executives must be employed as of the last day of the year to receive payment under the annual incentive cash bonus plan for that year.

The Minimum, Threshold, Target and Maximum amounts for 2007 were as follows (as a percentage of base salary):

Named Executive Officer	Minimum	Threshold	Target	Maximum
Stanley K. Tanger, CEO	75%	100%	125%	175%
Steven B. Tanger, COO	75%	100%	125%	160%
Frank C. Marchisello, Jr., CFO	75%	100%	125%	150%
Joseph H. Nehmen, Senior Vice President – Operations	---	5%	10%	20%
Lisa J. Morrison, Senior Vice President – Leasing	---	5%	10%	20%

The annual incentive cash bonuses payable to NEOs are based on achievement of several company performance measures that incentivize such officers to focus on the achievement of strategic and financial goals of the Company. The corporate performance measures and the target levels required to achieve the incentive bonus for 2007 approved by the Compensation Committee included:

Performance Measure	2007 Target Levels				
	Minimum	Threshold	Target	Maximum	% of total award
Growth in FFO per share	7%	8%	9.5%	11%	20%
Achievement of Company's business plan:	90%	92%	94%	96%	5%
· Lease renewal rate					
· Average increase in base rental rates:	7%	8%	9%	11%	5%
upon lease renewals	8%	10%	15%	20%	5%
leased to new tenants	95%	96%	97%	98%	5%
· Average year-end occupancy rate	2%	3.5%	4.5%	5%	5%
· Average increase in tenant sales					
Payout ratios:					
· FFO payout ratio	61%	60%	59%	58%	10%
· Funds available for distribution (FAD)	85%	84%	83%	82%	10%

payout ratio					
Total shareholder return:					
· Total return to shareholders	8%	10%	12%	14%	10%
· Total return relative to NAREIT					
All Equity Index	equal to index	5%	10%	20%	10%
Achievement of portfolio growth objectives	2 out of 5 objectives	3 of 5 objectives	4 of 5 objectives	5 of 5 objectives	15%

The Compensation Committee, at its discretion, may adjust the predetermined FFO targets to exclude significant non-recurring charges.

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 measure 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 2007, the Company surpassed some of the minimum target levels but did not surpass all of the maximum performance targets. With respect to the achievement of portfolio growth objectives, the Company met 4 of the 5 objectives during 2007. At the time the growth objectives were set, the Compensation Committee believed the targets would be challenging and difficult, but achievable with significant effort and skill.

Ms. Morrison also participates in a separate incentive cash bonus program designed to reward the Company's leasing employees for successfully executing new leases and renewing existing leases with our tenants. 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 equal to the lesser of (1) 75% of her salary or (2) the average of the bonuses received by certain leasing employees who report directly to her. 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. Ms. Morrison also participated in a separate bonus program during 2007 where she is eligible to receive a bonus based on her leasing team reaching certain goals with respect to achieving minimum overall occupancy rates and minimum average rental rate increases on existing leases renewed or new leases executed during that year. In addition, Ms. Morrison is eligible to receive a bonus for leases that were executed prior to 2007 relating to new development projects, but which the Company did not consider earned and payable until construction actually began on those new developments.

The actual annual bonus payments kept total cash compensation within the Company's fiscal year budget and reinforced its pay-for-performance philosophy.

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 awards of restricted Common Shares focus on aligning the interests of management with those of our shareholders.

On February 20, 2007, the Option Committee awarded 72,000 restricted Common Shares to Mr. Stanley K. Tanger, 48,000 restricted Common Shares to Mr. Steven B. Tanger and 20,000 restricted Common Shares to Mr. Frank C. Marchisello, Jr. These awards were identical to the awards made in 2006. In addition, the Compensation Committee recommended that the Option Committee make awards of restricted Common Shares to other executive officers based

upon the recommendations of the CEO and COO. Based on such recommendations and consistent with the advice of the Compensation Committee and its outside compensation consultants, the Option Committee awarded 2,000 restricted Common Shares to each of the other 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. The total annual expense recognized during 2007 for all such grants is included in the Summary Compensation Table below. 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 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 2007 vest and the restrictions cease to apply on twenty percent of the award on February 28 of each year over a five-year period, beginning on February 28, 2008. 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 5-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 fair value under FAS 123(R) 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

During 2007, the Compensation Committee considered a recommendation from the compensation consultants to grant options to acquire Common Shares to each of the executive officers. The Compensation Committee decided that no options should be awarded since all of the executive officers were being awarded restricted Common Shares.

Options have not been utilized as a means of executive compensation since 2004. The Compensation Committee does consider them, however, as a form of compensation and includes them in its annual assessment of executive compensation.

When awarded in the past, options were 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.

Retirement Benefits

The Company 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 defined in each agreement. The severance arrangements provided in the contracts are designed to promote stability and continuity of senior management. For certain executives, 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.

The Company currently has employment contracts with each of the NEOs on page 19 of this Proxy Statement. See "Employment Contracts" in this Proxy Statement.

Perquisites

The Company does not provide significant perquisites or personal benefits to executive officers, except that Mr. Stanley K. Tanger and Mr. Steven B. Tanger are each given a monthly car allowance of \$800 and the Company pays the premiums on life insurance policies for each executive which totaled \$6,814 for Mr. Stanley K. Tanger and \$12,970 for Mr. Steven B. Tanger during 2007.

