

## BASE SALARY: DESCRIPTION AND ANALYSIS

Although the Compensation and Human Capital Committee does not benchmark salaries to any specific percentile of base salaries paid to comparable officers in the peer group, the NEOs are paid base amounts within the range of those paid to comparable officers in the peer group and sufficient to attract high-quality executive talent and maintain a stable management team. After a review of base salaries and total

cash compensation as compared to our peer group, the Compensation and Human Capital Committee concluded that it would be appropriate to keep base salaries for 2020 flat with 2019. Base salaries for 2019 were increased 2%, except for Mr. Tanger and Mr. Williams. Mr. Tanger's 2019 base salary was not increased and Mr. Williams' base salary was increased by 4% in connection with his promotion to CFO during 2016 and Executive Vice President in 2018 and to bring his salary more in line with similar roles in our peer group.

Base salaries approved for 2020, 2019 and 2018 were as follows:

Named Executive Officer	2020 Base Salaries	2019 Base Salaries	2018 Base Salaries
<b>Steven B. Tanger</b> , CEO	\$850,000	\$850,000	\$850,000
<b>James F. Williams</b> , CFO	374,400	374,400	360,000
<b>Thomas E. McDonough</b> , Former President <sup>(1)</sup>	—	401,880	394,000
<b>Chad D. Perry</b> , GC	378,420	378,420	371,000
<b>Lisa J. Morrison</b> , Executive Vice President - Leasing	288,992	288,992	283,326

(1) Mr. McDonough retired on December 31, 2019.

Each of the NEOs has an employment agreement with the Company that includes a provision whereby the executive's base salary shall not be less than certain previous amounts. See "Employment Contracts" on page 48.

## ANNUAL CASH INCENTIVES: DESCRIPTION AND ANALYSIS

### INCENTIVE CASH BONUS PLAN FOR EXECUTIVE OFFICERS

During 2019, all executive officers were eligible for an annual incentive cash bonus payment based upon achieving certain performance criteria during the year (referred to as the "Incentive Cash Bonus Plan"). The performance criteria were approved and set by the Compensation and Human Capital Committee in February 2019. The annual incentive cash bonus for a fiscal year is typically paid in the first quarter of the following year once the results for the year have been finalized.

For 2019, each executive's annual incentive cash bonus amount was based upon Threshold, Target and Maximum percentages of base salary. See the "2019 Grants of Plan-Based Awards" table on page 43 for the dollar amounts payable under each of these categories. Generally, executives must be employed as of the last day of the year to receive payment under the annual Incentive Cash Bonus Plan for that year.

The Threshold, Target and Maximum amounts for our NEOs in 2019 were unchanged from 2018, except for Mr. Williams and Ms. Morrison. Mr. Williams' Threshold, Target and Maximum amounts were increased from 50%, 75% and 100%, respectively, to 75%, 100% and 150%, respectively, in connection with his promotion to CFO during 2016 and to EVP during 2018. Ms. Morrison's maximum amount changed from 35% to 40%. The Threshold, Target and Maximum amounts for our NEOs in 2019 were as follows (as a percentage of base salary):

Named Executive Officer	Threshold	Target	Maximum
<b>Steven B. Tanger</b> , CEO	75%	100%	200%
<b>James F. Williams</b> , CFO	75%	100%	150%
<b>Thomas E. McDonough</b> , Former President <sup>(1)</sup>	75%	100%	170%
<b>Chad D. Perry</b> , GC	75%	100%	170%
<b>Lisa J. Morrison</b> , Executive Vice President - Leasing <sup>(2)</sup>	10%	20%	40%

(1) Pursuant to his Transition Agreement, Mr. McDonough became entitled to receive a guaranteed annual bonus of \$400,000.

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