The Company leases a fractional ownership in a corporate aircraft. The corporate aircraft is made available for the personal use of Mr. Stanley K. Tanger because the Company believes the security and efficiency benefits clearly outweigh the expense. However, Mr. Stanley K. Tanger maintains a cash deposit with the Company which is used to fully reimburse us for all related costs of his personal use, including costs that are charged based on usage, such as flight costs and fuel costs, as well as a pro rata portion of any related fixed costs, such as monthly management fees and lease rental payments. In addition, depending on seat availability, Mr. Stanley K. Tanger's family members occasionally accompany him on the corporate aircraft during business trips, at no incremental cost to the Company.

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 CEO and each of the Company's other four most highly compensated officers, excluding the CEO) 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" which 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 such 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 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 might pay pursuant to these laws. 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 of the Code 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 with management 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

Jack Africk (Chairman)

William G. Benton

Thomas E. Robinson

Allan L. Schuman

2007 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, 2007 and December 31, 2006:

Name and Principal position	Year	Salary	Share Awards (2)	Option Awards (2)	Non-equity Incentive Plan Compensation(3)	All Other Compensation	Total
Stanley K. Tanger Chairman and Chief Executive Officer	2007	\$597,300	\$1,764,843	\$43,468	\$810,387	\$313,179(4)	\$3,529,177
	2006	543,000	1,067,009	43,468	749,774	269,223(4)	2,672,474
Steven B. Tanger President and Chief Operating Officer	2007	\$498,960	\$1,176,562	\$30,428	\$632,769	\$221,351(5)	\$2,560,070
	2006	462,000	711,339	30,428	584,084	184,902(5)	1,972,753
Frank C. Marchisello Executive Vice President, Chief Financial Officer	2007	\$340,260	\$354,482	\$10,867	\$411,417	\$62,693(6)	\$1,179,719
	2006	318,000	182,286	10,867	377,323	41,274(6)	929,750
Joseph H. Nehmen Senior Vice President, Operations	2007	\$281,400	\$27,050	\$8,694	\$40,479	\$7,381(7)	\$365,004
	2006	268,000	10,758	8,694	31,852	4,790(7)	324,094
Lisa J. Morrison Senior Vice President, Leasing	2007	\$220,500	\$27,050	\$8,694	\$192,604	\$7,381(7)	\$456,229
	2006	210,000	10,758	8,694	79,271	4,790(7)	313,513

- (1) No bonus was paid to an NEO except as part of the annual incentive cash bonus plan, a non-equity incentive plan.
- (2) The amounts in this column reflect the dollar amount recognized for financial reporting purposes for the fiscal year ended December 31, 2007 and 2006 in accordance with FAS 123 (R) and thus may include awards granted in and prior to 2007 and 2006. A discussion of the assumptions used in calculating these values may be found in Note 12 to our 2007 audited financial statements on page F-24 of our annual report.
- (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.
- (4) Mr. Stanley K. Tanger's other compensation during 2007 and 2006 includes a car allowance of \$9,600 each year and reimbursement of term life insurance premiums totaling \$6,814 in 2007 and \$17,500 in 2006, as per the terms of his employment contract. In addition, Mr. Tanger's other compensation includes dividends paid on unvested restricted Common Share awards of \$293,952 during 2007 and \$239,373 during 2006, as well as a company match under an employee 401(k) plan of \$2,813 during 2007

and \$2,750 during 2006. Mr. Tanger is allowed to use the corporate aircraft for his personal use. However, Mr. Tanger fully reimburses us for all related costs, including costs that are charged based on usage, such as flight costs and fuel costs, as well as a pro rata portion of any related fixed costs, such as monthly management fees and lease rental payments. Mr. Tanger's family members have occasionally accompanied him on the corporate aircraft used during business trips, at no incremental cost to us.

- (5) Mr. Steven B. Tanger's other compensation during 2007 and 2006 includes a car allowance of \$9,600 each year and reimbursement of term life insurance premiums totaling \$12,970 each year, as per the terms of his employment contract. In addition, Mr. Tanger's other compensation includes dividends paid on unvested restricted Common Shares of \$195,968 during 2007 and \$159,582 during 2006 as well as a company match under an employee 401(k) plan of \$2,813 during 2007 and \$2,750 during 2006.
- (6) Mr. Marchisello's other compensation represents dividends paid on unvested restricted Common Share awards of \$59,880 during 2007 and \$38,524 during 2006 as well as a company match under an employee 401(k) plan of \$2,813 during 2007 and \$2,750 during 2006.

- (7) Mr. Nehmen's and Ms. Morrison's other compensation represent dividends paid on unvested restricted Common Share awards of \$4,568 during 2007 and \$2,040 during 2006 as well as a company match under an employee 401(k) plan of \$2,813 during 2007 and \$2,750 during 2006.

2007 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, 2007:

Name	Grant Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (2)				All Other Share Awards: Number of Common Shares or Units (#) (3)	Grant Date Fair Value of Equity Awards (\$)
		Minimum	Threshold	Target	Maximum		
Stanley K. Tanger	2/20/07	\$447,975	\$597,300	\$746,625	\$1,045,275	72,000	\$3,046,320
Steven B. Tanger	2/20/07	\$374,220	\$498,960	\$623,700	\$798,336	48,000	\$2,030,880
Frank C. Marchisello	2/20/07	\$255,195	\$340,260	\$425,325	\$510,390	20,000	\$846,200
Joseph H. Nehmen	2/20/07	---	\$14,070	\$28,140	\$56,280	2,000	\$84,260
Lisa J. Morrison (4)	2/20/07	---	\$11,025	\$22,050	\$44,100	2,000	\$84,260
					\$165,375		

- (1) The date approved by the Board's Compensation Committee or Option Committee with respect to equity-based awards. Under the terms of our Incentive Award Plan, the grant date fair value is considered to be the closing price of the Company's Common Shares on the day prior to the grant date, which for the 2007 awards was \$42.31.
- (2) These columns show the range of estimated payouts targeted for 2007 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 2008 for 2007 performance, based on the metrics described, amounted to 135.68% of base salary for Mr. Stanley K. Tanger, 126.82% for Mr. Steven B. Tanger, 120.91% for Mr. Marchisello and 14.39% for Mr. Nehmen.
- (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.
- (4) Per the terms of her contract, Ms. Morrison is eligible to receive a cash bonus equal to the lesser of (1) 75% of her salary or (2) the average of the bonuses received by certain leasing employees who report directly to her. Ms Morrison receives the higher of the bonus as calculated under our annual incentive cash bonus plan for executive officers or the bonus calculated under the terms of her employment contract, but not both. During 2007, Ms. Morrison received a cash bonus based on the terms of her employment contract in the amount of \$158,340. Ms. Morrison also participated in a

separate bonus program during 2007 where she received a \$12,000 bonus due to her leasing team reaching certain goals with respect to achieving minimum overall occupancy rates and minimum average rental rate increases on existing leases renewed or new leases executed during that year. In addition, Ms. Morrison was paid \$22,264 as a bonus for leases that were executed prior to 2007 relating to new development projects, but which the Company did not consider earned and payable until construction actually began on those new developments.

OUTSTANDING EQUITY AWARDS AT YEAR END 2007

The following table summarizes the number of securities underlying outstanding plan awards for the named executive officers in the year ended December 31, 2007:

Name	Option Awards				Share Awards			
	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)	Equity Incentive Plan Awards: Number of Unearned Shares, Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Other Rights That Have Not Vested (\$)(2)
Stanley K. Tanger	---	40,000 (3)	\$19.415	4/27/2014	24,000 (4)	\$		
					14,400 (5)	905,040	14,400 (6)	\$543,024
					57,600 (7)	543,024		
					72,000 (8)	2,172,096		
Steven B. Tanger	14,000	---	\$9.3125	3/08/2010	16,000 (4)	\$		
	42,000	28,000 (3)	19.415	4/27/2014	9,600 (5)	603,360	9,600 (6)	\$362,016
					38,400 (7)	362,016		
					48,000 (8)	1,448,064		
Frank C. Marchisello	---	10,000 (3)	\$19.415	4/27/2014	2,000 (4)	\$		
					2,000 (5)	75,420	2,000 (6)	\$ 75,420
					16,000 (7)	75,420		
					20,000 (8)	603,360		
Joseph H. Nehmen	12,000	8,000 (3)	\$19.415	4/27/2014	1,600 (7)	\$ 60,336		
					2,000 (8)	75,420		
Lisa J. Morrison	---	8,000 (3)	\$19.415	4/27/2014	1,600 (7)	\$60,336		
					2,000 (8)	75,420		

(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, 2007 of \$37.71.

(3) Options vest at a rate of 20% per year, with vesting dates on 4/27/2005, 4/27/2006, 4/27/2007, 4/27/2008 and 4/27/2009. Options expire 10 years from grant date.

- (4) Restricted Common Shares vest at the following rates per year: 15%, 15%, 15%, 15%, 20% and 20% on 6/15/2004, 12/15/2004, 12/15/2005, 12/15/2006, 12/15/2007 and 12/15/2008, respectively.
- (5) Restricted Common Shares vest at a rate of 20% per year, with vesting dates on 12/31/2005, 12/31/2006, 12/31/2007, 12/31/2008 and 12/31/2009.
- (6) Represents portion of the restricted Common Shares granted during 2005 that vest upon the satisfaction of performance criteria. Shares vest at the rate of 20% per year, subject to satisfaction of performance criteria for the applicable year, with vesting dates of 12/31/2005, 12/31/2006, 12/31/2007, 12/31/2008 and 12/31/2009.
- (7) Restricted Common Shares vest at a rate of 20% per year, with vesting dates on 2/28/2007, 2/28/2008, 2/28/2009, 2/28/2010 and 2/28/2011.
- (8) 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.

OPTIONS EXERCISES AND COMMON SHARES VESTED IN 2007

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, 2007:

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)
Stanley K. Tanger	20,000	\$434,001	52,800	\$2,053,344
Steven B. Tanger	---	---	35,200	\$1,368,896
Frank C. Marchisello	19,000	\$414,535	8,000	\$ 312,540
Joseph H. Nehmen	---	---	400	\$ 15,900
Lisa J. Morrison	4,000	\$ 86,852	400	\$ 15,900

(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, 2007 with respect to compensation plans under which the Company's equity securities are authorized for issuance:

Plan Category	(a)	(b)	(c)
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
Equity compensation plans approved by security holders	368,155	\$18.35	1,730,610
Equity compensation plans not approved by security holders	---	---	---
Total	368,155	\$18.35	1,730,610

Employment Contracts

Each of Stanley K. Tanger and Steven B. Tanger will receive annual cash compensation in the form of salary and bonus pursuant to a three-year employment contract effective as of January 1, 2004. The employment contracts will be automatically extended 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 contracts may be increased but not decreased each year.

Upon termination of employment, Stanley K. Tanger has agreed not to compete with us for the remainder of his life. Upon termination of employment, Steven B. 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 or within a 50 mile radius of any commercial property which we negotiated to acquire, lease or operate within the six month period prior to termination. Each executive's covenant not to compete mandates that, during the term of his employment contract and during the effective period of the covenant, such executive direct his commercial real estate activities through us, with exceptions for development of properties which were owned collectively or individually by them, by members of their families or by any entity in which any of them owned an interest or which was for the benefit of any of them prior to the Company's initial public offering (including the one factory outlet center with a total of 64,288 square feet in which Stanley K. Tanger, prior to the sale to a third party in February 2007, was a 50% partner and a single shopping center in Greensboro, North Carolina with a total of 24,440 square feet (referred to as the "Excluded Properties")). In no event will either of the Tangers engage in the development, construction or management of factory 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, the Tanger's will not engage in any active or passive investment in property relating to factory 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.

If the employment of either of the Tangers terminates without Cause, as defined in the agreement, or such employment is terminated by the executive with Good Reason, as defined in the agreement, the terminated executive shall receive a severance benefit 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. Share based awards under our Incentive Award Plan are included in the calculation of the prior year's annual bonus and average annual bonus. If employment terminates by reason of death or disability, the executive 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) the executive's annual bonus which 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.

The employment contracts with Stanley K. Tanger and Steven B. Tanger also grant them certain registration rights with respect to the Common Shares that they beneficially own.

Frank C. Marchisello, Jr. has a three-year employment contract effective January 1, 2004. Mr. Marchisello's contract will be automatically extended 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 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 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. Share based awards under our Incentive Award Plan are included in the calculation of the prior year's annual bonus and average annual bonus.

Joseph H. Nehmen has a three year employment contract effective January 1, 2003. Mr. Nehmen's contract will be automatically extended 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. Mr. Nehmen's base salary for subsequent years in no event may be less than his annual base salary for the previous contract year.

If Mr. Nehmen's employment is terminated by reason of death or disability, he or his estate will receive as additional compensation an amount equal to his annual base salary for the contract year in which the termination occurs. Further, if Mr. Nehmen's employment is terminated by us without Cause, or by Mr. Nehmen for Good Reason, as those terms are defined in the agreement, Mr. Nehmen will receive a severance payment equal to 300% of his annual base salary for the current contract year, to be paid monthly over the succeeding 36 months.

Lisa J. Morrison's employment contract expired December 31, 2007. Ms. Morrison's contract may be extended for additional one year periods by written agreement by both parties prior to the end of the initial term or any extended term. We are currently negotiating, but we have not finalized, a renewal of Ms. Morrison's employment contract. The contract established a base salary for calendar year 2006 of \$210,000. Ms. Morrison's base salary for subsequent years shall not be less than \$210,000. In addition, Ms. Morrison will be paid a bonus each year equal to the lesser of (i) seventy-five percent (75%) of her base salary in effect on the last day of such calendar year and (ii) the average bonus, as defined in the agreement, paid to our employees who are leasing representatives.

During the respective term of employment and for a period of one year thereafter (three years in the case of Mr. Marchisello and Mr. Nehmen if the executive receives a severance payment of 300% of his annual base salary), each of Mr. Marchisello and Mr. Nehmen is prohibited from engaging directly or indirectly in any aspect of the factory outlet business within a radius of 50 miles of, or in the same state as, any factory outlet center owned or operated by us. Ms. Morrison, during the term of her employment and for a period of three months thereafter, is prohibited from engaging in any activities involving developing or operating a factory outlet shopping facility within a radius of 50 miles of any retail shopping facility owned, operated or managed by us at any time during her employment.

Stanley K. Tanger, Steven B. Tanger and, effective January 1, 2008, Frank C. 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 termination of such executive's employment. The amount of compensation payable to each named executive officer is shown in the table below (1) upon termination by the Company without Cause or by the executive for Good Reason, (2) termination as a result of 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" are defined in the employment contracts of Mr. Stanley K. Tanger, Mr. Steven B. Tanger, Mr. Marchisello and Mr. Nehmen, and are generally as stated below.

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

"Change of 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 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 of the Company (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 (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 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 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 Partnership or the Company and acceptable to the executive or the executive's legal representative.

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

- any material adverse change in job titles, duties, responsibilities, perquisites, or authority without his or her consent;
- if, after a Change of 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. Steven B. Tanger) without his or her consent or (ii) in the case of Mr. Stanley K. Tanger and Mr. Steven B. Tanger, the executive no longer reports directly to the Board of Directors;
- a material breach of the employment agreement by the Operating Partnership or 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 of Control; or
- in the case of Mr. Stanley K. Tanger and Mr. Nehmen, the relocation of the Company and/or the Operating Partnership headquarters outside of the Greensboro, North Carolina metropolitan area without his consent;
- in the case of Mr. Stanley K. Tanger and Mr. Steven B. Tanger, if the executive is removed, or is not re-elected as a Director of the Company.

The employment contracts of Mr. Stanley K. Tanger, Mr. Steven B. Tanger, Mr. Marchisello and Mr. Nehmen consider a change in control as Good Reason for an executive to terminate his or her employment, and thus would entitle him to certain severance benefits. 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 four 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 show 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, 2007, and thus amounts earned through such time are estimates of the amounts which would be paid out to the executives upon termination. In addition, the amounts shown below assume that the annual incentive cash bonus each executive was eligible to receive

for the 2007 fiscal year would have been earned but unpaid at December 31, 2007. The actual amounts to be paid can only be determined at the time of such executive's separation from the Company.

Edgar Filing: TANGER FACTORY OUTLET CENTERS INC - Form DEF 14A

Name	Cash		Continuation of Benefits (3)	All Other Comp. (4)	Total
	Severance Payment (1)	Share Awards (2)			
Stanley K. Tanger					
· Without Cause or For Good Reason	\$11,711,346	\$6,869,184	\$133,351	\$13,628	\$18,727,509
· Change in Control	11,711,346	7,600,984	133,351	13,628	19,459,309
· Death	4,491,482	6,869,184	---	---	11,360,666
· Disability	4,491,482	6,869,184	---	13,628	11,374,294
· For Cause or without Good Reason	810,387	---	---	---	810,387
Steven B. Tanger					
· Without Cause or For Good Reason	\$7,530,675	\$4,579,456	\$15,033	\$25,940	\$12,151,104
· Change in Control	7,530,675	5,091,716	15,033	25,940	12,663,364
· Death	2,999,585	4,579,456	---	---	7,579,041
· Disability	2,999,585	4,579,456	---	25,940	7,604,981
· For Cause or without Good Reason	632,769	---	---	---	632,769
Frank C. Marchisello					
· Without Cause or For Good Reason	\$4,430,475	\$1,581,720	---	---	\$6,012,195
· Change in Control	4,430,475	1,764,670	---	---	6,195,145
· Death or Disability	1,476,825	1,581,720	---	---	3,058,545
· For Cause or without Good Reason	411,417	---	---	---	411,417
Joseph H. Nehmen					
· Without Cause or For Good Reason	\$844,200	\$135,576	---	---	\$979,776
· Change in Control	844,200	281,936	---	---	1,126,136
· Death or Disability	321,879	135,576	---	---	457,455
· For Cause or without Good Reason	40,479	---	---	---	40,479
Lisa J. Morrison					
· Without Cause or For Good Reason	\$192,604	\$135,576	---	---	\$328,180
· Change in Control	192,604	281,936	---	---	474,540
· Death or disability	192,604	135,576	---	---	328,180
· For Cause or without Good Reason	192,604	---	---	---	192,604

(1) 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".

(2) Amounts shown in this column include the value of the unvested restricted Common Shares which would immediately vest upon termination of employment based on the closing price of our Common Shares on December 31, 2007 of \$37.71. This column also includes, upon a change in control as defined in the Incentive Award Plan, the value of any unvested options that would become immediately exercisable calculated as the

difference of the price of our Common Shares on December 31 2007 and the exercise price of each unvested option.

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

Edgar Filing: TANGER FACTORY OUTLET CENTERS INC - Form DEF 14A

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of March 1, 2008, 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 executive officers named elsewhere in this Proxy Statement, and (iii) held by our directors and all of our executive officers as a group.

Name and Business Address (where required) of Beneficial Owner	Number of Common Shares Beneficially Owned (1)	Percent of All Common Shares	Number of Common Shares Exchangeable For Units Beneficially Owned (2)	Percent of All Common Shares and Units
Stanley K. Tanger (3) Tanger Factory Outlet Centers, Inc. 3200 Northline Avenue, Suite 360 Greensboro, NC 27408	911,991	2.9%	6,086,610	18.5%
Steven B. Tanger (4) Tanger Factory Outlet Centers, Inc. 110 East 59th Street New York, NY 10022	308,595	1.0%	63,000	1.0%
Deutsche Bank AG (5) RREEF America, L.L.C. Deutsche Bank Trust Corp. Americas Deutsche Investment Management Americas Theodor-Heuss-Allee 70 60468 Frankfurt am Main Federal Republic of Germany	4,367,535	13.9%	---	11.6%
FMR LLC (6) 82 Devonshire Street Boston, MA 02109	3,968,850	12.6%	---	10.6%
The Vanguard Group, Inc. (7) 100 Vanguard Blvd. Malvern, PA 19355	2,356,777	7.5%	---	6.3%
Capital Growth Management LP (8) One International Place, 45th Floor Boston, MA 02110	1,880,000	6.0%	---	5.0%
Barclays Global Investors, NA. (9) Barclays Global Fund Advisors Barclays Global Investors, LTD Barclays Global Investors Japan Limited 45 Fremont Street San Francisco, CA 94105	1,864,361	5.9%	---	5.0%
Jack Africk (10)	68,250	*	---	*
William G. Benton (11)	29,048	*	---	*
Thomas E. Robinson (12)	33,450	*	---	*
Allan L. Schuman (13)	13,100	*	---	*

Edgar Filing: TANGER FACTORY OUTLET CENTERS INC - Form DEF 14A

Frank C. Marchisello (14)	88,192	*	5,000	*
Joseph H. Nehmen (14)	9,435	*	16,000	*
Lisa J. Morrison (14)	6,002	*	4,000	*
Directors and Executive Officers as a Group (13 persons) (15)	1,457,446	4.7%	6,207,210	20.4%

* Less than 1%

23

- (1) The ownership of Common Shares reported herein is based upon filings with the SEC and is subject to confirmation by us that such ownership did not violate the ownership restrictions in the Company's Articles of Incorporation.
- (2) Represents Common Shares that may be acquired upon the exchange of Units beneficially owned for Common Shares. Each Unit held by the Tanger Family Limited Partnership (referred to as the "TFLP") and each Unit that may be acquired upon the exercise of options to purchase Units may be exchanged for two of our Common Shares.
- (3) Includes 278,062 Common Shares owned by the TFLP, of which Stanley K. Tanger is the general partner and may be deemed to be the beneficial owner, and 6,066,610 Common Shares which may be acquired upon the exchange of Units owned by TFLP. Also includes 631,929 Common Shares owned by Stanley K. Tanger individually and 20,000 Common Shares which may be acquired upon the exercise of presently exercisable options to purchase Units owned by Stanley K. Tanger individually and 2,000 Common Shares owned by Stanley K. Tanger's spouse. Does not include 20,000 Common Shares which may be acquired upon the exercise of options to purchase Units, which are presently unexercisable, owned by Stanley K. Tanger individually.
- (4) Includes 63,000 Common Shares which may be acquired upon the exercise of presently exercisable options to purchase Units. Does not include 278,062 Common Shares owned by TFLP and 6,066,610 Common Shares which may be acquired upon the exchange Units owned by the TFLP (Steven B. Tanger is a limited partner of the Tanger Investments Limited Partnership, which is a limited partner of TFLP) for Common Shares. Does not include 14,000 Common Shares which may be acquired upon the exercise of options to purchase Units which are presently unexercisable. Does not include 631,929 Common Shares actually owned or 280,062 Common Shares which may be deemed beneficially owned by Steven B. Tanger's father, Stanley K. Tanger. Includes 131,995 Common Shares which Mr. Steven B. Tanger has pledged as security for certain personal loans.
- (5) We have received a copy of Schedule 13G as filed with the SEC by Deutsche Bank AG ("DB"), RREEF America, L.L.C. ("RREEF"), Deutsche Bank Trust Corp. Americas ("DBTC") and Deutsche Investment Management Americas ("DIMA") reporting ownership of these shares as of December 31, 2007. As reported in said Schedule 13G, (i) DB has sole dispositive power for 4,367,635 of such shares, and sole voting power for 2,917,535 of such shares; (ii) RREEF has sole dispositive power for 4,162,485 of such shares, and sole voting power for 2,722,385 of such shares; (iii) DBTC has sole dispositive power for 12,900 of such shares, and sole voting power for 2,900 of such shares; and (iv) DIMA has sole dispositive power for 192,250 of such shares, and sole voting power for 192,250 of such shares.
- (6) We have received a copy of Schedule 13G as filed with the SEC by FMR LLC ("FMR") and Edward C. Johnson 3rd reporting ownership of these shares as of December 31, 2007. As reported in said Schedule 13G, FMR and Edward C. Johnson 3rd has sole dispositive power for 3,968,850 of such shares, and sole voting power for 768,050 of such shares.
- (7) We have received a copy of Schedule 13G as filed with the SEC by The Vanguard Group, Inc. ("VG") reporting ownership of these shares as of December 31, 2007. As reported in said Schedule 13G, VG has sole dispositive power for 2,356,777 of such shares, and sole voting power for 28,991 of such shares.
- (8) We have received a copy of Schedule 13G as filed with the SEC by Capital Growth Management LP ("CGM") reporting ownership of these shares as of December 31, 2007. As reported in said Schedule 13G, CGM has shared dispositive power for 1,880,000 of such shares, and sole voting power for 1,880,000 of such shares.

- (9) We have received a copy of Schedule 13G as filed with the SEC by Barclays Global Investors, NA. (“BGI”), Barclays Global Fund Advisors (“BGFA”), Barclays Global Investors, LTD (“BGIL”) and Barclays Global Investors Japan Limited (“BGIJL”) reporting ownership of these shares as of December 31, 2007. As reported in said Schedule 13G, (i) BGI has sole dispositive power for 916,161 of such shares, and sole voting power for 682,206 of such shares; (ii) BGFA has sole dispositive power for 896,522 of such shares, and sole voting power for 635,778 of such shares; (iii) BGIL has sole dispositive power for 36,827 of such shares, and sole voting power for 4,764 of such shares; and (iv) BGIJL has sole dispositive power for 14,851 of such shares, and sole voting power for 14,851 of such shares.
- (10) Includes 18,000 presently exercisable options to purchase our Common Shares.
- (11) Includes 8,000 presently exercisable options to purchase our Common Shares.
- (12) Includes 10,000 presently exercisable options to purchase our Common Shares.
- (13) Includes 3,600 presently exercisable options to purchase our Common Shares.
- (14) Amounts shown as Common Shares exchangeable for Units represent Common Shares which may be acquired upon the exercise of presently exercisable options to purchase Units.
- (15) Includes 180,200 Common Shares which may be acquired upon the exercise of presently exercisable options to purchase Common Shares or Units. Does not include 70,400 Common Shares which may be acquired upon the exercise of options to purchase Common Shares or Units which are presently unexercisable.

Certain Relationships and Related Party Transactions

The Company, through its majority owned subsidiaries, owns the majority of the units of partnership interest issued by the Operating Partnership and controls the Operating Partnership as its general partner. The Tanger Family Limited Partnership (referred to as “TFLP”) holds a limited partnership interest in and is the minority owner of the Operating Partnership. Stanley K. Tanger, the Company’s Chairman of the Board and Chief Executive Officer, is the sole general partner of TFLP. During 2007, the Operating Partnership made quarterly distributions to TFLP totaling \$8.6 million. Such distributions were made on the same pro rata basis as distributions made by the Operating Partnership to the Company.

In 2004, the Company adopted a Code of Business Conduct and Ethics (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 GOVERNANCE” and then “CODE OF BUSINESS CONDUCT AND ETHICS” 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.

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, 2008 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, 2007. 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, 2007 and 2006.

Vote Required. Approval of the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered accounting firm requires approval by the affirmative vote of the holders of a majority 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 proposal.

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 2007, we reviewed with the Company's Chief Financial Officer, 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 the auditors 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 2007 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, or 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.

Edgar Filing: TANGER FACTORY OUTLET CENTERS INC - Form DEF 14A

PwC provided to us the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and we discussed with PwC its independence.

We reviewed and discussed the 2007 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 Chief Executive Officer and Chief Financial Officer. 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 Statement on Auditing Standards No. 61 (Communication with Audit Committees).

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, 2007 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, 2007 and 2006:

	2007	2006
Audit fees	\$355,500	\$389,529
Audit-related fees	14,333	32,169
Tax fees-tax compliance and preparation fees	265,930	342,086
Subtotal	635,763	763,784
Tax Fees-other	42,407	187,353
All other fees	---	---
Subtotal	42,407	187,353
Total	\$678,170	\$951,137

The audit fees for the years ended December 31, 2007 and 2006, respectively, were for professional services rendered for the integrated audits of our consolidated financial statements and internal controls over financial reporting. Also included for the year ended December 31, 2007 are services rendered for the separate audits of a small wholly owned subsidiary and the previously consolidated real estate joint venture. Also included for the year ended December 31, 2006 are services related to the issuance of comfort letters, assistance with the review of documents filed with the SEC and the audit of the previously consolidated real estate joint venture.

The audit-related fees for the year ended December 31, 2007 were for consultations on accounting standards and derivative transactions. The audit-related fees for the year ended December 31, 2006 were for consultation and special audit work for a potential acquisition and for accounting standards consultations.

The tax fees for the year ended December 31, 2007 and 2006 were for tax compliance and preparation including tax return preparation and review.

The tax fees – other for the year ended December 31, 2007 and 2006 were for tax planning, advice, and consulting.

The percentage of tax fees and tax fees-other approved pursuant to the pre-approved policies was 9% during 2007 and 24% during 2006.

THE AUDIT COMMITTEE
 William G. Benton (Chairman)
 Jack Africk

Allan L. Schuman

27

OTHER MATTERS

Reference is hereby made to the Company's annual report on Form 10-K for the year ended December 31, 2007 and the Company's Annual Report delivered together with this Proxy Statement, and such documents incorporated herein by reference for financial information and related disclosures required to be include herein.

Section 16(a) Beneficial Ownership Reports.

Section 16(a) of the Exchange Act of 1934, as amended (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 period ended December 31, 2007, or written representations from certain reporting persons, we believe that no Forms 3, 4 or 5 were filed delinquenty, with the exception of: one late filing by Mr. Africk of a report on Form 4 reporting the exercise of options to acquire 10,000 Common Shares and the one late filing by Mr. Benton of a report on Form 4 reporting the exercise of options to acquire 2,000 Common Shares and the sale of those 2,000 Common Shares.

Shareholder Proposals and Nominations.

This Proxy Statement and form of proxy will be sent to shareholders of record in an initial mailing and posted on the Internet on or about April 4, 2008. Proposals of shareholders pursuant to Regulation 14a-8 of the Exchange Act intended to be presented at our Annual Meeting of Shareholders to be held in 2009 must be received by us no later than December 5, 2008. 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 the proxy statement. A shareholder who wishes to make a proposal pursuant to Regulation 14a-8 of the Exchange Act at our Annual Meeting of Shareholders to be held in 2009 without including the proposal in the Company's proxy statement and form of proxy relating to that meeting must notify the Company in writing no later than February 13, 2009. If a shareholder fails to give notice by February 13, 2009, then the persons named as proxies in the proxies solicited by the Board for the Annual Meeting of Shareholders to be held in 2009 may exercise discretionary voting power with respect to any such proposal. Pursuant to the Company's By-Laws, to be properly considered at our Annual Meeting of Shareholders to be held in 2009, all shareholder proposals, generally, must be received by our Corporate Secretary not earlier than 120 days and not later than 90 days prior to the anniversary of this year's meeting.

Shareholders may nominate an individual for election as a director of the Company in conformity with the requirements of the Company's By-Laws. Generally, to be properly considered at our Annual Meeting of Shareholders to be held in 2009, written notice of the nomination must be delivered to the corporate secretary not earlier than 120 days and not later than 90 days prior to the anniversary of this year's meeting. Such shareholder's notice shall set forth as to each person whom the shareholder nominates for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected). In addition, such shareholder notice must provide, as detailed in the Company's By-Laws, information about the shareholder's beneficial ownership of our Common Shares.

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" and then "CORPORATE GOVERNANCE". 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.

Documents Incorporated by Reference.

This Proxy Statement incorporates documents by reference which are not presented herein or delivered herewith. These documents (except for certain exhibits to such documents, unless such exhibits are specifically incorporated herein) are available upon request without charge. Requests may be oral or written and should be directed to the attention of the Secretary of the Company at our principal executive offices. In addition, our website is located at <http://www.tangeroutlet.com>. On our website you can obtain, free of charge, a copy of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we file such material electronically with, or furnish it to, the SEC.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the date of the Meeting shall be deemed incorporated by reference into this Proxy Statement and shall be deemed a part hereof from the date of filing of such documents. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Proxy Statement to the extent that a statement contained herein (or subsequently filed document which is also incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part of this Proxy Statement, except as so modified or superseded.

Householding

The SEC permits a single set of annual reports, proxy statements, and Notice of Internet Availability of Proxy Materials 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 continues to receive a separate proxy card. 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 of Internet Availability of Proxy Materials may be obtained free of charge by calling our Investor Relations Department at (336) 834-6825 or sending your request to the attention of the Secretary of the Company at 3200 Northline Avenue, Suite 360, Greensboro, NC 27408.

Other Business.

All Common Shares represented by the accompanying proxy will be voted in accordance with the proxy. We know of no other business which will come before the meeting for action. However, as to any such business, the persons designated as proxies will have authority to act in their discretion.

[FRONT SIDE OF CARD]

TangerOutlets

[NAME AND ADDRESS APPEAR HERE] Electronic Voting Instructions

You can vote by Internet or telephone!

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 16, 2008.

Vote by Internet

- Log on to the Internet and go to www.investorvote.com

- Follow the steps outlined on the secured website.

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the United States, Canada & Puerto Rico any time on a touch tone telephone. There is NO CHARGE to you for the call.
- Follow the instructions provided by the recorded message.

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. [X]

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals – The Board of Directors recommends a vote FOR all the nominees listed in Proposal 1 and FOR Proposals 2.

1. Election of Directors:

For	Withhold	For	Withhold	For	Withhold
01 - Stanley K. Tanger	[]	02 - Steven B. Tanger	[]	03 - Jack Africk	[]
] []] []] []	
04 - William G. Benton	[]	05 - Thomas E. Robinson	[]	06 - Allan L. Schuman	[]
] []] []] []	

2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accountant firm for the fiscal year ending December 31, 2008.

For	Against	Abstain
[]	[]	[]

3. To transact such other business as may properly come before the meeting or any adjournment(s) thereof.

B Non-Voting Items

Change of Address – Please print new address below.

C Authorized Signatures – This section must be completed for your vote to be counted. – Date and Sign Below
Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as an attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) – Please print date below.

Signature 1- Please keep signature within box.

Signature 2 – Please keep signature within box .

[BACK SIDE OF CARD]

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

TangerOutlets

Proxy – Tanger Factory Outlet Centers, Inc.

Appointment of Proxy for Annual Meeting on May 16, 2008

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of TANGER FACTORY OUTLET CENTERS, INC., a North Carolina corporation, hereby constitutes and appoints Stanley K. Tanger and Frank C. Marchisello, Jr., and each of them, proxies with full power of substitution to act for the undersigned and to vote the shares which the undersigned may be entitled to vote at the Annual Meeting of the Shareholders of such corporation on May 16, 2008, and at any adjournment or adjournments thereof, as instructed on the reverse side upon the proposals which are more fully set forth in the Proxy Statement of Tanger Factory Outlet Centers, Inc. dated April 4, 2008 (receipt of which, or access to, is acknowledged) and in their discretion upon any other matters as may properly come before the meeting, including but not limited to, any proposal to adjourn or postpone the meeting. Any appointment of proxy heretofore made by the undersigned for such meeting is hereby revoked.

The shares represented hereby will be voted in accordance with the directions given in this appointment of proxy. If not otherwise directed herein, shares represented by this proxy will be voted FOR all nominees listed in Proposal 1 and FOR Proposal 2.

PLEASE SIGN, DATE AND MAIL PROMPTLY IN THE POSTAGE-PAID ENVELOPE ENCLOSED.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE.