

**United States  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended June 30, 2023**  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-11986 (Tanger Factory Outlet Centers, Inc.)  
Commission file number: 333-3526-01 (Tanger Properties Limited Partnership)

**TANGER FACTORY OUTLET CENTERS, INC.  
TANGER PROPERTIES LIMITED PARTNERSHIP**  
(Exact name of registrant as specified in its charter)

**North Carolina** (Tanger Factory Outlet Centers, Inc.)  
**North Carolina** (Tanger Properties Limited Partnership)  
(State or other jurisdiction of incorporation or organization)

**56-1815473**  
**56-1822494**  
(I.R.S. Employer Identification No.)

**3200 Northline Avenue, Suite 360, Greensboro, NC 27408**  
(Address of principal executive offices) (Zip Code)  
**(336) 292-3010**  
(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Tanger Factory Outlet Centers, Inc.:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.01 par value	SKT	New York Stock Exchange

Tanger Properties Limited Partnership:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Tanger Factory Outlet Centers, Inc. Yes  No   
Tanger Properties Limited Partnership Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Tanger Factory Outlet Centers, Inc. Yes  No   
Tanger Properties Limited Partnership Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Tanger Factory Outlet Centers, Inc.  
Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  Smaller Reporting Company   
Emerging Growth Company   
  
Tanger Properties Limited Partnership  
Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  Smaller Reporting Company   
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Tanger Factory Outlet Centers, Inc.   
Tanger Properties Limited Partnership

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Tanger Factory Outlet Centers, Inc.  
Tanger Properties Limited Partnership

Yes  No   
Yes  No

As of July 31, 2023, there were 105,180,276 common shares of Tanger Factory Outlet Centers, Inc. outstanding, \$.01 par value.

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## EXPLANATORY NOTE

This report combines the unaudited quarterly reports on Form 10-Q for the quarter ended June 30, 2023 of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term “Company” refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term “Operating Partnership” refers to Tanger Properties Limited Partnership and subsidiaries. The terms “we”, “our” and “us” refer to the Company or the Company and the Operating Partnership together, as the text requires.

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. The Company is a fully-integrated, self-administered and self-managed real estate investment trust (“REIT”), which, through its controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. The outlet centers and other assets are held by, and all of the operations are conducted by, the Operating Partnership. Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership. As the Operating Partnership is the issuer of our registered debt securities, we are required to present a separate set of financial statements for this entity.

The Company, including its wholly-owned subsidiary, Tanger LP Trust, owns the majority of the units of partnership interest issued by the Operating Partnership. The Company controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. As of June 30, 2023, the Company and its wholly owned subsidiaries owned 105,185,781 units of the Operating Partnership and other limited partners (the “Non-Company LPs”) collectively owned 4,737,982 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company’s common shares, subject to certain limitations to preserve the Company’s status as a REIT. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

Management operates the Company and the Operating Partnership as one enterprise. The management of the Company consists of the same members as the management of the Operating Partnership. These individuals are officers of the Company and employees of the Operating Partnership.

We believe combining the quarterly reports on Form 10-Q of the Company and the Operating Partnership into this single report results in the following benefits:

- enhancing investors’ understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are only a few differences between the Company and the Operating Partnership, which are reflected in the disclosure in this report. We believe it is important, however, to understand these differences between the Company and the Operating Partnership in the context of how the Company and the Operating Partnership operate as an interrelated consolidated company.

As stated above, the Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership, including through its wholly-owned subsidiary, Tanger LP Trust. As a result, the Company does not conduct business itself, other than issuing public equity from time to time and incurring expenses required to operate as a public company. However, all operating expenses incurred by the Company are reimbursed by the Operating Partnership, thus the only material item on the Company’s income statement is its equity in the earnings of the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. The Company itself does not hold any indebtedness but does guarantee certain debt of the Operating Partnership, as disclosed in this report.

The Operating Partnership holds all of the outlet centers and other assets, including the ownership interests in consolidated and unconsolidated joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by the Company, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates the capital required through its operations, its incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests, shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The limited partnership interests in the Operating Partnership held by the Non-Company LPs are accounted for as partners' capital in the Operating Partnership's financial statements and as noncontrolling interests in the Company's financial statements.

To help investors understand the significant differences between the Company and the Operating Partnership, this report presents the following separate sections, for each of the Company and the Operating Partnership:

- Consolidated financial statements;
- The following notes to the consolidated financial statements:
  - Debt of the Company and the Operating Partnership;
  - Shareholders' Equity and Partners' Equity;
  - Earnings Per Share and Earnings Per Unit;
  - Accumulated Other Comprehensive Income of the Company and the Operating Partnership; and
- Liquidity and Capital Resources in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the Operating Partnership in order to establish that the Principal Executive Officer and the Principal Financial Officer of each entity have made the requisite certifications and that the Company and Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

The separate sections in this report for the Company and the Operating Partnership specifically refer to the Company and the Operating Partnership. In the sections that combine disclosure of the Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that enters into contracts and joint ventures and holds assets and debt, reference to the Company is appropriate because the business is one enterprise and the Company operates the business through the Operating Partnership.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant. The separate discussions of the Company and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

# TANGER FACTORY OUTLET CENTERS, INC. AND TANGER PROPERTIES LIMITED PARTNERSHIP

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PART I. - FINANCIAL INFORMATION

Item 1 - Financial Statements of Tanger Factory Outlet Centers, Inc.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data, unaudited)

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Rental property:		
Land	\$ 275,081	\$ 275,079
Buildings, improvements and fixtures	2,564,722	2,553,452
Construction in progress	88,788	27,340
	2,928,591	2,855,871
Accumulated depreciation	(1,271,635)	(1,224,962)
Total rental property, net	1,656,956	1,630,909
Cash and cash equivalents	213,002	212,124
Short-term investments	15,370	52,450
Investments in unconsolidated joint ventures	74,460	73,809
Deferred lease costs and other intangibles, net	55,588	58,574
Operating lease right-of-use assets	78,025	78,636
Prepays and other assets	102,547	111,163
<b>Total assets</b>	<b>\$ 2,195,948</b>	<b>\$ 2,217,665</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Debt:		
Senior, unsecured notes, net	\$ 1,038,915	\$ 1,037,998
Unsecured term loan, net	321,947	321,525
Mortgages payable, net	66,529	68,971
Unsecured lines of credit	—	—
Total debt	1,427,391	1,428,494
Accounts payable and accrued expenses	91,897	104,741
Operating lease liabilities	86,929	87,528
Other liabilities	81,988	82,968
<b>Total liabilities</b>	<b>1,688,205</b>	<b>1,703,731</b>
Commitments and contingencies		
<b>Equity</b>		
Tanger Factory Outlet Centers, Inc.:		
Common shares, \$0.01 par value, 300,000,000 shares authorized, 105,185,781 and 104,497,920 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	1,052	1,045
Paid in capital	986,472	987,192
Accumulated distributions in excess of net income	(488,273)	(485,557)
Accumulated other comprehensive loss	(13,342)	(11,037)
Equity attributable to Tanger Factory Outlet Centers, Inc.	485,909	491,643
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	21,834	22,291
Noncontrolling interests in other consolidated partnerships	—	—
<b>Total equity</b>	<b>507,743</b>	<b>513,934</b>
<b>Total liabilities and equity</b>	<b>\$ 2,195,948</b>	<b>\$ 2,217,665</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share data, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Rental revenues	\$ 104,588	\$ 101,409	\$ 208,170	\$ 206,018
Management, leasing and other services	2,122	1,436	4,036	2,963
Other revenues	3,931	2,993	7,378	5,725
<b>Total revenues</b>	<b>110,641</b>	<b>105,838</b>	<b>219,584</b>	<b>214,706</b>
<b>Expenses:</b>				
Property operating	33,712	32,697	66,860	69,455
General and administrative	18,304	19,329	35,738	34,796
Depreciation and amortization	25,389	26,220	51,282	52,463
<b>Total expenses</b>	<b>77,405</b>	<b>78,246</b>	<b>153,880</b>	<b>156,714</b>
<b>Other income (expense):</b>				
Interest expense	(11,966)	(11,576)	(24,309)	(23,210)
Other income (expense)	2,324	2,576	5,124	2,759
<b>Total other income (expense)</b>	<b>(9,642)</b>	<b>(9,000)</b>	<b>(19,185)</b>	<b>(20,451)</b>
<b>Income before equity in earnings of unconsolidated joint ventures</b>	<b>23,594</b>	<b>18,592</b>	<b>46,519</b>	<b>37,541</b>
Equity in earnings of unconsolidated joint ventures	1,706	2,227	3,641	4,740
<b>Net income</b>	<b>25,300</b>	<b>20,819</b>	<b>50,160</b>	<b>42,281</b>
Noncontrolling interests in Operating Partnership	(1,098)	(914)	(2,169)	(1,858)
Noncontrolling interests in other consolidated partnerships	—	—	(248)	—
<b>Net income attributable to Tanger Factory Outlet Centers, Inc.</b>	<b>\$ 24,202</b>	<b>\$ 19,905</b>	<b>\$ 47,743</b>	<b>\$ 40,423</b>
<b>Basic earnings per common share:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.39
<b>Diluted earnings per common share:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.38

*The accompanying notes are an integral part of these consolidated financial statements.*

**TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In thousands, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 25,300	\$ 20,819	\$ 50,160	\$ 42,281
Other comprehensive income (loss):				
Foreign currency translation adjustments	1,227	(2,441)	1,389	(1,215)
Change in fair value of cash flow hedges	(373)	2,265	(3,799)	9,939
Other comprehensive income (loss)	854	(176)	(2,410)	8,724
<b>Comprehensive income</b>	26,154	20,643	47,750	51,005
Comprehensive income attributable to noncontrolling interests	(1,135)	(906)	(2,064)	(2,241)
<b>Comprehensive income attributable to Tanger Factory Outlet Centers, Inc.</b>	<b>\$ 25,019</b>	<b>\$ 19,737</b>	<b>\$ 45,686</b>	<b>\$ 48,764</b>

*The accompanying notes are an integral part of these consolidated financial statements.*



**TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(In thousands, except share and per share data, unaudited)

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
<b>Balance, March 31, 2022</b>	\$ 1,044	\$ 978,734	\$ (482,206)	\$ (9,252)	\$ 488,320	\$ 22,257	\$ —	\$ 510,577
Net income	—	—	19,905	—	19,905	914	—	20,819
Other comprehensive loss	—	—	—	(168)	(168)	(8)	—	(176)
Compensation under Incentive Award Plan	—	4,299	—	—	4,299	—	—	4,299
Issuance of 800 common shares upon exercise of options	—	5	—	—	5	—	—	5
Forfeiture of 13,062 restricted common share awards	—	—	—	—	—	—	—	—
Withholding of 62,007 common shares for employee income taxes	—	(1,057)	—	—	(1,057)	—	—	(1,057)
Adjustment for noncontrolling interests in Operating Partnership	—	(148)	—	—	(148)	148	—	—
Common dividends (\$0.20 per share)	—	—	(20,940)	—	(20,940)	—	—	(20,940)
Distributions to noncontrolling interests	—	—	—	—	—	(952)	—	(952)
<b>Balance, June 30, 2022</b>	\$ 1,044	\$ 981,833	\$ (483,241)	\$ (9,420)	\$ 490,216	\$ 22,359	\$ —	\$ 512,575

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
<b>Balance, December 31, 2021</b>	\$ 1,041	\$ 978,054	\$ (483,409)	\$ (17,761)	\$ 477,925	\$ 21,864	\$ —	\$ 499,789
Net income	—	—	40,423	—	40,423	1,858	—	42,281
Other comprehensive income	—	—	—	8,341	8,341	383	—	8,724
Compensation under Incentive Award Plan	—	7,045	—	—	7,045	—	—	7,045
Issuance of 2,700 common shares upon exercise of options	—	15	—	—	15	—	—	15
Grant of 499,336 restricted common share awards, net of forfeitures	4	(4)	—	—	—	—	—	—
Withholding of 191,978 common shares for employee income taxes	(1)	(3,202)	—	—	(3,203)	—	—	(3,203)
Adjustment for noncontrolling interests in Operating Partnership	—	(75)	—	—	(75)	75	—	—
Common dividends (\$0.3825 per share)	—	—	(40,255)	—	(40,255)	—	—	(40,255)
Distributions to noncontrolling interests	—	—	—	—	—	(1,821)	—	(1,821)
<b>Balance, June 30, 2022</b>	\$ 1,044	\$ 981,833	\$ (483,241)	\$ (9,420)	\$ 490,216	\$ 22,359	\$ —	\$ 512,575

*The accompanying notes are an integral part of these consolidated financial statements.*

**TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

(In thousands, except share and per share data, unaudited)

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
<b>Balance, March 31, 2023</b>	\$ 1,053	\$ 984,254	\$ (486,639)	\$ (14,159)	\$ 484,509	\$ 21,797	\$ —	\$ 506,306
Net income	—	—	24,202	—	24,202	1,098	—	25,300
Other comprehensive income	—	—	—	817	817	37	—	854
Compensation under Incentive Award Plan	—	3,452	—	—	3,452	—	—	3,452
Issuance of 4,600 common shares upon exercise of options	—	28	—	—	28	—	—	28
Forfeiture of 73,440 restricted common share awards	(1)	—	—	—	(1)	—	—	(1)
Withholding of 61,632 common shares for employee income taxes	—	(1,194)	—	—	(1,194)	—	—	(1,194)
Adjustment for noncontrolling interests in other consolidated partnerships	—	(68)	—	—	(68)	68	—	—
Common dividends (\$0.245 per share)	—	—	(25,836)	—	(25,836)	—	—	(25,836)
Distributions to noncontrolling interests	—	—	—	—	—	(1,166)	—	(1,166)
<b>Balance, June 30, 2023</b>	\$ 1,052	\$ 986,472	\$ (488,273)	\$ (13,342)	\$ 485,909	\$ 21,834	\$ —	\$ 507,743

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
<b>Balance, December 31, 2022</b>	\$ 1,045	\$ 987,192	\$ (485,557)	\$ (11,037)	\$ 491,643	\$ 22,291	\$ —	\$ 513,934
Net income	—	—	47,743	—	47,743	2,169	248	50,160
Other comprehensive loss	—	—	—	(2,305)	(2,305)	(105)	—	(2,410)
Compensation under Incentive Award Plan	—	5,775	—	—	5,775	—	—	5,775
Issuance of 7,200 common shares upon exercise of options	—	43	—	—	43	—	—	43
Grant of 1,042,932 restricted common share awards, net of forfeitures	10	(11)	—	—	(1)	—	—	(1)
Withholding of 362,271 common shares for employee income taxes	(3)	(6,840)	—	—	(6,843)	—	—	(6,843)
Adjustment for noncontrolling interests in Operating Partnership	—	313	—	—	313	(313)	—	—
Common dividends (\$0.4650 per share)	—	—	(50,459)	—	(50,459)	—	—	(50,459)
Distributions to noncontrolling interests	—	—	—	—	—	(2,208)	(248)	(2,456)
<b>Balance, June 30, 2023</b>	\$ 1,052	\$ 986,472	\$ (488,273)	\$ (13,342)	\$ 485,909	\$ 21,834	\$ —	\$ 507,743

*The accompanying notes are an integral part of these consolidated financial statements.*

**TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands, unaudited)

	Six months ended June 30,	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 50,160	\$ 42,281
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	51,282	52,463
Amortization of deferred financing costs	1,599	1,541
Equity in earnings of unconsolidated joint ventures	(3,641)	(4,740)
Equity-based compensation expense	5,652	6,959
Amortization of debt (premiums) and discounts, net	294	241
Amortization (accretion) of market rent rate adjustments, net	289	314
Straight-line rent adjustments	1,001	1,035
Distributions of cumulative earnings from unconsolidated joint ventures	3,721	4,775
Other non-cash	—	(2,418)
Changes in other assets and liabilities:		
Other assets	6,931	7,072
Accounts payable and accrued expenses	(18,369)	(20,448)
<b>Net cash provided by operating activities</b>	<b>98,919</b>	<b>89,075</b>
<b>INVESTING ACTIVITIES</b>		
Additions to rental property	(71,830)	(25,717)
Additions to investments in unconsolidated joint ventures	(2,633)	—
Net proceeds on sale of non-real estate assets	—	14,610
Proceeds from short-term investments	37,080	—
Additions to non-real estate assets	(2,135)	(4,176)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	4,080	6,536
Additions to deferred lease costs	(1,384)	(1,076)
Payments for other investing activities	(2,036)	—
Proceeds from other investing activities	3,821	1,728
<b>Net cash used in investing activities</b>	<b>(35,037)</b>	<b>(8,095)</b>
<b>FINANCING ACTIVITIES</b>		
Cash dividends paid	(50,459)	(40,255)
Distributions to noncontrolling interests in Operating Partnership	(2,208)	(1,821)
Proceeds from notes, mortgages and loans	—	—
Repayments of notes, mortgages and loans	(2,343)	(2,180)
Employee income taxes paid related to shares withheld upon vesting of equity awards	(6,843)	(3,203)
Proceeds from exercise of options	43	15
Payment for other financing activities	(590)	(574)
Distributions to noncontrolling interests in other consolidated partnerships	(248)	—
<b>Net cash used in financing activities</b>	<b>(62,648)</b>	<b>(48,018)</b>
Effect of foreign currency rate changes on cash and cash equivalents	(356)	(27)
Net increase in cash and cash equivalents	878	32,935
<b>Cash and cash equivalents, beginning of period</b>	<b>212,124</b>	<b>161,255</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 213,002</b>	<b>\$ 194,190</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

Item 1 - Financial Statements of Tanger Properties Limited Partnership

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data, unaudited)

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Rental property:		
Land	\$ 275,081	\$ 275,079
Buildings, improvements and fixtures	2,564,722	2,553,452
Construction in progress	88,788	27,340
	2,928,591	2,855,871
Accumulated depreciation	(1,271,635)	(1,224,962)
Total rental property, net	1,656,956	1,630,909
Cash and cash equivalents	212,842	212,011
Short-term investments	15,370	52,450
Investments in unconsolidated joint ventures	74,460	73,809
Deferred lease costs and other intangibles, net	55,588	58,574
Operating lease right-of-use assets	78,025	78,636
Prepays and other assets	102,277	110,622
<b>Total assets</b>	<b>\$ 2,195,518</b>	<b>\$ 2,217,011</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Debt:		
Senior, unsecured notes, net	\$ 1,038,915	\$ 1,037,998
Unsecured term loan, net	321,947	321,525
Mortgages payable, net	66,529	68,971
Unsecured lines of credit	—	—
Total debt	1,427,391	1,428,494
Accounts payable and accrued expenses	91,467	104,087
Operating lease liabilities	86,929	87,528
Other liabilities	81,988	82,968
<b>Total liabilities</b>	<b>1,687,775</b>	<b>1,703,077</b>
Commitments and contingencies		
<b>Equity</b>		
Partners' Equity:		
General partner, 1,100,000 units outstanding at June 30, 2023 and 1,100,000 units at December 31, 2022, respectively	4,503	4,516
Limited partners, 4,737,982 and 4,737,982 Class A common units, and 104,085,781 and 103,397,920 Class B common units outstanding at June 30, 2023 and December 31, 2022, respectively	517,400	521,168
Accumulated other comprehensive loss	(14,160)	(11,750)
Total partners' equity	507,743	513,934
Noncontrolling interests in consolidated partnerships	—	—
<b>Total equity</b>	<b>507,743</b>	<b>513,934</b>
<b>Total liabilities and equity</b>	<b>\$ 2,195,518</b>	<b>\$ 2,217,011</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per unit data, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Rental revenues	\$ 104,588	\$ 101,409	\$ 208,170	\$ 206,018
Management, leasing and other services	2,122	1,436	4,036	2,963
Other revenues	3,931	2,993	7,378	5,725
<b>Total revenues</b>	<b>110,641</b>	<b>105,838</b>	<b>219,584</b>	<b>214,706</b>
<b>Expenses:</b>				
Property operating	33,712	32,697	66,860	69,455
General and administrative	18,304	19,329	35,738	34,796
Depreciation and amortization	25,389	26,220	51,282	52,463
<b>Total expenses</b>	<b>77,405</b>	<b>78,246</b>	<b>153,880</b>	<b>156,714</b>
<b>Other income (expense):</b>				
Interest expense	(11,966)	(11,576)	(24,309)	(23,210)
Other income (expense)	2,324	2,576	5,124	2,759
<b>Total other income (expense)</b>	<b>(9,642)</b>	<b>(9,000)</b>	<b>(19,185)</b>	<b>(20,451)</b>
<b>Income before equity in earnings of unconsolidated joint ventures</b>	<b>23,594</b>	<b>18,592</b>	<b>46,519</b>	<b>37,541</b>
Equity in earnings of unconsolidated joint ventures	1,706	2,227	3,641	4,740
<b>Net income</b>	<b>25,300</b>	<b>20,819</b>	<b>50,160</b>	<b>42,281</b>
Noncontrolling interests in consolidated partnerships	—	—	(248)	—
<b>Net income available to partners</b>	<b>25,300</b>	<b>20,819</b>	<b>49,912</b>	<b>42,281</b>
<b>Net income available to limited partners</b>	<b>25,047</b>	<b>24,706</b>	<b>49,413</b>	<b>41,856</b>
<b>Net income (loss) available to general partner</b>	<b>\$ 253</b>	<b>\$ (3,887)</b>	<b>\$ 499</b>	<b>\$ 425</b>
<b>Basic earnings per common unit:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.39
<b>Diluted earnings per common unit:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.38

*The accompanying notes are an integral part of these consolidated financial statements.*

**TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In thousands, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 25,300	\$ 20,819	\$ 50,160	\$ 42,281
Other comprehensive income (loss):				
Foreign currency translation adjustments	1,227	(2,441)	1,389	(1,215)
Changes in fair value of cash flow hedges	(373)	2,265	(3,799)	9,939
Other comprehensive income (loss)	854	(176)	(2,410)	8,724
<b>Comprehensive income</b>	26,154	20,643	47,750	51,005
Comprehensive income attributable to noncontrolling interests in consolidated partnerships	—	—	(248)	—
<b>Comprehensive income attributable to the Operating Partnership</b>	<b>\$ 26,154</b>	<b>\$ 20,643</b>	<b>\$ 47,502</b>	<b>\$ 51,005</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**

(In thousands, except unit and per unit data, unaudited)

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
<b>Balance, March 31, 2022</b>	\$ 8,650	\$ 511,800	\$ (9,873)	\$ 510,577	\$ —	\$ 510,577
Net loss	(3,887)	24,706	—	20,819	—	20,819
Other comprehensive loss	—	—	(176)	(176)	—	(176)
Compensation under Incentive Award Plan	—	4,299	—	4,299	—	4,299
Forfeiture of 13,062 common units	—	—	—	—	—	—
Withholding of 62,007 common units for employee income taxes	—	(1,057)	—	(1,057)	—	(1,057)
Grant of 800 restricted common share awards by the Company	—	5	—	5	—	5
Common distributions (\$0.20 per unit)	(220)	(21,672)	—	(21,892)	—	(21,892)
<b>Balance, June 30, 2022</b>	\$ 4,543	\$ 518,081	\$ (10,049)	\$ 512,575	\$ —	\$ 512,575

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
<b>Balance, December 31, 2021</b>	\$ 4,539	\$ 514,023	\$ (18,773)	\$ 499,789	\$ —	\$ 499,789
Net income	425	41,856	—	42,281	—	42,281
Other comprehensive income	—	—	8,724	8,724	—	8,724
Compensation under Incentive Award Plan	—	7,045	—	7,045	—	7,045
Issuance of 2,700 common units upon exercise of options	—	15	—	15	—	15
Withholding of 191,978 common units for employee income taxes	—	(3,203)	—	(3,203)	—	(3,203)
Grant of 499,336 restricted common share awards by the Company, net of forfeitures	—	—	—	—	—	—
Common distributions (\$0.3825 per unit)	(421)	(41,655)	—	(42,076)	—	(42,076)
<b>Balance, June 30, 2022</b>	\$ 4,543	\$ 518,081	\$ (10,049)	\$ 512,575	\$ —	\$ 512,575

**TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(In thousands, except unit and per unit data, unaudited)

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
<b>Balance, March 31, 2023</b>	\$ 4,520	\$ 516,800	\$ (15,014)	\$ 506,306	\$ —	\$ 506,306
Net income	253	25,047	—	25,300	—	25,300
Other comprehensive income	—	—	854	854	—	854
Compensation under Incentive Award Plan	—	3,452	—	3,452	—	3,452
Issuance of 4,600 common units upon exercise of options	—	28	—	28	—	28
Forfeiture of 73,440 common units	—	—	—	—	—	—
Withholding of 61,632 common units for employee income taxes	—	(1,194)	—	(1,194)	—	(1,194)
Common distributions (0.245 per unit)	(270)	(26,733)	—	(27,003)	—	(27,003)
<b>Balance, June 30, 2023</b>	\$ 4,503	\$ 517,400	\$ (14,160)	\$ 507,743	\$ —	\$ 507,743

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
<b>Balance, December 31, 2022</b>	\$ 4,516	\$ 521,168	\$ (11,750)	\$ 513,934	\$ —	\$ 513,934
Net income	499	49,413	—	49,912	248	50,160
Other comprehensive loss	—	—	(2,410)	(2,410)	—	(2,410)
Compensation under Incentive Award Plan	—	5,775	—	5,775	—	5,775
Issuance of 7,200 common units upon exercise of options	—	43	—	43	—	43
Withholding of 362,271 common units for employee income taxes	—	(6,843)	—	(6,843)	—	(6,843)
Grant of 1,042,932 restricted common share awards by the Company, net of forfeitures	—	—	—	—	—	—
Common distributions (\$0.4650 per unit)	(512)	(52,156)	—	(52,668)	(248)	(52,916)
<b>Balance, June 30, 2023</b>	\$ 4,503	\$ 517,400	\$ (14,160)	\$ 507,743	\$ —	\$ 507,743

*The accompanying notes are an integral part of these consolidated financial statements.*



**TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands, unaudited)

	Six months ended June 30,	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 50,160	\$ 42,281
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	51,282	52,463
Amortization of deferred financing costs	1,599	1,541
Equity in earnings of unconsolidated joint ventures	(3,641)	(4,740)
Equity-based compensation expense	5,652	6,959
Amortization of debt (premiums) and discounts, net	294	241
Amortization (accretion) of market rent rate adjustments, net	289	314
Straight-line rent adjustments	1,001	1,035
Distributions of cumulative earnings from unconsolidated joint ventures	3,721	4,775
Other non-cash	—	(2,418)
Changes in other assets and liabilities:		
Other assets	6,659	7,194
Accounts payable and accrued expenses	(18,144)	(20,449)
<b>Net cash provided by operating activities</b>	<b>98,872</b>	<b>89,196</b>
<b>INVESTING ACTIVITIES</b>		
Additions to rental property	(71,830)	(25,717)
Additions to investments in unconsolidated joint ventures	(2,633)	—
Net proceeds on sale of non-real estate assets	—	14,610
Proceeds from short-term investments	37,080	—
Additions to non-real estate assets	(2,135)	(4,176)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	4,080	6,536
Additions to deferred lease costs	(1,384)	(1,076)
Payments for other investing activities	(2,036)	—
Proceeds from other investing activities	3,821	1,728
<b>Net cash used in investing activities</b>	<b>(35,037)</b>	<b>(8,095)</b>
<b>FINANCING ACTIVITIES</b>		
Cash distributions paid	(52,667)	(42,076)
Proceeds from notes, mortgages and loans	—	—
Repayments of notes, mortgages and loans	(2,343)	(2,180)
Employee income taxes paid related to shares withheld upon vesting of equity awards	(6,843)	(3,203)
Proceeds from exercise of options	43	15
Payment for other financing activities	(590)	(574)
Distributions to noncontrolling interests in other consolidated partnerships	(248)	—
<b>Net cash used in financing activities</b>	<b>(62,648)</b>	<b>(48,018)</b>
Effect of foreign currency on cash and cash equivalents	(356)	(27)
Net increase in cash and cash equivalents	831	33,056
<b>Cash and cash equivalents, beginning of period</b>	<b>212,011</b>	<b>161,152</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 212,842</b>	<b>\$ 194,208</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES**  
**TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Business**

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. We are a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") which, through our controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. As of June 30, 2023, we owned and operated 29 consolidated outlet centers, with a total gross leasable area of approximately 11.3 million square feet, which were 97% occupied and contained approximately 2,300 stores representing approximately 600 store brands, as well as one center under construction. We also had partial ownership interests in six unconsolidated outlet centers totaling approximately 2.1 million square feet, including two outlet centers in Canada. Our portfolio also includes one managed center totaling approximately 500,000 square feet. Each of our outlet centers, except one joint venture property, features the Tanger brand name.

Our outlet centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership and subsidiaries. Accordingly, the descriptions of our business, employees and properties are also descriptions of the business, employees and properties of the Operating Partnership. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term "Operating Partnership" refers to Tanger Properties Limited Partnership and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the text requires.

The Company, including its wholly-owned subsidiary, Tanger LP Trust, owns the majority of the units of partnership interest issued by the Operating Partnership. The Company controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. As of June 30, 2023, the Company and its wholly-owned subsidiaries owned 105,185,781 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 4,737,982 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The unaudited consolidated financial statements included herein have been prepared pursuant to accounting principles generally accepted in the United States of America ("GAAP") and should be read in conjunction with the consolidated financial statements and notes thereto of the Company's and the Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2022. The December 31, 2022 balance sheet data in this Form 10-Q was derived from audited financial statements. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), although management believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods have been made. The results of interim periods are not necessarily indicative of the results for a full year.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant.

We consolidate properties that are wholly-owned and properties where we own less than 100% but control such properties. Control is determined using an evaluation based on accounting standards related to the consolidation of voting interest entities and variable interest entities ("VIE"). For joint ventures that are determined to be a VIE, we consolidate the entity where we are deemed to be the primary beneficiary. Determination of the primary beneficiary is based on whether an entity has (1) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. Our determination of the primary beneficiary considers all relationships between us and the VIE, including management agreements and other contractual arrangements.

Investments in real estate joint ventures that we do not control but may exercise significant influence on are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our equity in the joint venture's net income or loss, cash contributions, distributions and other adjustments required under the equity method of accounting.

For certain investments in real estate joint ventures, we record our equity in the venture's net income or loss under the hypothetical liquidation at book value method of accounting due to the structures and the preferences we receive on the distributions from our joint ventures pursuant to the respective joint venture agreements for those joint ventures. Under this method, we recognize income and loss in each period based on the change in liquidation proceeds we would receive from a hypothetical liquidation of our investment based on depreciated book value. Therefore, income or loss may be allocated disproportionately as compared to the ownership percentages due to specified preferred return rate thresholds and may be more or less than actual cash distributions received and more or less than what we may receive in the event of an actual liquidation.

We separately report investments in joint ventures for which accumulated distributions have exceeded investments in, and our share of net income or loss of, the joint ventures within other liabilities in the consolidated balance sheets because we are committed to provide further financial support to these joint ventures. The carrying amount of our investments in the Charlotte, Columbus, Galveston/Houston, and National Harbor joint ventures are less than zero because of financing or operating distributions that were greater than net income, as net income includes non-cash charges for depreciation and amortization.

"Noncontrolling interests in the Operating Partnership" reflects the Non-Company LPs' percentage ownership of the Operating Partnership's units. "Noncontrolling interests in other consolidated partnerships" consist of outside equity interests in partnerships or joint ventures not wholly-owned by the Company or the Operating Partnership that are consolidated with the financial results of the Company and Operating Partnership because the Operating Partnership exercises control over the entities that own the properties. Noncontrolling interests are initially recorded in the consolidated balance sheets at fair value based upon purchase price allocations. Income is allocated to the noncontrolling interests based on the allocation provisions within the partnership or joint venture agreements.

#### **Accounts Receivable**

Individual leases are assessed for collectability and upon the determination that the collection of rents is not probable, accrued rent and accounts receivable are written-off as an adjustment to rental revenue. Revenue from leases where collection is deemed to be less than probable is recorded on a cash basis until collectability is determined to be probable. Further we assess whether operating lease receivables, at a portfolio level, are appropriately valued based upon an analysis of balances outstanding, historical bad debt levels and current economic trends including discussions with tenants for potential lease amendments. Our estimate of the collectability of accrued rents and accounts receivable is based on the best information available to us at the time of preparing the financial statements. Straight-line rent adjustments recorded as a receivable in prepaids and other assets on the consolidated balance sheets was approximately \$50.1 million as of June 30, 2023.

### Impairment of Long-Lived Assets

Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less than such carrying amount, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value. The cash flow estimates used both for determining recoverability and estimating fair value are inherently judgmental and reflect current and projected trends in rental, occupancy, capitalization, and discount rates, and estimated holding periods for the applicable assets. The estimated fair value is based primarily on the income approach. The income approach involves discounting the estimated income stream and reversion (presumed sale) value of a property over an estimated holding period to a present value at a risk-adjusted rate. Discount rates and terminal capitalization rates utilized in this approach are derived from property-specific information, market transactions and other financial and industry data.

If economic and market conditions deteriorate beyond our current expectations, or if our expected holding periods for assets change, subsequent tests for impairment could result in additional impairment charges in the future. For example, the Foxwoods outlet center, which is part of a casino property, continues to face leasing challenges that could lead to further declines in occupancy, rental revenues and cash flows in the future. Such challenges, or a change in our expected holding period, could result in additional impairment charges recognized for the Foxwoods property. In addition, one of our outlet centers has an estimated fair value significantly less than its recorded carrying value of approximately \$111.4 million. We continue to monitor facts and circumstances and events in future periods that could affect inputs such as the expected holding period, operating cash flow forecasts and capitalization rates, to determine whether an impairment charge is necessary. We can provide no assurance that material impairment charges with respect to our properties will not occur in future periods.

### 3. Developments of Consolidated Outlet Centers

The table below sets forth our consolidated outlet centers under development as of June 30, 2023:

Project	Approximate Square Feet (in 000's)	Estimated Total Net Cost (millions)	Costs Incurred to Date (in millions) <sup>1</sup>	Projected Opening
<i>New Development:</i>				
Nashville	290	\$143 - \$147	\$89.3	October 2023

(1) Includes the land purchased for the Nashville, Tennessee outlet for approximately \$ 8.8 million. This is included in Land on our consolidated balance sheet.

#### 4. Investments in Unconsolidated Real Estate Joint Ventures

The equity method of accounting is used to account for each of the individual joint ventures. We have an ownership interest in the following unconsolidated real estate joint ventures:

As of June 30, 2023					
Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)	Total Joint Venture Debt, Net (in millions) <sup>(1)</sup>
Investments included in investments in unconsolidated joint ventures:					
RioCan Canada	Various	50.0 %	665	\$ 74.5	—
				\$ 74.5	
Investments included in other liabilities:					
Charlotte <sup>(2)</sup>	Charlotte, NC	50.0 %	399	(19.7)	99.7
National Harbor <sup>(2)</sup>	National Harbor, MD	50.0 %	341	(14.2)	94.0
Galveston/Houston <sup>(2)</sup>	Texas City, TX	50.0 %	353	(13.2)	57.0
Columbus <sup>(2)</sup>	Columbus, OH	50.0 %	355	(2.9)	70.3
				\$ (50.0)	

As of December 31, 2022					
Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)	Total Joint Venture Debt, Net (in millions) <sup>(1)</sup>
Investments included in investments in unconsolidated joint ventures:					
RioCan Canada	Various	50.0 %	665	73.8	—
				\$ 73.8	
Investments included in other liabilities:					
Charlotte <sup>(2)</sup>	Charlotte, NC	50.0 %	399	\$ (18.8)	\$ 99.7
National Harbor <sup>(2)</sup>	National Harbor, MD	50.0 %	341	(12.8)	94.6
Galveston/Houston <sup>(2)</sup>	Texas City, TX	50.0 %	353	(15.5)	64.5
Columbus <sup>(2)</sup>	Columbus, OH	50.0 %	355	(2.4)	70.3
				\$ (49.5)	

(1) Net of debt origination costs of \$2.3 million as of June 30, 2023 and \$1.5 million as of December 31, 2022.

(2) The negative carrying value is due to distributions exceeding contributions and increases or decreases from our equity in earnings of the joint venture.

Fees we received for various services provided to our unconsolidated joint ventures were recognized in management, leasing and other services as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Fee:				
Management and marketing	\$ 565	\$ 552	\$ 1,109	\$ 1,088
Leasing and other fees	53	—	98	35
Expense reimbursements from unconsolidated joint ventures	1,109	884	2,185	1,840
Total Fees	\$ 1,727	\$ 1,436	\$ 3,391	\$ 2,963

Our investments in real estate joint ventures are reduced by the percentage of the profits earned for leasing and development services associated with our ownership interest in each joint venture. Our carrying value of investments in unconsolidated joint ventures differs from our share of the assets reported in the "Condensed Combined Balance Sheets - Unconsolidated Joint Ventures" shown below due to adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis (totaling \$3.1 million and \$3.2 million as of June 30, 2023 and December 31, 2022, respectively) are amortized over the various useful lives of the related assets.

#### Galveston/Houston

In June 2023, the Galveston/Houston joint venture completed the refinance of its mortgage. The new \$ 58.0 million loan has a maturity date of June 2026 and an interest rate of Daily SOFR + 3.00%. In conjunction with this refinance, the joint venture entered into a \$ 29.0 million interest rate swap that fixes Daily SOFR at 4.44% until December 2025.

Condensed combined summary financial information of unconsolidated joint ventures accounted for using the equity method is as follows (in thousands):

<b>Condensed Combined Balance Sheets - Unconsolidated Joint Ventures</b>	June 30, 2023	December 31, 2022
<b>Assets</b>		
Land	\$ 82,648	\$ 81,716
Buildings, improvements and fixtures	463,373	458,190
Construction in progress	442	681
	546,463	540,587
Accumulated depreciation	(193,795)	(182,731)
Total rental property, net	352,668	357,856
Cash and cash equivalents	10,806	17,372
Deferred lease costs and other intangibles, net	2,613	2,895
Prepays and other assets	9,140	10,612
<b>Total assets</b>	<b>\$ 375,227</b>	<b>\$ 388,735</b>
<b>Liabilities and Owners' Equity</b>		
Mortgages payable, net	\$ 321,082	\$ 329,009
Accounts payable and other liabilities	13,164	15,374
Total liabilities	334,246	344,383
Owners' equity	40,981	44,352
<b>Total liabilities and owners' equity</b>	<b>\$ 375,227</b>	<b>\$ 388,735</b>

Condensed Combined Statements of Operations - Unconsolidated Joint Ventures	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Revenues</b>	\$ 21,804	\$ 21,666	\$ 43,933	\$ 43,507
<b>Expenses:</b>				
Property operating	8,783	8,435	17,255	16,738
General and administrative	47	40	189	133
Depreciation and amortization	5,156	5,540	10,395	11,021
Total expenses	13,986	14,015	27,839	27,892
<b>Other income (expense):</b>				
Interest expense	(4,519)	(3,158)	(8,920)	(6,073)
Other income	129	3	268	6
Total other expense	(4,390)	(3,155)	(8,652)	(6,067)
<b>Net income</b>	\$ 3,428	\$ 4,496	\$ 7,442	\$ 9,548
<b>The Company and Operating Partnership's share of:</b>				
Net income	\$ 1,706	\$ 2,227	\$ 3,641	\$ 4,740
Depreciation and amortization (real estate related)	\$ 2,615	\$ 2,791	\$ 5,285	\$ 5,545

## 5. Debt Guaranteed by the Company

All of the Company's debt is held by the Operating Partnership and its consolidated subsidiaries.

The Company guarantees the Operating Partnership's obligations with respect to its unsecured lines of credit which have a total borrowing capacity of \$ 520.0 million as of June 30, 2023. The Company also guarantees the Operating Partnership's unsecured term loan.

The Operating Partnership had the following principal amounts outstanding on the debt guaranteed by the Company (in thousands):

	June 30, 2023	As of December 31, 2022
Unsecured lines of credit	\$ —	\$ —
Unsecured term loan	\$ 325,000	\$ 325,000

## 6. Debt of the Operating Partnership

The debt of the Operating Partnership consisted of the following (in thousands):

	Stated Interest Rate(s)	Maturity Date	As of June 30, 2023		As of December 31, 2022	
			Principal	Book Value <sup>(1)</sup>	Principal	Book Value <sup>(1)</sup>
<b>Senior, unsecured notes:</b>						
Senior notes	3.125 %	September 2026	\$ 350,000	\$ 348,179	\$ 350,000	\$ 347,894
Senior notes	3.875 %	July 2027	300,000	298,343	300,000	298,142
Senior notes	2.750 %	September 2031	400,000	392,393	400,000	391,962
<b>Mortgages payable:</b>						
Atlantic City <sup>(2) (3)</sup>	6.44 % - 7.65%	December 2024- December 2026	14,765	15,149	17,109	17,625
Southaven	Adj SOFR + 2.00%	October 2026	51,700	51,380	51,700	51,346
Unsecured term loan	Adj SOFR + 0.95%	January 2027	325,000	321,947	325,000	321,525
Unsecured lines of credit	Adj SOFR + 1.00%	July 2025	—	—	—	—
			<b>\$ 1,441,465</b>	<b>\$ 1,427,391</b>	<b>\$ 1,443,809</b>	<b>\$ 1,428,494</b>

(1) Including premiums and net of debt discount and debt origination costs. Excludes \$2.9 million and \$3.5 million of unamortized debt origination costs related to the unsecured lines of credit for the periods ended June 30, 2023 and December 31, 2022, respectively, recorded in prepaids and other assets in the Consolidated Balance Sheet.

(2) The effective interest rate assigned during the purchase price allocation to the Atlantic City mortgages assumed during the acquisition in 2011 was 5.05%.

(3) Principal and interest due monthly with remaining principal due at maturity.

Certain of our properties, which had a net book value of approximately \$ 139.6 million at June 30, 2023, serve as collateral for mortgages payable. As of June 30, 2023, we maintained unsecured lines of credit that provided for borrowings of up to \$520.0 million. The unsecured lines of credit as of June 30, 2023 included a \$20.0 million liquidity line and a \$500.0 million syndicated line. The syndicated line may be increased up to \$ 1.2 billion through an accordion feature in certain circumstances.

We provide guarantees to lenders for our joint ventures, which include standard non-recourse carve out indemnifications for losses arising from items such as but not limited to fraud, physical waste, payment of taxes, environmental indemnities, misapplication of insurance proceeds or security deposits and failure to maintain required insurance. For term loans, we may include a guaranty of completion as well as a principal guaranty ranging from 0% to 17.2% of principal. As of June 30, 2023, the maximum amount of unconsolidated joint venture debt guaranteed by the Company was \$10.0 million.

The unsecured lines of credit and senior unsecured notes include covenants that require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. As of June 30, 2023, we believe we were in compliance with all of our debt covenants.

In May 2023, Fitch Ratings assigned a first-time 'BBB' long-term issuer default rating to the Company and the Operating Partnership, along with a Stable rating outlook. Fitch also assigned a 'BBB' rating to Operating Partnership's senior unsecured debt, which includes our lines of credit, a term loan and senior notes. As a result, the applicable pricing margin on each of our unsecured lines of credit and our term loan was reduced by 25 basis points (including a 5 basis point reduction in the facility fee on the unsecured lines of credit).



## Debt Maturities

Maturities and principal amortization of the existing long-term debt as of June 30, 2023 for the next five years and thereafter are as follows (in thousands):

Calendar Year	Amount
For the remainder of 2023	\$ 2,429
2024	5,130
2025	1,501
2026	407,405
2027	625,000
Thereafter	400,000
Subtotal	1,441,465
Net discount and debt origination costs	(14,074)
Total	\$ 1,427,391

We have considered our short-term (one year or less from the date of filing these financial statements) liquidity needs and the adequacy of our estimated cash flows from operating activities and other financing sources to meet these needs. These other sources include but are not limited to: existing cash, ongoing relationships with certain financial institutions, our ability to sell debt or issue equity subject to market conditions and proceeds from the potential sale of non-core assets. We believe that we have access to the necessary financing to fund our short-term liquidity needs.

## 7. Derivative Financial Instruments

The following table summarizes the terms and fair values of our derivative financial instruments, as well as their classifications within the consolidated balance sheets (notional amounts and fair values in thousands):

Effective Date	Maturity Date	Notional Amount	Bank Pay Rate	Company Fixed Pay Rate	Fair Value	
					June 30, 2023	December 31, 2022
<b>Assets (Liabilities)<sup>(1)</sup>:</b>						
Interest rate swaps:						
July 1, 2019	February 1, 2024	\$ 25,000	Daily Adjusted SOFR	1.68 %	\$ 546	\$ 853
January 1, 2021	February 1, 2024	150,000	Daily Adjusted SOFR	0.53 %	4,289	6,966
January 1, 2021	February 1, 2024	100,000	Daily Adjusted SOFR	0.15 %	3,079	5,043
March 1, 2021	February 1, 2024	25,000	Daily Adjusted SOFR	0.18 %	765	1,256
February 1, 2024 <sup>(2)</sup>	February 1, 2026 - August 1, 2026	100,000	Daily Adjusted SOFR	3.33 %	1,615	—
<b>Total</b>					<b>\$ 10,294</b>	<b>\$ 14,118</b>

- (1) Asset balances are recorded in prepaids and other assets on the consolidated balance sheets and liabilities are recorded in other liabilities on the consolidated balance sheets.
- (2) During March and April 2023, we entered into \$100.0 million of forward-starting interest rate swaps with an effective date of February 1, 2024 and maturity dates ranging from February 1, 2026 to August 1, 2026.

In July 2023, we entered into an additional \$25 million forward-starting interest rate swap with an effective date of February 1, 2024 and an adjusted SOFR rate of 8.79%, which is not reflected in the tables above or in our consolidated financial statements as of June 30, 2023. The maturity of this swap is January 1, 2027.

The derivative financial instruments are comprised of interest rate swaps, which are designated and qualify as cash flow hedges, with various counterparties. We do not use derivatives for trading or speculative purposes and currently do not have any derivatives that are not designated as hedges.

Changes in the fair value of derivatives designated and qualifying as cash flow hedges are recorded in accumulated other comprehensive loss and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

The following table represents the effect of the derivative financial instruments on the accompanying consolidated financial statements (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Interest Rate Swaps:</b>				
Amount of gain (loss) recognized in other comprehensive income (loss)	\$ (373)	\$ 2,265	\$ (3,799)	\$ 9,939

## 8. Fair Value Measurements

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as follows:

Tier	Description
Level 1	Observable inputs such as quoted prices in active markets
Level 2	Inputs other than quoted prices in active markets that are either directly or indirectly observable
Level 3	Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

### Fair Value Measurements on a Recurring Basis

The following table sets forth our assets and liabilities that are measured at fair value within the fair value hierarchy (in thousands):

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Fair value as of June 30, 2023:</b>				
<b>Assets:</b>				
Interest rate swaps (prepays and other assets)	10,294	—	10,294	—

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Fair value as of December 31, 2022:</b>				
<b>Asset:</b>				
Interest rate swaps (prepays and other assets)	\$ 14,118	\$ —	\$ 14,118	\$ —

### Interest rate swaps

Fair values of interest rate swaps are estimated using Level 2 inputs based on current market data received from financial sources that trade such instruments and are based on prevailing market data and derived from third party proprietary models based on well recognized financial principles including counterparty risks, credit spreads and interest rate projections, as well as reasonable estimates about relevant future market conditions.

## Other Fair Value Disclosures

The estimated fair value within the fair value hierarchy and recorded value of our debt consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit were as follows (in thousands):

	June 30, 2023	December 31, 2022
Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	\$ —	\$ —
Level 2 Significant Observable Inputs	868,361	876,542
Level 3 Significant Unobservable Inputs	391,114	391,820
Total fair value of debt	\$ 1,259,475	\$ 1,268,362
Recorded value of debt	\$ 1,427,391	\$ 1,428,494

Our senior unsecured notes are publicly-traded which provides quoted market rates. However, due to the limited trading volume of these notes, we have classified these instruments as Level 2 in the hierarchy. Our other debt is classified as Level 3 given the unobservable inputs utilized in the valuation. Our unsecured term loan, unsecured lines of credit and variable interest rate mortgages are all SOFR based instruments. When selecting the discount rates for purposes of estimating the fair value of these instruments, we evaluated the original credit spreads and do not believe that the use of them differs materially from current credit spreads for similar instruments and therefore the recorded values of these debt instruments is considered their fair value.

The carrying values of cash and cash equivalents, short-term investments, receivables, accounts payable, accrued expenses and other assets and liabilities are reasonable estimates of their fair values because of the short maturities of these instruments. Short-term government securities and our certificates of deposit included in short-term investments are highly liquid investments, which are classified as Level 1 in the fair value hierarchy because they are valued using quoted market prices in an active market.

## 9. Shareholders' Equity of the Company

### Dividend Declaration

In April 2023, the Company's Board of Directors declared a \$ 0.245 cash dividend per common share payable on May 15, 2023 to each shareholder of record on April 28, 2023, and in its capacity as General Partner of the Operating Partnership, a \$0.245 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders.

### At-the-Market Offering

Under our at-the-market share offering program ("ATM Offering"), which commenced February 2021, we may offer and sell our common shares, \$ 0.01 par value per share, having an aggregate gross sales price of up to \$250.0 million (the "Shares"). We may sell the Shares in amounts and at times to be determined by us but we have no obligation to sell any of the Shares. Actual sales, if any, will depend on a variety of factors to be determined by us from time to time, including, among other things, market conditions, the trading price of the common shares, capital needs and determinations by us of the appropriate sources of funding. We currently intend to use the net proceeds from the sale of shares pursuant to the ATM Offering for working capital and general corporate purposes. As of June 30, 2023, we had approximately \$60.1 million remaining available for sale under the ATM Offering program. There were no sales of our shares during the first two quarters of 2023 or for the full year 2022.

## Share Repurchase Program

In May 2023, the Company's Board of Directors authorized the repurchase of up to \$ 100.0 million of the Company's outstanding shares through May 31, 2025, replacing the previously authorized plan to repurchase up to \$80.0 million of the Company's outstanding shares through May 31, 2023.

Repurchases may be made from time to time through open market, privately-negotiated, structured or derivative transactions (including accelerated share repurchase transactions), or other methods of acquiring shares. The Company intends to structure open market purchases to occur within pricing and volume requirements of Rule 10b-18. The Company may, from time to time, enter into Rule 10b5-1 plans to facilitate the repurchase of its shares under this authorization. The Company did not repurchase any shares in both the three and six months ended June 30, 2023 and 2022. The remaining amount authorized to be repurchased under the program as of June 30, 2023 was approximately \$100.0 million.

## 10. Partners' Equity of the Operating Partnership

All units of partnership interest issued by the Operating Partnership have equal rights with respect to earnings, dividends and net assets. When the Company issues common shares upon the exercise of options, the grant of restricted common share awards, or the exchange of Class A common limited partnership units, the Operating Partnership issues a corresponding Class B common limited partnership unit to Tanger LP Trust, a wholly-owned subsidiary of the Company. Likewise, when the Company repurchases its outstanding common shares, the Operating Partnership repurchases a corresponding Class B common limited partnership unit held by Tanger LP Trust.

The following table sets forth the changes in outstanding partnership units for the six months ended June 30, 2023 and June 30, 2022:

	General Partnership Units	Limited Partnership Units		
		Class A	Class B	Total
<b>Balance March 31, 2022</b>	1,100,000	4,761,559	103,369,061	108,130,620
Options exercised	—	—	800	800
Forfeitures of restricted common share awards by the Company	—	—	(13,062)	(13,062)
Units withheld for employee income taxes	—	—	(62,007)	(62,007)
<b>Balance June 30, 2022</b>	1,100,000	4,761,559	103,294,792	108,056,351
<b>Balance December 31, 2021</b>	1,100,000	4,761,559	102,984,734	107,746,293
Options exercised	—	—	2,700	2,700
Grant of restricted common share awards by the Company, net of forfeitures	—	—	499,336	499,336
Units withheld for employee income taxes	—	—	(191,978)	(191,978)
<b>Balance June 30, 2022</b>	1,100,000	4,761,559	103,294,792	108,056,351
<b>Balance March 31, 2023</b>	1,100,000	4,737,982	104,216,253	108,954,235
Options exercised	—	—	4,600	4,600
Forfeitures of restricted common share awards by the Company	—	—	(73,440)	(73,440)
Units withheld for employee income taxes	—	—	(61,632)	(61,632)
<b>Balance June 30, 2023</b>	1,100,000	4,737,982	104,085,781	108,823,763
<b>Balance December 31, 2022</b>	1,100,000	4,737,982	103,397,920	108,135,902
Options exercised	—	—	7,200	7,200
Grant of restricted common share awards by the Company, net of forfeitures	—	—	1,042,932	1,042,932
Units withheld for employee income taxes	—	—	(362,271)	(362,271)
<b>Balance June 30, 2023</b>	1,100,000	4,737,982	104,085,781	108,823,763

## 11. Earnings Per Share of the Company

The following table sets forth a reconciliation of the numerators and denominators in computing the Company's earnings per share (in thousands, except per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net income attributable to Tanger Factory Outlet Centers, Inc.	\$ 24,202	\$ 19,905	\$ 47,743	\$ 40,423
Less allocation of earnings to participating securities	(257)	(222)	(456)	(437)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	\$ 23,945	\$ 19,683	\$ 47,287	\$ 39,986
<b>Denominator:</b>				
Basic weighted average common shares	104,367	103,630	104,228	103,607
Effect of notional units	722	421	668	413
Effect of outstanding options	773	703	758	720
Diluted weighted average common shares	105,862	104,754	105,654	104,740
<b>Basic earnings per common share:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.39
<b>Diluted earnings per common share:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.38

We determine diluted earnings per share based on the weighted average number of common shares outstanding combined with the incremental weighted average shares that would have been outstanding assuming all potentially dilutive securities were converted into common shares at the earliest date possible.

Notional units granted under our equity compensation plan are considered contingently issuable common shares and are included in earnings per share if the effect is dilutive using the treasury stock method and the common shares would be issuable if the end of the reporting period were the end of the contingency period. For the three and six months ended June 30, 2023, no notional units were excluded from the computation and for the three and six months ended June 30, 2022, approximately 961,000 notional units were excluded from the computation because these notional units either would not have been issuable if the end of the reporting period were the end of the contingency period or as they were anti-dilutive.

With respect to outstanding options, the effect of dilutive common shares is determined using the treasury stock method, whereby outstanding options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such options and the average measured but unrecognized compensation cost during the period are assumed to be used to repurchase our common shares at the average market price during the period. For the three and six months ended June 30, 2023, approximately 499,700 options were excluded from the computation and for the three and six months ended June 30, 2022, approximately 282,000 options were excluded from the computation, as they were anti-dilutive.

The assumed exchange of the partnership units held by the Non-Company LPs as of the beginning of the year, which would result in the elimination of earnings allocated to the noncontrolling interest in the Operating Partnership, would have no impact on earnings per share since the allocation of earnings to a common limited partnership unit, as if exchanged, is equivalent to earnings allocated to a common share.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to dividends or dividend equivalents. The impact of these unvested restricted common share awards on earnings per share has been calculated using the two-class method whereby earnings are allocated to the unvested restricted common share awards based on dividends declared and the unvested restricted common shares' participation rights in undistributed earnings. Unvested restricted common shares that do not contain non-forfeitable rights to dividends or dividend equivalents are included in the diluted earnings per share computation if the effect is dilutive, using the treasury stock method.

## 12. Earnings Per Unit of the Operating Partnership

The following table sets forth a reconciliation of the numerators and denominators in computing earnings per unit (in thousands, except per unit amounts):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net income attributable to partners of the Operating Partnership	\$ 25,300	\$ 20,819	\$ 49,912	\$ 42,281
Less allocation of earnings to participating securities	(257)	(222)	(456)	(437)
Net income available to common unitholders of the Operating Partnership	\$ 25,043	\$ 20,597	\$ 49,456	\$ 41,844
<b>Denominator:</b>				
Basic weighted average common units	109,105	108,391	108,966	108,369
Effect of notional units	722	421	668	413
Effect of outstanding options	773	703	758	720
Diluted weighted average common units	110,600	109,515	110,392	109,502
<b>Basic earnings per common unit:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.39
<b>Diluted earnings per common unit:</b>				
Net income	\$ 0.23	\$ 0.19	\$ 0.45	\$ 0.38

We determine diluted earnings per unit based on the weighted average number of common units outstanding combined with the incremental weighted average units that would have been outstanding assuming all potentially dilutive securities were converted into common units at the earliest date possible.

Notional units granted under our equity compensation plan are considered contingently issuable common units and are included in earnings per unit if the effect is dilutive using the treasury stock method and the common units would be issuable if the end of the reporting period were the end of the contingency period. For the three and six months ended June 30, 2023, no notional units were excluded from the computation and for the three and six months ended June 30, 2022, approximately 961,000 notional units were excluded from the computation because these notional units either would not have been issuable if the end of the reporting period were the end of the contingency period or as they were anti-dilutive.

With respect to outstanding options, the effect of dilutive common units is determined using the treasury stock method, whereby outstanding options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such options and the average measured but unrecognized compensation cost during the period are assumed to be used to repurchase our common units at the average market price during the period. The market price of a common unit is considered to be equivalent to the market price of a Company common share. For the three and six months ended June 30, 2023, approximately 499,700 options were excluded from the computation and for the three and six months ended June 30, 2022, approximately 282,000 options were excluded from the computation, as they were anti-dilutive.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to distributions or distribution equivalents. The impact of the corresponding unvested restricted unit awards on earnings per unit has been calculated using the two-class method whereby earnings are allocated to the unvested restricted unit awards based on distributions declared and the unvested restricted units' participation rights in undistributed earnings. Unvested restricted common units that do not contain non-forfeitable rights to dividends or dividend equivalents are included in the diluted earnings per unit computation if the effect is dilutive, using the treasury stock method.



### 13. Equity-Based Compensation of the Company

We have a shareholder approved equity-based compensation plan, the Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership, as amended (the "Plan"), which covers our non-employee directors, officers, employees and consultants. Effective May 19, 2023, the Plan was amended and restated to, among other things, increase the number of shares authorized for issuance under the plan to 21.3 million shares and extend the term of the plan by an additional ten years. Per the Operating Partnership agreement, when a common share is issued by the Company, the Operating Partnership issues one corresponding unit of partnership interest to the Company's wholly-owned subsidiary, the Tanger LP Trust. Therefore, when the Company grants an equity-based award, the Operating Partnership treats each award as having been granted by the Operating Partnership. In the discussion below, the term "we" refers to the Company and the Operating Partnership together and the term "shares" is meant to also include corresponding units of the Operating Partnership.

We recorded equity-based compensation expense in general and administrative expenses in our consolidated statements of operations as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Restricted common shares <sup>(1)</sup>	\$ 1,982	\$ 2,644	\$ 3,736	\$ 4,213
Notional unit performance awards <sup>(1)</sup>	1,262	1,529	1,646	2,574
Options	137	78	270	172
<b>Total equity-based compensation</b>	<b>\$ 3,381</b>	<b>\$ 4,251</b>	<b>\$ 5,652</b>	<b>\$ 6,959</b>

(1) The six months ended June 30, 2023 includes the reversal of compensation costs related to the voluntary resignation of an executive officer.

Equity-based compensation expense capitalized as a part of rental property and deferred lease costs were as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Equity-based compensation expense capitalized</b>	<b>\$ 71</b>	<b>\$ 47</b>	<b>\$ 123</b>	<b>\$ 86</b>

#### Restricted Common Share and Restricted Share Unit Awards

During March 2023, the Company granted approximately 323,829 restricted common shares and restricted share units to the Company's non-employee directors and the Company's executive officers. The grant date fair value of the awards was \$17.53 per share. The restricted common shares vest ratably over a three year period on March 15th of each year for executive officers and over a one year period on March 15th for non-employee directors. Compensation expense related to the amortization of the deferred compensation is being recognized in accordance with the vesting schedule of the restricted shares.

For certain shares that vest during the period, we withhold shares with value equivalent up to the employees' maximum statutory obligation for the applicable income and other employment taxes, and remit cash to the appropriate taxing authorities. The total number of shares withheld upon vesting were approximately 363,000 and 192,000 for the six months ended June 30, 2023 and 2022, respectively. The total number of shares withheld was based on the value of the restricted common shares on the vesting date as determined by our closing share price on the day prior to the vesting date. Total amounts paid for the employees' tax obligation to taxing authorities were \$6.8 million and \$3.2 million for the six months ended June 30, 2023 and 2022, respectively. These amounts are reflected as financing activities within the consolidated statements of cash flows.

## 2023 Performance Share Plan

During March 2023, the Compensation Committee of the Company approved the general terms of the Tanger Factory Outlet Centers, Inc. 2023 Performance Share Plan (the "2023 PSP") covering the Company's executive officers whereby a maximum of approximately 489,122 restricted common shares may be earned if certain share price appreciation goals are achieved over a three year measurement period.

The 2023 PSP is a long-term incentive compensation plan. Recipients may earn units which may convert into restricted common shares of the Company based on the Company's absolute share price appreciation (or absolute total shareholder return) and its share price appreciation relative to its peer group (or relative total shareholder return) over a three-year measurement period. Any shares earned at the end of the three-year measurement period are subject to a time-based vesting schedule, with 50% of the shares vesting immediately following the measurement period, and the remaining 50% vesting one year thereafter, contingent upon continued employment with the Company through the vesting date (unless terminated prior thereto (a) by the Company without cause, (b) by participant for good reason or, (c) due to death or disability).

The following table sets forth 2023 PSP performance targets and other relevant information about the 2023 PSP:

<b>Performance targets <sup>(1)</sup></b>	
<b>Absolute portion of award:</b>	
Percent of total award	33.3%
Absolute total shareholder return range	26.0 % - 40.5%
Percentage of units to be earned	20 % - 100%
<b>Relative portion of award:</b>	
Percent of total award	66.7%
Percentile rank of peer group range <sup>(2)</sup>	30 th - 80th
Percentage of units to be earned	20 % - 100%
Maximum number of restricted common shares that may be earned	489,122
March grant date fair value per share	\$ 12.08

- (1) The number of restricted common shares received under the 2023 PSP will be determined on a pro-rata basis by linear interpolation between total shareholder return thresholds, both for absolute total shareholder return and for relative total shareholder return amongst the Company's peer group.
- (2) The peer group is based on companies included in the FTSE NAREIT Retail Index.

The fair values of the 2023 PSP awards granted during the six months ended June 30, 2023 were determined at the grant dates using a Monte Carlo simulation pricing model and the following assumptions:

Risk free interest rate <sup>(1)</sup>	3.9 %
Expected dividend yield <sup>(2)</sup>	4.6 %
Expected volatility <sup>(3)</sup>	62 %

- (1) Represents the interest rate as of the grant date on US treasury bonds having the same life as the estimated life of the restricted unit grants.
- (2) The dividend yield is calculated utilizing the average dividend yield over the previous three-year period and the current dividend yield as of the valuation date.
- (3) Based on a mix of historical and implied volatility for our common shares and the common shares of our peer index companies over the measurement period.

## 2020 Performance Share Plan

On February 10, 2023, the measurement period for the 2020 Performance Share Plan (the "2020 PSP") expired. Based on the Company's absolute share price appreciation and relative total shareholder return over the three year measurement period, we issued 758,814 restricted common shares in February 2023, with 439,051 vesting immediately and the remaining 319,763 vesting in February 2024, contingent upon continued employment with the Company through the vesting date.

#### 14. Accumulated Other Comprehensive Income (Loss) of the Company

The following table presents changes in the balances of each component of accumulated other comprehensive income (loss) for the three and six months ended June 30, 2023 and for three and six months ended June 30, 2022 (in thousands):

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
<b>Balance March 31, 2023</b>	\$ (24,361)	\$ 10,202	\$ (14,159)	\$ (1,344)	\$ 489	\$ (855)
Other comprehensive income before reclassifications	1,174	—	1,174	53	—	53
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	(357)	(357)	—	(16)	(16)
<b>Balance June 30, 2023</b>	\$ (23,187)	\$ 9,845	\$ (13,342)	\$ (1,291)	\$ 473	\$ (818)

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
<b>Balance December 31, 2022</b>	\$ (24,516)	\$ 13,479	\$ (11,037)	\$ (1,351)	\$ 638	\$ (713)
Other comprehensive income before reclassifications	1,329	—	1,329	60	—	60
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	(3,634)	(3,634)	—	(165)	(165)
<b>Balance June 30, 2023</b>	\$ (23,187)	\$ 9,845	\$ (13,342)	\$ (1,291)	\$ 473	\$ (818)

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
<b>Balance March 31, 2022</b>	\$ (18,541)	\$ 9,289	\$ (9,252)	\$ (1,030)	\$ 409	\$ (621)
Other comprehensive income (loss) before reclassifications	(2,334)	1,885	(449)	(107)	86	(21)
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	281	281	—	13	13
<b>Balance June 30, 2022</b>	\$ (20,875)	\$ 11,455	\$ (9,420)	\$ (1,137)	\$ 508	\$ (629)

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
<b>Balance December 31, 2021</b>	\$ (19,713)	\$ 1,952	\$ (17,761)	\$ (1,084)	\$ 72	\$ (1,012)
Other comprehensive income (loss) before reclassifications	(1,162)	8,941	7,779	(53)	410	357
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	562	562	—	26	26
<b>Balance June 30, 2022</b>	\$ (20,875)	\$ 11,455	\$ (9,420)	\$ (1,137)	\$ 508	\$ (629)

We expect within the next twelve months to reclassify into earnings as a decrease to interest expense approximately \$ 9.3 million of the amounts recorded within accumulated other comprehensive income related to the interest rate swap agreements in effect as of June 30, 2023.

## 15. Accumulated Other Comprehensive Income (Loss) of the Operating Partnership

The following table presents changes in the balances of each component of accumulated other comprehensive income (loss) for the three and six months ended June 30, 2023 (in thousands):

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
<b>Balance March 31, 2023</b>	\$ (25,705)	\$ 10,691	\$ (15,014)
Other comprehensive income before reclassifications	1,227	—	1,227
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	(373)	(373)
<b>Balance June 30, 2023</b>	\$ (24,478)	\$ 10,318	\$ (14,160)

  

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
<b>Balance December 31, 2022</b>	\$ (25,867)	\$ 14,117	\$ (11,750)
Other comprehensive income before reclassifications	1,389	—	1,389
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	(3,799)	(3,799)
<b>Balance June 30, 2023</b>	\$ (24,478)	\$ 10,318	\$ (14,160)

The following table presents changes in the balances of each component of accumulated other comprehensive loss for the three and six months ended June 30, 2022 (in thousands):

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
<b>Balance March 31, 2022</b>	\$ (19,571)	\$ 9,698	\$ (9,873)
Other comprehensive income (loss) before reclassifications	(2,441)	1,971	(470)
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	294	294
<b>Balance June 30, 2022</b>	\$ (22,012)	\$ 11,963	\$ (10,049)

  

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
<b>Balance December 31, 2021</b>	\$ (20,797)	\$ 2,024	\$ (18,773)
Other comprehensive income (loss) before reclassifications	(1,215)	9,351	8,136
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	—	588	588
<b>Balance June 30, 2022</b>	\$ (22,012)	\$ 11,963	\$ (10,049)

We expect within the next twelve months to reclassify into earnings as a decrease to interest expense approximately \$ 9.3 million of the amounts recorded within accumulated other comprehensive income related to the interest rate swap agreements in effect as of June 30, 2023.

## 16. Lease Agreements

As of June 30, 2023, we were the lessor to approximately 2,300 stores in our 29 consolidated outlet centers, under operating leases with initial terms that expire from 2023 to 2039, with certain agreements containing extension options. We also have certain agreements that require tenants to pay their portion of reimbursable expenses such as common area expenses, utilities, insurance and real estate taxes.

The components of rental revenues are as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Rental revenues - fixed	\$ 82,815	\$ 78,682	\$ 164,702	\$ 159,991
Rental revenues - variable <sup>(1)</sup>	21,773	22,727	43,468	46,027
Rental revenues	\$ 104,588	\$ 101,409	\$ 208,170	\$ 206,018

(1) Primarily includes rents based on a percentage of tenant sales volume and reimbursable expenses such as common area expenses, utilities, insurance and real estate taxes.

## 17. Supplemental Cash Flow Information

We purchase capital equipment and incur costs relating to construction of facilities, including tenant finishing allowances. Expenditures included in accounts payable and accrued expenses were as follows (in thousands):

	As of June 30, 2023	As of June 30, 2022
Costs relating to construction included in accounts payable and accrued expenses	\$ 24,953	\$ 15,223

Interest paid, net of interest capitalized was as follows (in thousands):

	Six months ended June 30,	
	2023	2022
Interest paid	\$ 20,527	\$ 21,586

## **18. New Accounting Pronouncements**

### **Recently issued accounting standards**

On March 12, 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference LIBOR or other reference rates expected to be discontinued because of reference rate reform. This ASU is effective as of March 12, 2020 through December 31, 2022. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848), which refines the scope of Topic 848 and clarifies some of its guidance. Specifically, certain provisions in Topic 848, if elected by an entity, apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. Amendments to the expedients and exceptions in Topic 848 capture the incremental consequences of the scope clarification and tailor the existing guidance to derivative instruments affected by the discounting transition. The amendments are effective immediately for all entities. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848) - Deferral of the Sunset Date of Topic 848, which defers the sunset date on the topic of reference rate reform from December 31, 2022, to December 31, 2024. An entity may elect to apply the amendments on a full retrospective basis. In October 2022 we elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. This was done as we modified all of our current interest rate derivative contracts, changing the indexes from LIBOR to Adjusted SOFR. We have and will continue to elect to apply practical expedients related to contract modifications, changes in critical terms, and updates to the designated hedged risk(s) as qualifying changes are made to applicable debt and derivative instruments. Application of these expedients preserves the presentation of derivatives contracts consistent with past presentation. We continue to evaluate the impact of the guidance and may apply other applicable elections as additional changes in the market and with respect to our debt and derivative instruments occur.

## **19. Subsequent Events**

### **Dividend Declaration**

In July 2023, the Company's Board of Directors declared a \$ 0.245 cash dividend per common share payable on August 15, 2023 to each shareholder of record on July 31, 2023, and a \$0.245 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion of our results of operations reported in the unaudited, consolidated statements of operations compares the three and six months ended June 30, 2023 with the three and six months ended June 30, 2022. The results of operations discussion is combined for Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership because the results are virtually the same for both entities. The following discussion should be read in conjunction with the unaudited consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the unaudited, consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term "Operating Partnership" refers to Tanger Properties Limited Partnership and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the text requires.

### Cautionary Statements

Certain statements made in this Management's Discussion and Analysis of Financial Condition and Results of Operations below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies, beliefs and expectations, are generally identifiable by use of the words "anticipate," "believe," "can," "continue," "could," "designed," "estimate," "expect," "forecast," "goal," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "target," "will," "would," or similar expressions. Such forward-looking statements include, but are not limited to, statements regarding: the expected impact of rising inflation, supply chain and labor issues and rising interest rates on our business, financial results and financial condition; our ability to raise additional capital, including via future issuances of equity and debt, and the use of proceeds from such issuances; our results of operations and financial condition; capital expenditure and working capital needs and the funding thereof; the repurchase of the Company's common shares, including the potential use of a 10b5-1 plan to facilitate repurchases; future dividend payments; the possibility of future asset impairments; potential developments, expansions, renovations, acquisitions or dispositions of outlet centers, including our Nashville development; compliance with debt covenants; renewal and re-lease of leased space; the outlook for the retail environment, potential bankruptcies, and other store closings; consumer shopping trends and preferences; the outcome of legal proceedings arising in the normal course of business; and real estate joint ventures. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other important factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements.



Other important factors which may cause actual results to differ materially from current expectations include, but are not limited to: our inability to develop new outlet centers or expand existing outlet centers successfully; risks related to the economic performance and market value of our outlet centers, including due to changes in the national, regional and local economic climate, inflation and rising interest rates; the relative illiquidity of real property investments; impairment charges affecting our properties; our dispositions of assets may not achieve anticipated results; competition for the acquisition and development of outlet centers, and our inability to complete outlet centers we have identified; environmental regulations affecting our business; risk associated with a possible terrorist activity or other acts or threats of violence, public health crises and threats to public safety; risks associated with supply chain disruptions and labor shortages; our dependence on rental income from real property; our dependence on the results of operations of our retailers; the fact certain of our lease agreements include co-tenancy and/or sales-based provisions that may allow a tenant to pay reduced rent and/or terminate a lease prior to its natural expiration; the fact that certain of our properties are subject to ownership interests held by third parties, whose interests may conflict with ours; risks related to uninsured losses; risks related to changes in consumer spending habits; investor and regulatory focus on environmental, sustainability and social initiatives; risks associated with our Canadian investments; risks associated with attracting and retaining key personnel; risks associated with debt financing; risk associated with our guarantees of debt for, or other support we may provide to, joint venture properties; the effectiveness of our interest rate hedging arrangements; risk associated with our interest rate hedging arrangements; our potential failure to qualify as a REIT; our legal obligation to make distributions to our shareholders; legislative or regulatory actions that could adversely affect our shareholders; our dependence on distributions from the Operating Partnership to meet our financial obligations, including dividends; the risk of a cyber-attack or an act of cyber-terrorism; and other important factors which may cause actual results to differ materially from current expectations include, but are not limited to, those set forth under Item 1A - "Risk Factors" in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2022.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our management regarding our financial condition and results of operations, liquidity and certain other factors that may affect our future results. Our MD&A is presented in the following sections:

- General Overview
- Leasing Activity
- Results of Operations
- Liquidity and Capital Resources of the Company
- Liquidity and Capital Resources of the Operating Partnership
- Critical Accounting Estimates
- Recent Accounting Pronouncements
- Non-GAAP Supplemental Measures
- Economic Conditions and Outlook

## General Overview

As of June 30, 2023, we had 29 consolidated outlet centers in 18 states totaling 11.3 million square feet, one managed center and one center under construction. We also had 6 unconsolidated outlet centers totaling 2.1 million square feet, including 2 outlet centers in Canada.

The table below details our new developments, expansions and dispositions of consolidated and unconsolidated outlet centers that significantly impacted our results of operations and liquidity from January 1, 2022 to June 30, 2023 (square feet in thousands):

Outlet Center	Quarter Opened/Disposed	Consolidated Outlet Centers		Unconsolidated Joint Venture Outlet Centers		Managed Centers	
		Square Feet	Number of Outlet Centers	Square Feet	Number of Outlet Centers	Square Feet	Number of Outlet Centers
<b>As of January 1, 2022</b>		11,453	30	2,113	6	—	—
<b>Additions:</b>							
Palm Beach, Florida	Third Quarter					457	1
<b>Dispositions:</b>							
Blowing Rock, North Carolina	Fourth Quarter	(104)	(1)				
Other		4	—	—	—	—	—
<b>As of December 31, 2022</b>		11,353	29	2,113	6	457	1
Other		(4)	—	—	—	—	—
<b>As of June 30, 2023</b>		11,349	29	2,113	6	457	1

The following table summarizes certain information for our existing outlet centers in which we have an ownership interest as of June 30, 2023. Except as noted, all properties are fee owned.

Location	Consolidated Outlet Centers	Legal Ownership %	Square Feet	% Occupied
Deer Park, New York		100	739,148	100.0
Riverhead, New York <sup>(1)</sup>		100	729,280	95.1
Foley, Alabama		100	554,736	98.7
Rehoboth Beach, Delaware <sup>(1)</sup>		100	547,939	96.5
Atlantic City, New Jersey <sup>(1) (3)</sup>		100	484,748	88.3
San Marcos, Texas		100	471,816	99.8
Sevierville, Tennessee <sup>(1)</sup>		100	449,968	99.6
Savannah, Georgia		100	429,089	98.4
Myrtle Beach Hwy 501, South Carolina		100	426,523	98.9
Glendale, Arizona (Westgate)		100	410,753	98.9
Myrtle Beach Hwy 17, South Carolina <sup>(1)</sup>		100	404,710	100.0
Charleston, South Carolina		100	386,328	99.4
Lancaster, Pennsylvania		100	376,203	100.0
Pittsburgh, Pennsylvania		100	373,863	97.4
Commerce, Georgia		100	371,408	100.0
Grand Rapids, Michigan		100	357,133	92.8
Fort Worth, Texas		100	351,834	98.5
Daytona Beach, Florida		100	351,691	100.0
Branson, Missouri		100	329,861	100.0
Southaven, Mississippi <sup>(2) (3)</sup>		50	324,801	99.4
Locust Grove, Georgia		100	321,082	97.9
Gonzales, Louisiana		100	321,066	99.1
Mebane, North Carolina		100	319,762	100.0
Howell, Michigan		100	314,438	82.2
Mashantucket, Connecticut (Foxwoods) <sup>(1)</sup>		100	311,229	87.8
Tilton, New Hampshire		100	250,558	92.9
Hershey, Pennsylvania		100	249,696	95.2
Hilton Head II, South Carolina		100	207,422	98.7
Hilton Head I, South Carolina		100	181,687	97.1
<b>Totals</b>			<b>11,348,772</b>	<b>97.1</b>

(1) These properties or a portion thereof are subject to a ground lease.

(2) Based on capital contribution and distribution provisions in the joint venture agreement, we expect our economic interest in the venture's cash flow to be greater than our legal ownership percentage. We currently receive substantially all the economic interest of the property.

(3) Property encumbered by mortgage. See Notes 5 and 6 to the consolidated financial statements for further details of our debt obligations.

Location	Unconsolidated joint venture properties	Legal Ownership %	Square Feet	% Occupied
Charlotte, North Carolina <sup>(1)</sup>		50	398,726	99.1
Ottawa, Ontario		50	357,213	95.5
Columbus, Ohio <sup>(1)</sup>		50	355,245	100.0
Texas City, Texas (Galveston/Houston) <sup>(1)</sup>		50	352,705	96.6
National Harbor, Maryland <sup>(1)</sup>		50	341,156	99.3
Cookstown, Ontario		50	307,883	95.6
<b>Total</b>			<b>2,112,928</b>	<b>97.7</b>

(1) Property encumbered by mortgage. See Note 4 to the consolidated financial statements for further details of the joint venture debt obligations.

#### Leasing Activity

The following table provides information for our consolidated outlet centers related to leases for new stores that opened or renewals that were executed during the respective trailing twelve month periods ended June 30, 2023 and 2022:

Comparable Space for Executed Leases <sup>(1) (2)</sup>						
Leasing Transactions	Square Feet (in 000's)	New Initial Rent (psf) <sup>(3)</sup>	Rent Spread % <sup>(4)</sup>	Tenant Allowance (psf) <sup>(5)</sup>	Average Initial Term (in years)	
Total space						
2023	375	1,711 \$	35.42	13.8 % \$	2.35	3.26
2022	267	1,455 \$	30.62	4.0 % \$	4.24	3.76

Comparable and Non-Comparable Space for Executed Leases <sup>(1) (2)</sup>						
Leasing Transactions	Square Feet (in 000's)	New Initial Rent (psf) <sup>(3)</sup>	Rent Spread % <sup>(4)</sup>	Tenant Allowance (psf) <sup>(5)</sup>	Average Initial Term (in years)	
Total space						
2023	439	1,953 \$	35.39	6.09	3.63	
2022	318	1,653 \$	31.35	13.30	4.31	

(1) For consolidated properties owned as of the period-end date. Represents leases for new stores or renewals that were executed during the respective trailing 12-month periods and excludes license agreements, seasonal tenants, month-to-month leases and new developments.

(2) Comparable space excludes leases for space that was vacant for more than 12 months (non-comparable space).

(3) Represents average initial cash rent (base rent and common area maintenance ("CAM")).

(4) Represents change in average initial and expiring cash rent (base rent and CAM).

(5) Includes other landlord costs.

## RESULTS OF OPERATIONS

### Comparison of the three months ended June 30, 2023 to the three months ended June 30, 2022

#### NET INCOME

Net income increased \$4.5 million in the 2023 period to \$25.3 million as compared to net income of \$20.8 million for the 2022 period. Significant items impacting the comparability of the two periods include the following:

- a higher average portfolio occupancy rate in the current period,
- positive leasing spreads upon renewal and re-tenanting since the previous period
- higher management, leasing and other services income from the addition of management responsibilities for a center during the third quarter of 2022, and
- lower general and administrative costs due to the previous period containing executive severance costs that did not recur.

In the tables below, information set forth for properties disposed includes the Blowing Rock outlet center sold in December 2022.

#### RENTAL REVENUES

Rental revenues increased \$3.2 million in the 2023 period compared to the 2022 period. The following table sets forth the changes in various components of rental revenues (in thousands):

	2023	2022	Increase/(Decrease)
Rental revenues from existing properties	\$ 104,837	\$ 100,640	\$ 4,197
Rental revenues from properties disposed	133	477	(344)
Straight-line rent adjustments	(321)	302	(623)
Lease termination fees	1	35	(34)
Amortization of above and below market rent adjustments, net	(62)	(45)	(17)
	<u>\$ 104,588</u>	<u>\$ 101,409</u>	<u>\$ 3,179</u>

Rental revenues at existing properties was positively impacted by higher occupancy between the periods, 97.1% compared to 94.8% and positive leasing spreads upon renewal and re-tenanting since the previous period. These increases were partially offset by lower variable revenues, which are derived from tenant sales.

#### MANAGEMENT, LEASING AND OTHER SERVICES

Management, leasing and other services increased \$686,000 in the 2023 period compared to the 2022 period. The following table sets forth the changes in various components of management, leasing and other services (in thousands):

	2023	2022	Increase/(Decrease)
Management and marketing	\$ 793	\$ 552	\$ 241
Leasing and other fees	220	—	220
Expense reimbursements from unconsolidated joint ventures	1,109	884	225
	<u>\$ 2,122</u>	<u>\$ 1,436</u>	<u>\$ 686</u>

Management and leasing fee income increased due to our addition of property management responsibilities during the third quarter of 2022 for a center in West Palm Beach, Florida.

#### OTHER REVENUES

Other revenues increased \$938,000 in the 2023 period as compared to the 2022 period. The following table sets forth the changes in various components of other revenues (in thousands):

	2023	2022	Increase/(Decrease)
Other revenues from existing properties	\$ 3,931	\$ 2,970	\$ 961
Other revenues from properties disposed	—	23	(23)
	\$ 3,931	\$ 2,993	\$ 938

Other revenues from existing properties increased in the 2023 period due to an increase in other revenue streams, such as EV charging, paid media, sponsorships and onsite signage, on a local and national level.

#### PROPERTY OPERATING EXPENSES

Property operating expenses increased \$1.0 million in the 2023 period compared to the 2022 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2023	2022	Increase/(Decrease)
Property operating expenses from existing properties	\$ 31,093	\$ 30,139	\$ 954
Property operating expenses from sold properties	—	208	(208)
Expenses related to unconsolidated joint ventures	1,109	884	225
Other property operating expenses	1,510	1,466	44
	\$ 33,712	\$ 32,697	\$ 1,015

Property operating expenses from existing properties increased in the 2023 period primarily due to higher common area maintenance expenses in the 2023 period compared to the 2022 period and higher property tax costs at certain centers.

#### GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses decreased \$1.0 million in the 2023 period compared to the 2022 period. The prior period included \$2.4 million of compensation costs related to executive severance. The 2023 period included no such executive severance. Excluding executive severance, expenses increased from the hiring of key employees since the 2022 period to drive operational and growth initiatives.

#### DEPRECIATION AND AMORTIZATION

Depreciation and amortization costs decreased \$831,000 in the 2023 period compared to the 2022 period.

	2023	2022	Increase/(Decrease)
Depreciation and amortization expenses from existing properties	\$ 25,389	\$ 25,987	\$ (598)
Depreciation and amortization from property disposed	—	233	(233)
	\$ 25,389	\$ 26,220	\$ (831)

#### INTEREST EXPENSE

Interest expense increased \$390,000 in the 2023 period compared to the 2022 period due to the combination of higher interest rates and higher amounts of variable rate debt. During the fourth quarter of 2022 we refinanced the variable rate mortgage in our Memphis consolidated joint venture, increasing the outstanding balance to \$51.7 million from \$40.1 million. In addition, also during the fourth quarter of 2022, we amended and restated our unsecured term loan and increased the outstanding balance from \$300.0 million to \$325.0 million. These factors were partially offset by higher capitalized interest on our Nashville, TN development project.

#### OTHER INCOME (EXPENSE)

Other income (expense) decreased approximately \$252,000 in the 2023 period. The 2023 period had significantly higher investment income from short-term investments of cash at higher interest rates than were available in the 2022 period. This was offset by a \$2.4 million gain on sale of a non-real estate asset in the 2022 period.

#### EQUITY IN EARNINGS OF UNCONSOLIDATED JOINT VENTURES

Equity in earnings of unconsolidated joint ventures decreased approximately \$521,000 in the 2023 period compared to the 2022 period. The decrease is primarily due to the increase in interest rates during the second half of 2022 that has negatively impacted two of our joint ventures. The Columbus joint venture variable interest rate mortgage was refinanced in September 2022 and now has a fixed interest rate of 6.25%. The Galveston/Houston joint venture mortgage was floating rate during the majority of both periods. Interest rates rose approximately 4% during the comparable periods. The Galveston mortgage was refinanced during June 2023 and is now SOFR +3.00%.

#### **Comparison of the six months ended June 30, 2023 to the six months ended June 30, 2022**

#### NET INCOME

Net income increased \$7.9 million in the 2023 period to \$50.2 million as compared to net income of \$42.3 million for the 2022 period. Significant items impacting the comparability of the two periods include the following:

- a higher average portfolio occupancy rate in the current period,
- positive leasing spreads upon renewal and re-tenanting since the previous period
- higher management, leasing and other services income from the addition of management responsibilities for a center during the third quarter of 2022, and
- lower common area maintenance snow removal costs in the current period as a result of a comparatively mild 2023 winter, and
- higher investment income from investments of cash available at significantly higher rates.

partially offset by

- the current period did not contain lease termination fees and the prior year period included significant termination rents from several tenants

In the tables below, information set forth for properties disposed includes the Blowing Rock outlet center sold in December 2022.

#### RENTAL REVENUES

Rental revenues increased \$2.2 million in the 2023 period compared to the 2022 period. The following table sets forth the changes in various components of rental revenues (in thousands):

	2023	2022	Increase/(Decrease)
Rental revenues from existing properties	\$ 209,258	\$ 203,559	\$ 5,699
Rental revenues from properties disposed	9	991	(982)
Straight-line rent adjustments	(1,001)	(1,035)	34
Lease termination fees	7	2,631	(2,624)
Amortization of above and below market rent adjustments, net	(103)	(128)	25
	<u>\$ 208,170</u>	<u>\$ 206,018</u>	<u>\$ 2,152</u>

Rental revenues at existing properties were positively impacted by higher occupancy between the periods, 97.1% compared to 94.8% and positive leasing spreads upon renewal and re-tenanting since the previous period. These increases were partially offset by lower variable revenues, which are derived from tenant sales.

Lease termination fees decreased primarily because the 2022 period included isolated terminations of certain leases with multiple years of remaining term. No such significant terminations occurred in the 2023 period.

#### MANAGEMENT, LEASING AND OTHER SERVICES

Management, leasing and other services increased \$1.1 million in the 2023 period compared to the 2022 period. The following table sets forth the changes in various components of management, leasing and other services (in thousands):

	2023	2022	Increase/(Decrease)
Management and marketing	\$ 1,574	\$ 1,088	\$ 486
Leasing and other fees	277	35	242
Expense reimbursements from unconsolidated joint ventures	2,185	1,840	345
	<u>\$ 4,036</u>	<u>\$ 2,963</u>	<u>\$ 1,073</u>

Management and leasing fee income increased due to our addition of property management responsibilities during the third quarter of 2022 for a center in West Palm Beach, Florida.

#### OTHER REVENUES

Other revenues increased \$1.7 million in the 2023 period as compared to the 2022 period. The following table sets forth the changes in various components of other revenues (in thousands):

	2023	2022	Increase/(Decrease)
Other revenues from existing properties	\$ 7,378	\$ 5,679	\$ 1,699
Other revenues from properties disposed	—	46	(46)
	<u>\$ 7,378</u>	<u>\$ 5,725</u>	<u>\$ 1,653</u>

Other revenues from existing properties increased in the 2023 period due to an increase in other revenue streams, such as EV charging, paid media, sponsorships and onsite signage, on a local and national level.

#### PROPERTY OPERATING EXPENSES

Property operating expenses decreased \$2.6 million in the 2023 period compared to the 2022 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2023	2022	Increase/(Decrease)
Property operating expenses from existing properties	\$ 61,483	\$ 64,129	\$ (2,646)
Property operating expenses from sold properties	—	481	(481)
Expenses related to unconsolidated joint ventures	2,185	1,840	345
Other property operating expenses	3,192	3,005	187
	<u>\$ 66,860</u>	<u>\$ 69,455</u>	<u>\$ (2,595)</u>

Property operating expenses from existing properties decreased in the 2023 period primarily due to the timing of certain advertising and promotional costs and the mild winter in the 2023 period compared to the 2022 period, resulting in lower snow removal costs.

#### GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased \$942,000 in the 2023 period compared to the 2022 period. The prior period included \$2.4 million of compensation costs related to executive severance. The 2023 period included a \$806,000 reversal of previously expensed compensation related to a voluntary executive departure. Excluding the impact of executive departures, expenses increased from the hiring of key employees since the 2022 period to drive operational and growth initiatives.



## DEPRECIATION AND AMORTIZATION

Depreciation and amortization costs decreased \$1.2 million in the 2023 period compared to the 2022 period.

	2023	2022	Increase/(Decrease)
Depreciation and amortization expenses from existing properties	\$ 51,282	\$ 52,006	\$ (724)
Depreciation and amortization from property disposed	—	457	(457)
	<u>\$ 51,282</u>	<u>\$ 52,463</u>	<u>\$ (1,181)</u>

## INTEREST EXPENSE

Interest expense increased \$1.1 million in the 2023 period compared to the 2022 period due to the combination of higher interest rates and higher amounts of variable rate debt. During the fourth quarter of 2022 we refinanced the variable rate mortgage in our Memphis consolidated joint venture, increasing the outstanding balance to \$51.7 million from \$40.1 million. In addition, also during the fourth quarter of 2022, we amended and restated our unsecured term loan and increased the outstanding balance from \$300.0 million to \$325.0 million. These factors were partially offset by higher capitalized interest on our Nashville, TN development project.

## OTHER INCOME (EXPENSE)

Other income (expense) increased approximately \$2.4 million in the 2023 period, primarily due to higher investment income from short-term investments of cash at higher interest rates partially offset by a \$2.4 million gain on sale of a non-real estate asset in the 2022 period.

## EQUITY IN EARNINGS OF UNCONSOLIDATED JOINT VENTURES

Equity in earnings of unconsolidated joint ventures decreased approximately \$1.1 million in the 2023 period compared to the 2022 period. The decrease is primarily due to the increase in interest rates during the second half of 2022 that has negatively impacted two of our joint ventures. The Columbus joint venture variable interest rate mortgage was refinanced in September 2022 and now has a fixed interest rate of 6.25%. The Galveston/Houston joint venture was floating rate during the majority of both periods. Interest rates rose approximately 4% during the comparable periods. The Galveston mortgage was refinanced during June 2023 and is now SOFR +3.00%.

## **LIQUIDITY AND CAPITAL RESOURCES OF THE COMPANY**

In this "Liquidity and Capital Resources of the Company" section, the term "the Company" refers only to Tanger Factory Outlet Centers, Inc. on an unconsolidated basis, excluding the Operating Partnership.

The Company's business is operated primarily through the Operating Partnership. The Company issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses in operating as a public company, which are fully reimbursed by the Operating Partnership. The Company does not hold any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership. The Company's principal funding requirement is the payment of dividends on its common shares. The Company's principal source of funding for its dividend payments is distributions it receives from the Operating Partnership.

Through its status as the sole general partner of the Operating Partnership, the Company has the full, exclusive and complete responsibility for the Operating Partnership's day-to-day management and control. The Company causes the Operating Partnership to distribute all, or such portion as the Company may in its discretion determine, of its available cash in the manner provided in the Operating Partnership's partnership agreement. The Company receives proceeds from equity issuances from time to time, but is required by the Operating Partnership's partnership agreement to contribute the proceeds from its equity issuances to the Operating Partnership in exchange for partnership units of the Operating Partnership.

We are a well-known seasoned issuer (as defined in the Securities Act) with a shelf registration that expires in February 2024 that allows the Company to register unspecified, various classes of equity securities and the Operating Partnership to register unspecified, various classes of debt securities. We expect to file a new joint shelf registration statement on Form S-3 prior to the expiration of the current registration statement. As circumstances warrant, the Company may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. The Operating Partnership may use the proceeds to repay debt, including borrowings under its lines of credit, to develop new or existing properties, to make acquisitions of properties or portfolios of properties, to invest in existing or newly created joint ventures or for general corporate purposes.

The liquidity of the Company is dependent on the Operating Partnership's ability to make sufficient distributions to the Company. The Operating Partnership is a party to loan agreements with various bank lenders that require the Operating Partnership to comply with various financial and other covenants before it may make distributions to the Company. The Company also guarantees some of the Operating Partnership's debt. If the Operating Partnership fails to fulfill its debt requirements, which trigger the Company's guarantee obligations, then the Company may be required to fulfill its cash payment commitments under such guarantees. However, the Company's only material asset is its investment in the Operating Partnership.

The Company believes the Operating Partnership's sources of working capital, specifically its cash flow from operations, cash on hand and, if necessary from time to time, borrowings available under its unsecured credit facilities, are adequate for it to make its distribution payments to the Company and, in turn, for the Company to make its dividend payments to its shareholders and to finance its continued operations, investment and growth strategy and additional expenses we expect to incur for at least the next twelve months. However, there can be no assurance that the Operating Partnership's sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including its ability to make distribution payments to the Company. The unavailability of capital could adversely affect the Operating Partnership's ability to pay its distributions to the Company, which will in turn, adversely affect the Company's ability to pay cash dividends to its shareholders. Risks are detailed in "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2022.

We operate in a manner intended to enable us to qualify as a REIT under the Internal Revenue Code, or the Code. For the Company to maintain its qualification as a REIT, it must pay dividends to its shareholders aggregating annually at least 90% of its taxable income. While historically the Company has satisfied this distribution requirement by making cash distributions to its shareholders, it may choose to satisfy this requirement by making distributions of cash or other property, including, in limited circumstances, the Company's own shares.

As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its on-going operations to the same extent that other companies whose parent companies are not real estate investment trusts can. The Company may need to continue to raise capital in the equity markets to fund the Operating Partnership's working capital needs, as well as potential new developments, expansions and renovations of existing properties, acquisitions, or investments in existing or newly created joint ventures.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant. The Company does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. However, all debt is held directly or indirectly at the Operating Partnership level, and the Company has guaranteed some of the Operating Partnership's unsecured debt as discussed below. Because the Company consolidates the Operating Partnership, the section entitled "Liquidity and Capital Resources of the Operating Partnership" should be read in conjunction with this section to understand the liquidity and capital resources of the Company on a consolidated basis and how the Company is operated as a whole.

Under our at-the-market share offering (“ATM Offering”) program, which commenced in February 2021, we may offer and sell our common shares, \$0.01 par value per share (“Common Shares”), having an aggregate gross sales price of up to \$250.0 million (the “Shares”). We may sell the Shares in amounts and at times to be determined by us but we have no obligation to sell any of the Shares. Actual sales, if any, will depend on a variety of factors to be determined by us from time to time, including, among other things, market conditions, the trading price of the Common Shares, capital needs and determinations by us of the appropriate sources of its funding. We currently intend to use the net proceeds from any sale of shares pursuant to the ATM Offering for working capital and general corporate purposes. As of June 30, 2023, we had approximately \$60.1 million remaining available for sale under the ATM Offering program. There were no sales of our shares during the first six months of 2023 or for the full year 2022.

In May 2023, the Company’s Board of Directors authorized the repurchase of up to \$100.0 million of the Company’s outstanding shares through May 31, 2025. This authorization replaced a previous repurchase authorization for approximately \$80 million that was set to expire in May 2023. Repurchases may be made from time to time through open market, privately-negotiated, structured or derivative transactions (including accelerated share repurchase transactions), or other methods of acquiring shares. The Company intends to structure open market purchases to occur within pricing and volume requirements of Rule 10b-18. The Company may, from time to time, enter into Rule 10b5-1 plans to facilitate the repurchase of its shares under this authorization. The Company did not repurchase any shares for the three months ended June 30, 2023 or 2022. The remaining amount authorized to be repurchased under the program as of June 30, 2023 was approximately \$100 million.

In January 2023, the Company’s Board of Directors declared a \$0.22 cash dividend per common share payable on February 15, 2023 to each shareholder of record on January 31, 2023, and in its capacity as General Partner of the Operating Partnership, a \$0.22 cash distribution per Operating Partnership unit to the Operating Partnership’s unitholders.

In April 2023, the Company’s Board of Directors declared a \$0.245 cash dividend per common share payable on May 15, 2023 to each shareholder of record on April 28, 2023, and in its capacity as General Partner of the Operating Partnership a \$0.245 cash distribution per Operating Partnership unit to the Operating Partnership’s unitholders.

In July 2023, the Company’s Board of Directors declared a \$0.245 cash dividend per common share payable on August 15, 2023 to each shareholder on record on July 31, 2023, and in its capacity as General Partner of the Operating Partnership a \$0.245 cash distribution per Operating Partnership unit to the Operating Partnership’s unitholders.

## **LIQUIDITY AND CAPITAL RESOURCES OF THE OPERATING PARTNERSHIP**

In this “Liquidity and Capital Resources of the Operating Partnership” section, the terms “we”, “our” and “us” refer to the Operating Partnership or the Operating Partnership and the Company together, as the text requires.

### ***Summary of Our Major Sources and Uses of Cash and Cash Equivalents***

#### *General Overview*

Property rental income represents our primary source to pay property operating expenses, debt service, capital expenditures and distributions, excluding non-recurring capital expenditures and acquisitions. To the extent that our cash flow from operating activities is insufficient to cover such non-recurring capital expenditures and acquisitions, we finance such activities from cash on hand, borrowings under our unsecured lines of credit, to the extent available, or from the proceeds from the Operating Partnership’s debt offerings and the Company’s equity offerings.

We believe we achieve a strong and flexible financial position by attempting to: (1) maintain a conservative leverage position relative to our portfolio when pursuing new development, expansion and acquisition opportunities, (2) extend and sequence debt maturities, (3) manage our interest rate risk through an appropriate mix of fixed and variable rate debt and interest rate hedging strategies, (4) maintain access to liquidity by using our lines of credit in a conservative manner and (5) preserve internally generated sources of capital by maintaining a conservative distribution payout ratio. We manage our capital structure to reflect a long-term investment approach and utilize multiple sources of capital to meet our requirements, including without limitation, cash on hand, retained cash flow from operations and debt and equity issuances.

Our ability to access capital on favorable terms could be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic, macroeconomic conditions, including rising interest rates and inflation, and other risks detailed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2022.

Capital Expenditures

The following table details our capital expenditures for consolidated outlet centers for the six months ended June 30, 2023 and 2022 (in thousands):

	Six months ended June 30,		
	2023	2022	Change
<b>Capital expenditures analysis:</b>			
New outlet center developments and expansions <sup>(1)</sup>	\$ 58,788	\$ 18,596	\$ 40,192
Renovations	1,550	—	1,550
Second generation tenant allowances	4,217	3,160	1,057
Other capital expenditures <sup>(2)</sup>	12,248	9,158	3,090
	76,803	30,914	45,889
Conversion from accrual to cash basis	(4,973)	(5,197)	224
Additions to rental property-cash basis	\$ 71,830	\$ 25,717	\$ 46,113

(1) The increase in new outlet center developments and expansions is primarily due to development costs at our site in Nashville, TN and other projects.

(2) Other capital expenditures in 2023 increased over the 2022 period due to a higher number of major capital expenditure projects within our existing portfolio.

#### New Development of Consolidated Outlet Centers

In May 2022, we broke ground on our center in Nashville, Tennessee. The center, which will be approximately 290,000 square feet, has a planned grand opening of October 27, 2023 at an estimated cost of \$143.0 million to \$147.0 million with a projected stabilized yield of 7.5% to 8.0%. Through June 30, 2023, we had incurred costs of \$89.3 million associated with this development.

#### Potential Future Developments, Acquisitions and Dispositions

As of the date of this filing, we are not in the pre-development period for any other new developments. We may use joint venture arrangements to develop potential sites. We expect to maintain sufficient liquidity to fund existing capital expenditures, including completion of our Nashville, Tennessee asset.

In the case of projects to be wholly-owned by us, we expect to fund these projects with cash on hand, borrowings under our unsecured lines of credit and cash flows from operations, but may also fund them with capital from additional public debt and equity offerings. For projects to be developed through joint venture arrangements, we may use collateralized construction loans to fund a portion of the project, with our share of the equity requirements funded from sources described above.

We intend to continue to grow our portfolio by developing, expanding or acquiring additional retail real estate assets. Future retail real estate assets may be wholly-owned by us, owned through joint ventures or partnership arrangements, or through management agreements. However, you should note that any developments or expansions that we, or a joint venture that we have an ownership interest in, have planned or anticipated may not be started or completed as scheduled, or may not result in accretive net income or funds from operations ("FFO"). See the section "Non-GAAP Supplemental Earnings Measures" - "Funds From Operations" below for further discussion of FFO. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in an increase in earnings or liquidity.

#### Unconsolidated Real Estate Joint Ventures

From time to time, we form joint venture arrangements to develop outlet centers. As of June 30, 2023 we have partial ownership interests in six unconsolidated outlet centers totaling approximately 2.1 million square feet, including two outlet centers in Canada. See Note 4 to the consolidated financial statements for details of our individual joint ventures, including, but not limited to, carrying values of our investments, fees we receive for services provided to the joint ventures, recent development and financing transactions and condensed combined summary financial information.

We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such funding is not typically required contractually or otherwise. We separately report investments in joint ventures for which accumulated distributions have exceeded investments in, and our share of net income or loss of, the joint ventures within other liabilities in the consolidated balance sheets because we are committed and intend to provide further financial support to these joint ventures. We believe our joint ventures will be able to fund their operating and capital needs for the next twelve months based on their sources of working capital, specifically cash flow from operations, access to contributions from partners, and ability to refinance debt obligations, including the ability to exercise upcoming extensions of near term maturities.

Our joint ventures are typically encumbered by a mortgage on the joint venture property. We provide guarantees to lenders for our joint ventures which include standard non-recourse carve out indemnifications for losses arising from items such as but not limited to fraud, physical waste, payment of taxes, environmental indemnities, misapplication of insurance proceeds or security deposits and failure to maintain required insurance. A default by a joint venture under its debt obligations may expose us to liability under the guaranty. For secured term loans, we may include a guaranty of completion as well as a principal guaranty ranging from 0% to 17% of principal. Our joint ventures may contain make whole provisions in the event that demands are made on any existing guarantees.

Our joint ventures are generally subject to buy-sell provisions which are customary for joint venture agreements in the real estate industry. Either partner may initiate these provisions (subject to any applicable lock up period), which could result in either the sale of our interest or the use of available cash or additional borrowings to acquire the other party's interest. Under these provisions, one partner sets a price for the property, then the other partner has the option to either (1) purchase their partner's interest based on that price or (2) sell its interest to the other partner based on that price. Since the partner other than the partner who triggers the provision has the option to be the buyer or seller, we do not consider this arrangement to be a mandatory redeemable obligation.

### **Contractual Obligations**

There were no material changes in our contractual commitments during the six months ended June 30, 2023 from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, other than the following updates to our contractual obligations for future debt and interest payments over the next five years and thereafter as of June 30, 2023.

#### Future Debt Obligations

As described further in Note 6 of the notes to the consolidated financial statements, as of June 30, 2023, scheduled maturities of our existing long-term debt for the remainder 2023 and for 2024, 2025, 2026 and 2027 are \$2.4 million, \$5.1 million, \$1.5 million, \$407.4 million and \$625.0 million, respectively. As of June 30, 2023, scheduled maturities after 2027 aggregate to \$400.0 million.

#### Future Interest Payments

We are obligated to make periodic interest payments at fixed and variable rates, depending on the terms of the applicable debt agreements. Based on applicable interest rates and scheduled debt maturities as of June 30, 2023, these interest obligations total approximately \$47.9 million over the next twelve months.

### **Cash Flows**

The following table sets forth our changes in cash flows from June 30, 2023 and 2022 (in thousands):

	Six months ended June 30,		
	2023	2022	Change
Net cash provided by operating activities	\$ 98,872	\$ 89,196	\$ 9,676
Net cash used in investing activities	(35,037)	(8,095)	(26,942)
Net cash used in financing activities	(62,648)	(48,018)	(14,630)
Effect of foreign currency rate changes on cash and equivalents	(356)	(27)	(329)
<b>Net increase in cash and cash equivalents</b>	<b>\$ 831</b>	<b>\$ 33,056</b>	<b>\$ (32,225)</b>

#### Operating Activities

In the first and second quarter of 2023, our net cash provided by operating activities increased year over year primarily due to changes in working capital and lower property operating expenses.

#### Investing Activities

The increase in net cash used in investing activities was primarily due to increased capital expenditures related to new development at existing centers and the investment in our Nashville location, offset by proceeds from short-term investments.

#### Financing Activities

Net cash used in financing activities increased during the first six months of 2023 primarily due to an increase in dividends paid and a higher amount of net share settlements related to vesting of equity awards.

### **Financing Arrangements**

As of June 30, 2023, unsecured borrowings represented 95% of our outstanding debt and 93% of the gross book value of our real estate portfolio was unencumbered. The Company guarantees the Operating Partnership's obligations under our lines of credit and our term loan.

As of June 30, 2023, we maintained unsecured lines of credit that provided for borrowings of up to \$520.0 million. The unsecured lines of credit as of June 30, 2023 included a \$20.0 million liquidity line and a \$500.0 million syndicated line. The syndicated line may be increased up to \$1.2 billion through an accordion feature in certain circumstances.

In May 2023, Fitch Ratings assigned a first-time 'BBB' long-term issuer default rating to the Company and the Operating Partnership, along with a Stable rating outlook. Fitch also assigned a 'BBB' rating to Operating Partnership's senior unsecured debt, which includes our lines of credit, a term loan and senior notes. As a result, the applicable pricing margin on each of our unsecured lines of credit and our term loan was reduced by 25 basis points (including a 5 basis point reduction in the facility fee on the unsecured lines of credit).

**Credit Ratings:**

Agency	Rating	Outlook	Latest Action
Fitch	BBB	Stable	May 25, 2023
Moody's Investors Services	Baa3	Stable	April 14, 2021
Standard & Poor's Ratings Services	BBB-	Stable	February 19, 2021

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in the best interests of our shareholders and unitholders. The Company and Operating Partnership are well-known seasoned issuers with a joint shelf registration statement on Form S-3, expiring in February 2024, that allows us to register various, unspecified amounts of different classes of securities. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, property management opportunities, the sale or lease of outparcels on our existing properties and the sale of certain properties that do not meet our long-term investment criteria. Based on cash provided by operations, existing lines of credit, ongoing relationships with certain financial institutions and our ability to sell debt or issue equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures for at least the next twelve months.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long-term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders and unitholders are typically made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under our existing unsecured lines of credit or invested in short-term money market or other suitable instruments.

As of June 30, 2023, the Company's total liquidity was approximately \$748.4 million, including cash and cash equivalents on the Company's balance sheet, short-term investments and the full undrawn capacity under its \$520.0 million unsecured lines of credit. We expect to have sufficient liquidity to meet our obligations for at least the next twelve months.

We believe our current balance sheet position is financially sound; however, due to the economic uncertainty caused by the current macroeconomic environment, including rising interest rates and inflation, and the inherent uncertainty and unpredictability of the capital and credit markets, we can give no assurance that affordable access to capital will exist between now and when our next significant debt matures, which is our senior notes due September 2026.

Equity Offerings under the ATM Offering Program

In February 2021, we established the ATM Offering program whereby we may offer and sell the Company's common shares having an aggregate gross sales price of up to \$250.0 million. During 2022 and the first six months of 2023, we did not sell any shares under the ATM Offering program and \$60.1 million remains available for sale under the ATM Offering program.

## Debt Covenants

The Operating Partnership's debt agreements require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% on a cumulative basis.

We have historically been, and at June 30, 2023 are, in compliance with all of our debt covenants. Our continued compliance with these covenants depends on many factors and could be impacted by current or future economic conditions. Failure to comply with these covenants would result in a default which, if we were unable to cure or obtain a waiver from the lenders, could accelerate the repayment obligations. Further, in the event of default, the Company may be restricted from paying dividends to its shareholders in excess of dividends required to maintain its REIT qualification. Accordingly, an event of default could have a material and adverse impact on us. As a result, we have considered our short-term (one year or less from the date of filing these financial statements) liquidity needs and the adequacy of our estimated cash flows from operating activities and other financing sources to meet these needs. These other sources include but are not limited to: existing cash, ongoing relationships with certain financial institutions, our ability to sell debt or issue equity subject to market conditions and proceeds from the potential sale of non-core assets. We believe that we have access to the necessary financing to fund our short-term liquidity needs.

As of June 30, 2023, we were in compliance with all financial and non-financial covenants related to our debt obligations.

<b>Senior unsecured notes financial covenants</b>	Required	Actual
Total consolidated debt to adjusted total assets	< 60%	40 %
Total secured debt to adjusted total assets	< 40%	2 %
Total unencumbered assets to unsecured debt	> 150%	242 %
Consolidated Income Available for Debt Service to Annual Debt Service Charge	> 1.5 x	5.7 x

<b>Lines of credit and term loan</b>	Required	Actual
Total Liabilities to Total Adjusted Asset Value	< 60%	38 %
Secured Indebtedness to Adjusted Unencumbered Asset Value	< 35%	5 %
EBITDA to Fixed Charges	> 1.5 x	4.4 x
Total Unsecured Indebtedness to Adjusted Unencumbered Asset Value	< 60%	34 %
Unencumbered Interest Coverage Ratio	> 1.5 x	5.7 x

## Debt of unconsolidated joint ventures

The following table details information regarding the outstanding debt of the unconsolidated joint ventures and guarantees of such debt provided by us as of June 30, 2023 (dollars in millions):

Joint Venture	Total Joint Venture Debt	Maturity Date	Interest Rate	Percent Guaranteed by the Operating Partnership	Maximum Guaranteed Amount by the Company
Charlotte	\$ 100.0	July 2028	4.27%	— %	\$ —
Columbus	71.0	October 2032	6.25%	— %	—
Galveston/Houston	58.0	June 2026	SOFR + 3.00%	17.2 %	10.0
National Harbor	94.4	January 2030	4.63 %	— %	—
Debt origination costs	(2.3)				
	\$ 321.1				\$ 10.0



### **Galveston/Houston**

In June 2023, the Galveston/Houston joint venture completed the refinance of its mortgage. The new \$58.0 million loan has a maturity date of June 2026 and an interest rate of Daily SOFR + 3.00%. In conjunction with this refinance, the joint venture entered into a \$29.0 million interest rate swap that fixes Daily SOFR at 4.44% until December 2025. The Company's share of the outstanding debt is \$29.0 million.

### **Critical Accounting Estimates**

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Our Annual Report on Form 10-K for the year ended December 31, 2022 contains a discussion of our critical accounting estimates in the Management's Discussion and Analysis of Financial Condition and Results of Operations section. There have been no material changes to these estimates during the six months ended June 30, 2023.

### **Recent Accounting Pronouncements**

See Note 18 to the consolidated financial statements for information on recently adopted accounting standards and new accounting pronouncements issued.

## NON-GAAP SUPPLEMENTAL MEASURES

### Funds From Operations

Funds From Operations (“FFO”) is a widely used measure of the operating performance for real estate companies that supplements net income (loss) determined in accordance with GAAP. We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts (“NAREIT”), of which we are a member. In December 2018, NAREIT issued “NAREIT Funds From Operations White Paper - 2018 Restatement” which clarifies, where necessary, existing guidance and consolidates alerts and policy bulletins into a single document for ease of use. NAREIT defines FFO as net income (loss) available to the Company’s common shareholders computed in accordance with GAAP, excluding (i) depreciation and amortization related to real estate, (ii) gains or losses from sales of certain real estate assets, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) after adjustments for unconsolidated partnerships and joint ventures calculated to reflect FFO on the same basis.

FFO is intended to exclude historical cost depreciation of real estate as required by GAAP which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization of real estate assets, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income (loss).

We present FFO because we consider it an important supplemental measure of our operating performance. In addition, a portion of cash bonus compensation to certain members of management is based on our FFO or Core FFO, which is described in the section below. We believe it is useful for investors to have enhanced transparency into how we evaluate our performance and that of our management. In addition, FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is also widely used by us and others in our industry to evaluate and price potential acquisition candidates. We believe that FFO payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FFO, is useful to investors because it facilitates the comparison of dividend coverage between REITs. NAREIT has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only as a supplemental measure.

## Core FFO

We present Core Funds From Operations ("Core FFO") as a supplemental measure of our performance. We define Core FFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized in the table below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Core FFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Core FFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present Core FFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we believe it is useful for investors to have enhanced transparency into how we evaluate management's performance and the effectiveness of our business strategies. We use Core FFO when certain material, unplanned transactions occur as a factor in evaluating management's performance and to evaluate the effectiveness of our business strategies, and may use Core FFO when determining incentive compensation.

Core FFO has limitations as an analytical tool. Some of these limitations are:

- Core FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Core FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Core FFO does not reflect any cash requirements for such replacements;
- Core FFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate Core FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Core FFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Core FFO only as a supplemental measure.

Below is a reconciliation of net income to FFO and Core FFO available to common shareholders (in thousands, except per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 25,300	\$ 20,819	\$ 50,160	\$ 42,281
Adjusted for:				
Depreciation and amortization of real estate assets - consolidated	24,952	25,615	50,124	51,276
Depreciation and amortization of real estate assets - unconsolidated joint ventures	2,615	2,791	5,285	5,545
<b>FFO</b>	52,867	49,225	105,569	99,102
FFO attributable to noncontrolling interests in other consolidated partnerships	—	—	(248)	—
Allocation of earnings to participating securities	(485)	(424)	(909)	(858)
<b>FFO available to common shareholders<sup>(1)</sup></b>	\$ 52,382	\$ 48,801	\$ 104,412	\$ 98,244
As further adjusted for:				
Compensation-related adjustments <sup>(2)</sup>	—	2,447	(806)	2,447
Gain on sale of non-real estate asset <sup>(3)</sup>	—	(2,418)	—	(2,418)
Impact of above adjustment to the allocation of earnings to participating securities	—	—	6	—
<b>Core FFO available to common shareholders<sup>(1)</sup></b>	\$ 52,382	\$ 48,830	\$ 103,612	\$ 98,273
<b>FFO available to common shareholders per share - diluted<sup>(1)</sup></b>	\$ 0.47	\$ 0.45	\$ 0.95	\$ 0.90
<b>Core FFO available to common shareholders per share - diluted<sup>(1)</sup></b>	\$ 0.47	\$ 0.45	\$ 0.94	\$ 0.90
<b>Weighted Average Shares:</b>				
Basic weighted average common shares	104,367	103,630	104,228	103,607
Effect of notional units	722	421	668	413
Effect of outstanding options and restricted common shares	773	703	758	720
Diluted weighted average common shares (for earnings per share computations)	105,862	104,754	105,654	104,740
Exchangeable operating partnership units	4,738	4,762	4,738	4,762
<b>Diluted weighted average common shares (for FFO per share computations)<sup>(1)</sup></b>	110,600	109,516	110,392	109,502

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

(2) For the 2023 period, represents the reversal of previously expensed compensation related to a voluntary executive departure. For the 2022 periods, represents executive severance costs.

(3) Represents gain on sale of the corporate aircraft.

## Portfolio Net Operating Income and Same Center Net Operating Income

We present portfolio net operating income ("Portfolio NOI") and same center net operating income ("Same Center NOI") as supplemental measures of our operating performance. Portfolio NOI represents our property level net operating income which is defined as total operating revenues less property operating expenses and excludes termination fees and non-cash adjustments including straight-line rent, net above and below market rent amortization, impairment charges loss on early extinguishment of debt and gains or losses on the sale of assets recognized during the periods presented. We define Same Center NOI as Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, or subject to a material expansion or non-recurring event, such as a natural disaster, during the comparable reporting periods. We present Portfolio NOI and Same Center NOI on both a consolidated and total portfolio, including pro rata share of unconsolidated joint ventures, basis.

We believe Portfolio NOI and Same Center NOI are non-GAAP metrics used by industry analysts, investors and management to measure the operating performance of our properties because they provide performance measures directly related to the revenues and expenses involved in owning and operating real estate assets and provide a perspective not immediately apparent from net income (loss), FFO or Core FFO. Because Same Center NOI excludes properties developed, redeveloped, acquired and sold; as well as non-cash adjustments, gains or losses on the sale of outparcels and termination rents; it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Portfolio NOI and Same Center NOI, and accordingly, our Portfolio NOI and Same Center NOI may not be comparable to other REITs.

Portfolio NOI and Same Center NOI should not be considered alternatives to net income (loss) or as an indicator of our financial performance since they do not reflect the entire operations of our portfolio, nor do they reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. Because of these limitations, Portfolio NOI and Same Center NOI should not be viewed in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Portfolio NOI and Same Center NOI only as supplemental measures.

Below is a reconciliation of net income to Portfolio NOI and Same Center NOI for the consolidated portfolio and total portfolio at pro rata share (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 25,300	\$ 20,819	\$ 50,160	\$ 42,281
Adjusted to exclude:				
Equity in earnings of unconsolidated joint ventures	(1,706)	(2,227)	(3,641)	(4,740)
Interest expense	11,966	11,576	24,309	23,210
Other (income) expense	(2,324)	(2,576)	(5,124)	(2,759)
Depreciation and amortization	25,389	26,220	51,282	52,463
Other non-property (income) expense	(973)	63	(1,021)	234
Corporate general and administrative expenses	18,298	19,328	35,724	34,813
Non-cash adjustments <sup>(1)</sup>	481	(157)	1,301	1,363
Lease termination fees	(1)	(35)	(7)	(2,631)
<b>Portfolio NOI - Consolidated</b>	<b>76,430</b>	<b>73,011</b>	<b>152,983</b>	<b>144,234</b>
Non-same center NOI - Consolidated	(106)	(214)	40	(470)
<b>Same Center NOI - Consolidated <sup>(2)</sup></b>	<b>\$ 76,324</b>	<b>\$ 72,797</b>	<b>\$ 153,023</b>	<b>\$ 143,764</b>

(1) Non-cash items include straight-line rent, above and below market rent amortization, straight-line rent expense on land leases and gains or losses on outparcel sales, as applicable.

(2) Sold outlet centers excluded from Same Center NOI:

**Outlet centers sold:**

Blowing Rock	December 2022	Consolidated
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### **Adjusted EBITDA, EBITDAre and Adjusted EBITDAre**

We present Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") as adjusted for items described below ("Adjusted EBITDA"), EBITDA for Real Estate ("EBITDAre") and Adjusted EBITDAre, all non-GAAP measures, as supplemental measures of our operating performance. Each of these measures is defined as follows:

We define Adjusted EBITDA as net income (loss) available to the Company's common shareholders computed in accordance with GAAP before net interest expense, income taxes (if applicable), depreciation and amortization, gains and losses on sale of operating properties, joint venture properties, outparcels and other assets, impairment write-downs of depreciated property and of investment in unconsolidated joint ventures caused by a decrease in value of depreciated property in the affiliate, compensation related to voluntary retirement plan and other executive officer severance, certain compensation-related adjustments, gain on sale of non-real estate asset, casualty gains and losses, gains and losses on early extinguishment of debt, net and other items that we do not consider indicative of the Company's ongoing operating performance.

We determine EBITDAre based on the definition set forth by NAREIT, which is defined as net income (loss) available to the Company's common shareholders computed in accordance with GAAP before net interest expense, income taxes (if applicable), depreciation and amortization, gains and losses on sale of operating properties, gains and losses on change of control and impairment write-downs of depreciated property and of investment in unconsolidated joint ventures caused by a decrease in value of depreciated property in the affiliate and after adjustments to reflect our share of the EBITDAre of unconsolidated joint ventures.

Adjusted EBITDAre is defined as EBITDAre excluding gains and losses on early extinguishment of debt, net, casualty gains and losses, compensation related to voluntary retirement plan and other executive officer severance, gain on sale of non-real estate asset, gains and losses on sale of outparcels, and other items that that we do not consider indicative of the Company's ongoing operating performance.

We present Adjusted EBITDA, EBITDAre and Adjusted EBITDAre as we believe they are useful for investors, creditors and rating agencies as they provide additional performance measures that are independent of a Company's existing capital structure to facilitate the evaluation and comparison of the Company's operating performance to other REITs and provide a more consistent metric for comparing the operating performance of the Company's real estate between periods.

Adjusted EBITDA, EBITDAre and Adjusted EBITDAre have significant limitations as analytical tools, including:

- They do not reflect our net interest expense;
- They do not reflect gains or losses on sales of operating properties or impairment write-downs of depreciated property and of investment in unconsolidated joint ventures caused by a decrease in value of depreciated property in the affiliate;
- Adjusted EBITDA and Adjusted EBITDAre do not reflect gains and losses on extinguishment of debt and other items that may affect operations; and
- Other companies in our industry may calculate these measures differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA, EBITDAre and Adjusted EBITDAre should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA, EBITDAre and Adjusted EBITDAre only as supplemental measures.

Below is a reconciliation of Net Income to Adjusted EBITDA (in thousands):

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 25,300	\$ 20,819	\$ 50,160	\$ 42,281
Adjusted to exclude:				
Interest expense, net <sup>(1)</sup>	9,522	11,430	19,301	22,963
Income tax expense (benefit)	164	129	(36)	152
Depreciation and amortization	25,389	26,220	51,282	52,463
Compensation-related adjustments <sup>(2)</sup>	—	2,447	(806)	2,447
Gain on sale of non-real estate asset <sup>(3)</sup>	—	(2,418)	—	(2,418)
<b>Adjusted EBITDA</b>	\$ 60,375	\$ 58,627	\$ 119,901	\$ 117,888

Below is a reconciliation of Net Income to EBITDAre and Adjusted EBITDAre (in thousands):

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 25,300	\$ 20,819	\$ 50,160	\$ 42,281
Adjusted to exclude:				
Interest expense, net <sup>(1)</sup>	9,522	11,430	19,301	22,963
Income tax expense (benefit)	164	129	(36)	152
Depreciation and amortization	25,389	26,220	51,282	52,463
Pro-rata share of interest expense, net - unconsolidated joint ventures <sup>(1)</sup>	2,195	1,577	4,326	3,034
Pro-rata share of depreciation and amortization - unconsolidated joint ventures	2,615	2,791	5,285	5,545
<b>EBITDAre</b>	\$ 65,185	\$ 62,966	\$ 130,318	\$ 126,438
Compensation-related adjustments <sup>(2)</sup>	—	2,447	(806)	2,447
Gain on sale of non-real estate asset <sup>(3)</sup>	—	(2,418)	—	(2,418)
<b>Adjusted EBITDAre</b>	\$ 65,185	\$ 62,995	\$ 129,512	\$ 126,467

- (1) In 2022, we revised our presentation of interest expense to show this net of interest income. Prior period results have been revised to conform with the current period presentation.
- (2) For the 2023 period, represents the reversal of previously expensed compensation related to a voluntary executive departure. For the 2022 periods, represents executive severance costs.
- (3) Represents gain on sale of the corporate aircraft.



## ECONOMIC CONDITIONS AND OUTLOOK

We are closely monitoring the impact of the overall macroeconomic environment on all aspects of our business and geographies, including how it will impact our tenants and business partners, along with continuing to monitor retail challenges such as supply chain and labor issues, inflationary pressures and rising interest rates. While we believe many of these retailers are proactively navigating this situation, the ultimate impact of interest rates, inflation, labor and supply chain issues and overall macroeconomic environment is unknown.

A portion of our rental revenues are derived from rents that directly depend on the sales volume of certain tenants. Accordingly, declines in these tenants' sales would reduce the income produced by our properties. If the sales or profitability of our retail tenants decline sufficiently, whether due to a change in consumer preferences, health concerns, legislative changes that increase the cost of their operations or otherwise, such tenants may be unable to pay their existing rents as such rents would represent a higher percentage of their sales.

In addition, certain of our lease agreements include co-tenancy and/or sales-based provisions that may allow a tenant to pay reduced rent and/or terminate a lease prior to its natural expiration if we fail to maintain certain occupancy levels or retain specified named tenants, or if the tenant does not achieve certain specified sales targets. If our occupancy declines, certain outlet centers may fall below the minimum co-tenancy thresholds and could trigger many tenants' contractual ability to pay reduced rents, which in turn may negatively impact our results of operations.

Due to the relatively short-term nature of our tenants' leases, a significant portion of the leases in our portfolio come up for renewal each year. During 2023, approximately 1.9 million square feet, or 16% of the total portfolio, including our share of unconsolidated joint ventures, will come up for renewal. For the total portfolio, including the Company's pro rata share of unconsolidated joint ventures, as of June 30, 2023, we had lease renewals executed or in process for 64.4% of the space scheduled to expire during 2023 compared to 64.5% of the space scheduled to expire during 2022 that was executed or in process as of June 30, 2022.

The majority of our leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling us to receive percentage rentals based on tenants' gross sales (above predetermined levels) which generally increase as prices rise. A component of most leases includes a pro-rata share or escalating fixed contributions by the tenant for property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

Our outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of well-known tenants and a geographically diverse portfolio of properties located across the United States, we believe we reduce our operating and leasing risks. As of June 30, 2023 no one tenant (including affiliates) accounted for more than 8% of our square feet or 6% of our rental revenues.

We believe retail real estate will continue to be a profitable and fundamental distribution channel for many brands and retailers. While we continue to attract and retain additional tenants, if we were unable to successfully renew or re-lease a significant amount of this space on favorable economic terms or in a timely manner, the loss in rent and our Same Center NOI could be negatively impacted in future periods. Occupancy for our total portfolio, including our share of unconsolidated joint ventures, was 97.2% and 94.9% as of June 30, 2023 and 2022, respectively.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

#### Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates.

### Interest Rate Risk

We may periodically enter into certain interest rate protection and interest rate swap agreements to effectively convert existing floating rate debt to a fixed rate basis. We do not enter into derivatives or other financial instruments for trading or speculative purposes. As of June 30, 2023 we have interest rate swap agreements to fix the interest rates on outstanding debt with notional amounts made up of \$300.0 million current swaps expiring February 1, 2024 and \$100.0 million forward starting swaps with an effective date of February 1, 2024 and varying expirations between February 1, 2026 and August 1, 2026. In July 2023, we entered into an additional \$25 million forward-starting interest rate swap with an effective date of February 1, 2024 and an adjusted SOFR rate of 3.79. The maturity of this swap is January 1, 2027. See Note 7 to the consolidated financial statements for additional details related to our outstanding derivatives.

As of June 30, 2023, 5% of our outstanding consolidated debt, excluding the amount of variable rate debt with interest rate protection agreements in place, had variable interest rates and therefore was subject to market fluctuations. A change in the SOFR index of 100 basis points would result in an increase or decrease of approximately \$767,000 in interest expense on an annual basis.

The interest rate spreads associated with our unsecured lines of credit and our unsecured term loan are based on our three investment grade credit ratings. As of June 30, 2023, there were no outstanding balances under our unsecured lines of credit. An increase in our credit rating would provide a decrease in interest expense. If downgrades to our credit ratings occur, interest expense could increase depending upon the level of downgrade.

The information presented herein is merely an estimate and has limited predictive value. As a result, the ultimate effect upon our operating results of interest rate fluctuations will depend on the interest rate exposures that arise during the period, our hedging strategies at that time and future changes in the level of interest rates.

The estimated fair value and recorded value of our debt consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit were as follows (in thousands):

	June 30, 2023	December 31, 2022
Fair value of debt	\$ 1,259,475	\$ 1,268,362
Recorded value of debt	\$ 1,427,391	\$ 1,428,494

A 100 basis point increase from prevailing interest rates at June 30, 2023 and December 31, 2022 would result in a decrease in fair value of total consolidated debt of approximately \$39.5 million and \$44.3 million, respectively. Refer to Note 8 to the consolidated financial statements for a description of our methodology in calculating the estimated fair value of debt. Considerable judgment is necessary to develop estimated fair values of financial instruments. Accordingly, the estimates presented herein are not necessarily indicative of the amounts we could realize on the disposition of the financial instruments.

### Foreign Currency Risk

We are also exposed to foreign currency risk on investments in outlet centers that are located in Canada. Our currency exposure is concentrated in the Canadian Dollar. To mitigate some of the risk related to changes in foreign currency, cash flows received from our Canadian joint ventures are either reinvested to fund ongoing Canadian development activities, if applicable, or converted to US dollars and utilized to repay amounts outstanding under our unsecured lines of credit, if any. Accordingly, cash held in Canadian Dollars at any point in time is insignificant. We generally do not hedge currency translation exposures.

#### **Item 4. Controls and Procedures**

##### *Tanger Factory Outlet Centers, Inc. Controls and Procedures*

The President and Chief Executive Officer, Stephen J. Yalof (Principal Executive Officer), and Executive Vice President, Chief Financial Officer and Chief Investment Officer, Michael J. Bilerman (Principal Financial Officer), evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and concluded that, as of June 30, 2023, the Company's disclosure controls and procedures were effective. There were no changes to the Company's internal control over financial reporting during the quarter ended June 30, 2023, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

##### *Tanger Properties Limited Partnership Controls and Procedures*

The President and Chief Executive Officer, Stephen J. Yalof (Principal Executive Officer), and Executive Vice President, Chief Financial Officer and Chief Investment Officer, Michael J. Bilerman (Principal Financial Officer) of Tanger Factory Outlet Centers, Inc., the sole general partner of the Operating Partnership, evaluated the effectiveness of the Operating Partnership's disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) and concluded that, as of June 30, 2023, the Operating Partnership's disclosure controls and procedures were effective. There were no changes to the Operating Partnership's internal control over financial reporting during the quarter ended June 30, 2023, that materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

### **PART II. OTHER INFORMATION**

#### **Item 1. Legal Proceedings**

The Company and the Operating Partnership are, from time to time, engaged in a variety of legal proceedings arising in the normal course of business. Although the results of these legal proceedings cannot be predicted with certainty, management believes that the final outcome of such proceedings will not have a material adverse effect on our results of operations or financial condition.

#### **Item 1A. Risk Factors**

There have been no material changes from the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2022.

## **Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities**

### **(c) Issuer Purchases of Equity Securities**

In May 2023, the Company's Board of Directors authorized the repurchase of up to \$ 100.0 million of the Company's outstanding shares through May 31, 2025, replacing the previously authorized plan to repurchase up to \$80.0 million of the Company's outstanding shares through May 31, 2023.

Repurchases may be made from time to time through open market, privately-negotiated, structured or derivative transactions (including accelerated share repurchase transactions), or other methods of acquiring shares. The Company intends to structure open market purchases to occur within pricing and volume requirements of Rule 10b-18. The Company may, from time to time, enter into Rule 10b5-1 plans to facilitate the repurchase of its shares under this authorization. The Company did not repurchase any shares for the three months ended June 30, 2023. The remaining amount authorized to be repurchased under the program as of June 30, 2023 was approximately \$100.0 million.

For certain restricted common shares that vested during the three months ended June 30, 2023, we withheld shares with value equivalent to the employees' minimum statutory obligation for the applicable income and other employment taxes, and remitted the cash to the appropriate taxing authorities. The total number of shares withheld upon vesting was 61,632 for the three months ended June 30, 2023. The total number of shares withheld was based on the value of the restricted common shares on the vesting date as determined by our closing share price on the day prior to the vesting date.

### **Item 5. Other Information.**

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

Exhibit Number	Exhibit Descriptions
10.1	<a href="#">Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (Amended and Restated as of May 19, 2023).</a>
31.1*	<a href="#">Principal Executive Officer Certification Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, for Tanger Factory Outlet Centers, Inc.</a>
31.2*	<a href="#">Principal Financial Officer Certification Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, for Tanger Factory Outlet Centers, Inc.</a>
31.3*	<a href="#">Principal Executive Officer Certification Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, for Tanger Properties Limited Partnership.</a>
31.4*	<a href="#">Principal Financial Officer Certification Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, for Tanger Properties Limited Partnership.</a>
32.1**	<a href="#">Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.</a>
32.2**	<a href="#">Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.</a>
32.3**	<a href="#">Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Properties Limited Partnership.</a>
32.4**	<a href="#">Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Properties Limited Partnership.</a>
101.INS*	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

\*\* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: August 4, 2023

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Michael J. Bilerman

Michael J. Bilerman

Executive Vice President, Chief Financial Officer, Chief Investment Officer and Secretary (Principal Financial Officer)

TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC., its sole general partner

By: /s/ Michael J. Bilerman

Michael J. Bilerman

Executive Vice President, Chief Financial Officer, Chief Investment Officer and Secretary (Principal Financial Officer)

## Amended and Restated Incentive Award Plan

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**INCENTIVE AWARD PLAN OF TANGER FACTORY OUTLET CENTERS, INC. AND TANGER PROPERTIES LIMITED PARTNERSHIP (AMENDED AND RESTATED AS OF MAY 19, 2023)**

Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the state of North Carolina (the "Company"), originally adopted the Stock Option Plan for Directors and Executive and Key Employees of Tanger Factory Outlet Centers, Inc. (the "Plan") on May 28, 1993. The Plan was subsequently amended from time to time and was amended and restated effective as of May 14, 2004 in order to merge the Plan with the Partnership Unit Option Plan for Employees of Tanger Properties Limited Partnership (the "Unit Option Plan"). The Plan serves as the successor to the Unit Option Plan, but, as of May 19, 2023 no options granted under the Unit Option Plan remained outstanding and no additional options shall be granted under the Unit Option Plan. The Plan was further amended from time to time and was subsequently amended and restated in its entirety, effective as of April 4, 2014 and as of May 17, 2019. The plan is hereby further amended and restated in its entirety, effective as of May 19, 2023. The full name of the Plan, as amended and restated herein, shall be the "Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (Amended and Restated as of May 19, 2023)."

The purposes of this Plan are as follows:

(1) To further the growth, development and financial success of the Company and the Partnership by providing additional incentives to directors and employees and consultants of the Company, the Partnership and their subsidiaries, who have been or will be given responsibility for the management or administration of the Company's business affairs, by assisting them to become owners of Common Shares and thus to benefit directly from such growth, development and financial success.

(2) To enable the Company, the Partnership and their subsidiaries to obtain and retain the services of the types of professional, technical and managerial employees, consultants and directors considered essential to the long range success of the Company by providing and offering them an opportunity to own Common Shares and/or rights which will reflect the growth, development and financial success of the Company.

**ARTICLE I.  
DEFINITIONS**

Wherever the following terms are used in this Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The masculine pronoun shall include the feminine and neuter and the singular shall include the plural, where the context so indicates.

Section 1.1 "**Administrator**" shall mean the entity that conducts the general administration of the Plan as provided herein. With reference to the administration of the Plan with respect to Awards granted to Independent Directors, the term "Administrator" shall refer to the Board. With reference to the administration of the Plan with respect to any other Award, the term "Administrator" shall refer to the Committee unless the Board has assumed the authority for administration of the Plan generally as provided in Section 10.2 or the Committee has delegated administration to one or more persons pursuant to Section 10.6.

Section 1.2 "**Applicable Accounting Standards**" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's, the Partnership's or any Subsidiary's financial statements under United States federal securities laws from time to time.

Section 1.3 "**Automatic Exercise Date**" shall mean, with respect to an Option or Share Appreciation Right, the last business day of the applicable term of such Option or Share Appreciation Right that was initially established by the Administrator for such Option or Share Appreciation Right (*e.g.*, the last business day prior to the tenth anniversary of the date of grant of such Option or Share Appreciation Right if the Option or Share Appreciation Right initially had a ten-year term).

Section 1.4 "**Award**" shall mean an Option, a Restricted Share award, a Restricted Share Unit award, a Performance Award, a Dividend Equivalent award, a Deferred Share award, Deferred Share Unit award, a Share

Payment award, an LTIP Unit award, or a Share Appreciation Right which may be awarded or granted under the Plan.

Section 1.5 "Award Agreement" shall mean a written notice, agreement, terms and conditions, contract or other instrument or document executed by an authorized officer of the Company, the Partnership or a Subsidiary, as applicable, and the Holder, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with the Plan.

Section 1.6 Board" shall mean the Board of Directors of the Company.

Section 1.7 "Change in Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding Common Shares (the "Outstanding Common Shares") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 1.7; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Shares and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Common Shares and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to an Award or any portion of an Award that provides for the deferral of compensation and is subject to Section 409A, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award (or portion thereof)

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must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required to avoid the imposition of additional taxes under Section 409A.

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

Section 1.8 "Code" shall mean the Internal Revenue Code of 1986, as amended, together with the regulations and official guidance promulgated thereunder.

Section 1.9 "Committee" shall mean the Compensation Committee of the Board or another committee or subcommittee of the Board or the Compensation Committee, appointed as provided in Section 10.1.

Section 1.10 "Common Shares" shall mean the common shares of the Company, par value \$0.01 per share, and, where the context so requires (including, without limitation, in Sections 1.25, 11.3, 11.9, 11.11, 11.14, 11.17 and 11.23), LTIP Units, or any successor securities thereto.

Section 1.11 "Company" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, or any successor corporation thereto.

Section 1.12 "Company Consultant" shall mean any consultant or advisor of the Company or any Company Subsidiary who qualifies as a consultant or advisor under the applicable rules of Form S-8 under the Securities Act of 1933, as amended, after taking into account applicable law and (b) has provided or is expected to provide substantial or material services to the Company or any Company Subsidiary, as determined by the Administrator.

Section 1.13 "Company Employee" shall mean any employee (as defined in accordance with Section 3401(c) of the Code) of the Company or of any Company Subsidiary.

Section 1.14 "Company Subsidiary" shall mean (i) a corporation, association or other business entity of which 50% or more of the total combined voting power of all classes of capital stock is owned, directly or indirectly, by the Company or by one or more Company Subsidiaries or by the Company and one or more Company Subsidiaries, (ii) any partnership or limited liability company of which 50% or more of the capital and profits interests is owned, directly or indirectly, by the Company or by one or more Company Subsidiaries or by the Company and one or more Company Subsidiaries, and (iii) any other entity not described in clauses (i) or (ii) above of which 50% or more of the ownership and the power, pursuant to a written contract or agreement, to direct the policies and management or the financial and other affairs thereof, are owned or controlled by the Company or by one or more other Company Subsidiaries or by the Company and one or more Company Subsidiaries; provided, however, that "Company Subsidiary" shall not include the Partnership or any Partnership Subsidiary.

Section 1.15 "Consultant" shall mean any Company Consultant or Partnership Consultant.

Section 1.16 "Deferred Share Unit" shall mean a right to receive Common Shares awarded under Section 8.6.

Section 1.17 "Deferred Shares" shall mean Common Shares awarded under Article VIII of the Plan.

Section 1.18 "Director" shall mean a member of the Board.

Section 1.19 "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Common Shares) of dividends paid on Common Shares, awarded under Section 8.3.

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Section 1.20 "**DRO**" shall mean a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

Section 1.21 "**Eligible Individual**" shall mean any person who is an Employee, Consultant or Independent Director, as determined in the sole discretion of the Administrator.

Section 1.22 "**Employee**" shall mean any Company Employee or Partnership Employee.

Section 1.23 "**Equity Restructuring**" shall mean a nonreciprocal transaction between the Company and its shareholders, such as a share dividend, share split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Common Shares (or other securities of the Company) or the share price of Common Shares (or other securities) and causes a change in the per-share value of the Common Shares underlying outstanding Awards.

Section 1.24 "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

Section 1.25 "**Fair Market Value**" of a Common Share as of a given date shall be (i) the closing price of the Common Shares, on the principal exchange on which Common Shares are trading, on the trading day previous to such date, or, if Common Shares were not traded on the day previous to such date, then on the next preceding trading day during which a sale occurred; (ii) if such Common Shares are not traded on an exchange but are quoted on Nasdaq or a successor quotation system, (A) the last sales price (if the Common Shares are then listed as Global Market Issue under the Nasdaq Global Market System) or (B) the mean between the closing representative bid and asked prices for the Common Shares on the trading day previous to such date as reported by Nasdaq or such successor quotation system; or (iii) if such Common Shares are not publicly traded on an exchange and not quoted on Nasdaq or a successor quotation system, the fair market value of a Common Share as established by the Administrator acting in good faith.

Section 1.26 "**Greater Than 10% Shareholder**" shall mean an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of shares of the Company or any subsidiary corporation (as defined in Section 424(f) of the Code) or parent corporation thereof (as defined in Section 424(e) of the Code).

Section 1.27 "**Holder**" shall mean a person who has been granted or awarded an Award.

Section 1.28 "**Incentive Share Option**" shall mean an option which conforms to the applicable provisions of Section 422 of the Code and which is designated as an Incentive Share Option by the Administrator.

Section 1.29 "**Independent Director**" shall mean a member of the Board who is not an Employee.

Section 1.30 "**LTIP Unit**" shall mean, to the extent authorized by the Partnership Agreement, a unit of the Partnership that is granted pursuant to Section 8.7 hereof and is intended to constitute a "profits interest" within the meaning of the Code.

Section 1.31 "**Non-Qualified Share Option**" shall mean an Option which is not an Incentive Share Option.

Section 1.32 "**Option**" shall mean an option to purchase Common Shares granted under Article IV of this Plan. An Option granted under this Plan shall, as determined by the Administrator, be either a Non-Qualified Share Option or an Incentive Share Option; provided, however, that Options granted to Independent Directors and to individuals other than Company Employees shall be Non-Qualified Share Options.

Section 1.33 "**Partnership**" shall mean Tanger Properties Limited Partnership, a partnership organized under the laws of the state of North Carolina.

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Section 1.34 "Partnership Agreement" shall mean the Amended and Restated Agreement of Limited Partnership of Tanger Properties Limited Partnership, dated as of December 30, 1999, as the same may be amended, modified or restated from time to time.

Section 1.35 "Partnership Consultant" shall mean any consultant or advisor of the Partnership or any Partnership Subsidiary who qualifies as a consultant or advisor under the applicable rules of Form S-8 under the Securities Act of 1933, as amended, after taking into account applicable law and (b) has provided or is expected to provide substantial or material services to the Partnership or any Partnership Subsidiary, as determined by the Administrator.

Section 1.36 "Partnership Employee" shall mean any employee (as defined in accordance with Section 3401(c) of the Code) of the Partnership or of any Partnership Subsidiary.

Section 1.37 "Partnership Subsidiary" shall mean (i) a corporation, association or other business entity of which 50% or more of the total combined voting power of all classes of capital stock is owned, directly or indirectly, by the Partnership or by one or more Partnership Subsidiaries or by the Partnership and one or more Partnership Subsidiaries, (ii) any partnership or limited liability company of which 50% or more of the capital and profits interests is owned, directly or indirectly, by the Partnership or by one or more Partnership Subsidiaries or by the Partnership and one or more Partnership Subsidiaries, and (iii) any other entity not described in clauses (i) or (ii) above of which 50% or more of the ownership and the power, pursuant to a written contract or agreement, to direct the policies and management or the financial and other affairs thereof, are owned or controlled by the Partnership or by one or more other Partnership Subsidiaries or by the Partnership and one or more Partnership Subsidiaries.

Section 1.38 "Partnership Unit" shall have the meaning ascribed to such term in the Partnership Agreement.

Section 1.39 "Performance Award" shall mean a cash bonus, share bonus or other performance or incentive award that is paid in cash, Common Shares or a combination of both, awarded under Article VIII of this Plan.

Section 1.40 "Performance Criteria" may include, but is not limited to (a) the following business criteria with respect to the Company, the Partnership or any Subsidiary or any division or operating unit of any of them: (i) net income or adjusted net income; (ii) pre-tax income; (iii) operating income; (iv) cash flow (including, without limitation, operating cash flow and free cash flow); (v) earnings per share or adjusted earnings per share; (vi) return on equity; (vii) return on invested capital or assets; (viii) cost reductions or savings; (ix) funds from operations or adjusted funds from operations; (x) appreciation in the Fair Market Value of a Common Share or a Partnership Unit; (xi) total return performance on Common Shares as reported in the Company's annual proxy statement; (xii) operating profit; (xiii) costs; (xiv) expenses; (xv) working capital; (xvi) price per share; (xvii) implementation or completion of critical projects; (xviii) market share; (xix) economic value; (xx) debt levels or reductions, (xxi) sales-related goals, (xxii) operating efficiency, (xxiii) employee satisfaction, (xxiv) financing or other capital raising transactions, (xxv) recruiting and maintaining personnel, (xxvi) year-end cash, and (xxvii) leasing activity, (xxviii) acquisition activity, (xxix) investment sourcing activity, (xxx) customer service, (xxxi) marketing initiatives, and (xxxii) earnings before any one or more of the following items: interest, taxes, depreciation, amortization or non-cash equity-based compensation expense, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices; provided, that, to the extent applicable, each of the business criteria described in subsections (i) through (xxxii) shall be determined in accordance with Applicable Accounting Standards; and (b) the following objective performance criteria as applied to any Employee: (i) lease renewals; (ii) occupancy rates; (iii) average tenant sales per square foot; (iv) rental rates; and (v) implementation or completion of critical projects. For each fiscal year of the Company, the Committee may provide for objectively determinable adjustments, as determined in accordance with Applicable Accounting Standards, to any of the business criteria described in subsections (a) and (b) and such adjustments may include one or more of the following: (A) items determined to be extraordinary or unusual in nature or infrequent in occurrence; (B) items related to the sale or disposition of a business or a segment of a business; (C) items related to a change in accounting principles under Applicable Accounting Standards; (D) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (E) items attributable to the business operations of any entity acquired by the Company or the Partnership during the fiscal year; (F) items reflecting adjustments to funds from operations with respect to straight-line rental income as reported in the Company's Exchange Act reports; (G) items relating to financing activities; (H) expenses for restructuring or productivity initiatives; (I) other non-operating items; (J) items attributable to any share dividend, share split, combination or exchange of shares occurring during the applicable performance period, (J) any other items of significant income or expense which

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are determined to be appropriate adjustments; (K) items related to amortization of acquired intangible assets; (L) items that are outside the scope of the core, on-going business activities of the Company, the Partnership and the Subsidiaries; (M) items related to acquired in-process research and development; (N) items relating to changes in tax law; (O) items relating to major licensing or partnership arrangements; (P) items relating to asset impairment charges; (Q) items relating to gains or losses for litigation, arbitration and contractual settlements; and (R) items relating to any other unusual or nonrecurring events or changes in applicable law, accounting principles or business conditions.

Section 1.41 "Permitted Transferee" shall mean, with respect to a Holder, any "family member" of the Holder, as defined in the instructions to Form S-8 under the Securities Act of 1933, as amended, after taking into account applicable law.

Section 1.42 "Plan" shall mean the Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (Amended and Restated as of May 19, 2023).

Section 1.43 "REIT" shall mean a real estate investment trust within the meaning of Sections 856 through 860 of the Code.

Section 1.44 "Restricted Share" shall mean a Common Share awarded under Article VII.

Section 1.45 "Restricted Share Unit" shall mean the right to receive Common Shares or cash awarded under Article VIII.

Section 1.46 "Rule 16b-3" shall mean that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

Section 1.47 "Secretary" shall mean the Secretary of the Company.

Section 1.48 "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder (including, without limitation, any such regulations or other guidance issued after the Restatement effective date of the Plan).

Section 1.49 "Share Appreciation Right" shall mean a share appreciation right granted under Article IX hereof.

Section 1.50 "Share Payment" shall mean (a) a payment in the form of Common Shares, or (b) an option or other right to purchase Common Shares, as part of a bonus, deferred compensation or other arrangement, awarded under Article VIII of the Plan.

Section 1.51 "Subsidiary" shall mean any Company Subsidiary or Partnership Subsidiary.

Section 1.52 "Substitute Award" shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Share Appreciation Right.

Section 1.53 "Termination of Consultancy" shall mean the time when the engagement of a Holder as a Consultant is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement; provided, that, in any such case, such termination constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations (to the extent required); but excluding terminations where the Holder simultaneously commences or remains in employment and/or service as an Employee and/or Director. For purposes of the Plan, a Holder's consultancy relations shall be deemed to be terminated in the event that the Subsidiary contracting with such Holder ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

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Section 1.54 "Termination of Directorship" shall mean the time when a Holder who is an Independent Director ceases to be a Director for any reason, including, but not by way of limitation, a termination by resignation, failure to be elected, death or retirement; provided, that, in any such case, such termination constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations (to the extent required). The Board, in its sole discretion, shall determine the effect of all matters and questions relating to Termination of Directorship with respect to Independent Directors.

Section 1.55 "Termination of Employment" shall mean the time when the employee-employer relationship between a Holder and the Company, the Partnership or any Subsidiary of either of them is terminated for any reason, with or without cause, including, but not by way of limitation, a termination by resignation, discharge, death, disability or retirement; provided, that, in any such case, such termination constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations (to the extent required); but excluding (i) a termination where there is a simultaneous reemployment or continuing employment of such Holder by the Company, the Partnership or any Subsidiary of either of them, (ii) at the discretion of the Administrator, a termination which results in a temporary severance of the employee-employer relationship, and (iii) at the discretion of the Administrator, a termination which is followed by the simultaneous establishment of a consulting relationship by the Company, the Partnership or any Subsidiary of either of them with the former employee. The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including, but not by way of limitation, the question of whether a Termination of Employment resulted from a discharge for cause, and all questions of whether a particular leave of absence constitutes a Termination of Employment; provided, however, that, with respect to Incentive Share Options, unless otherwise determined by the Administrator in its discretion, a leave of absence, change in status from an Employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Employment if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Holder's employee-employer relationship shall be deemed to be terminated in the event that the Subsidiary employing with such Holder ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

Section 1.56 "Termination of Service" shall mean (a) as to a Consultant, a Termination of Consultancy, (b) as to an Employee, a Termination of Employment, and (c) as to a Director, a Termination of Directorship.

## ARTICLE II. SHARES SUBJECT TO PLAN

### Section 2.1 Shares Subject to Plan

(a) Subject to Section 2.2 and adjustment pursuant to Section 11.3, the aggregate number of Common Shares which may be issued with respect to Awards under the Plan shall not exceed 21.3 million, all of which may be issued pursuant to Incentive Share Options. The Common Shares issuable with respect to Awards may be either previously authorized but unissued shares, treasury shares or shares purchased on the open market. Subject to Section 11.3, each LTIP Unit issued pursuant to an Award shall count as one Common Share for purposes of (i) calculating the aggregate number of Common Shares available for issuance under the Plan as set forth in this Section 2.1(a), and (ii) share counting as set forth in Section 2.2.

(b) Notwithstanding anything to the contrary in the Plan, in no event may an Independent Director be granted Awards pursuant to the Plan with an aggregate value (with such value determined as of the date of grant under Applicable Accounting Standards) in excess of \$500,000 during any fiscal year of the Company (the "Director Limit").

### Section 2.2 Share Counting

Notwithstanding Section 2.1(a): (i) the Administrator may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or Substitute Awards), and make adjustments if the number of Common Shares actually delivered differs from the number of shares previously counted in connection with an Award; (ii) Common Shares that are potentially deliverable under any Award that expires or is canceled, forfeited, settled in cash or otherwise terminated without a delivery of such shares to the Holder will not be counted as delivered under the Plan; (iii) Common Shares that have been issued in connection with any Award (*e.g.*, Restricted Shares) that is canceled, forfeited, or settled in cash such that those shares are returned to the Company will again be available for Awards; (iv) Common Shares withheld

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in payment of the exercise price or taxes relating to any Option or Share Appreciation Right and shares equal to the number surrendered in payment of any exercise price or taxes relating to any Option or Share Appreciation Right shall be deemed to constitute shares delivered to the Holder and shall not be deemed to be again available for Awards under the Plan; (v) Common Shares purchased on the open market with the cash proceeds from the exercise of Options shall not be deemed to be available for Awards under the Plan; and (vi) Common Shares subject to a Share Appreciation Right that are not issued in connection with the share settlement of the Share Appreciation Right on exercise thereof shall be deemed to constitute shares delivered to the Holder and shall not be deemed to be again available for Awards under the Plan; provided, however, that no shares shall become available pursuant to this Section 2.2 to the extent that (x) the transaction resulting in the return of shares occurs more than ten years after the date of the most recent shareholder approval of the Plan, or (y) such return of shares would constitute a "material revision" of the Plan subject to shareholder approval under then applicable rules of the New York Stock Exchange (or any other applicable exchange or quotation system). In addition (A) in the case of any Award granted in substitution for an award of a company or business acquired by the Company, the Partnership or any Subsidiary, Common Shares issued or issuable in connection with such Substitute Award shall not be counted against the number of shares reserved under the Plan, but shall be available under the Plan by virtue of the Company's assumption of the plan or arrangement of the acquired company or business and (B) the payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Common Shares available for issuance under the Plan. This Section 2.2 shall apply to the share limit imposed to conform to the regulations promulgated under the Code with respect to Incentive Share Options only to the extent consistent with applicable regulations relating to Incentive Share Options under the Code. Because shares will count against the number reserved in Section 2.1 upon delivery, the Administrator may, subject to the share counting rules under this Section 2.2, determine that Awards may be outstanding that relate to a greater number of shares than the aggregate remaining available under the Plan, so long as Awards will not result in delivery and vesting of shares in excess of the number then available under the Plan.

### Section 2.3 Substitute Awards

Substitute Awards shall not reduce the Common Shares authorized for grant under the Plan. Additionally, in the event that a company acquired by the Company, the Partnership or any Subsidiary or with which the Company, the Partnership or any Subsidiary combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common shares of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Common Shares authorized for grant under the Plan; provided that Awards using such available Common Shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company, the Partnership or any of the Subsidiaries immediately prior to such acquisition or combination.

## ARTICLE III. GRANTING OF AWARDS

### Section 3.1 Participation

The Administrator may, from time to time, select from among all Eligible Individuals, those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. No Eligible Individual shall have any right to be granted an Award pursuant to the Plan. To the extent required by applicable law, legal consideration shall be required for each issuance of an Award.

### Section 3.2 Award Agreement

Each Award shall be evidenced by an Award Agreement that sets forth the terms, conditions and limitations for such Award, which may include the term of the Award, the provisions applicable in the event of the Holder's Termination of Service, and the Company's authority to unilaterally or bilaterally amend, modify,

suspend, cancel or rescind an Award. Award Agreements evidencing Incentive Share Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

#### Section 3.3 Limitations Applicable to Section 16 Persons

Notwithstanding any other provision of the Plan, the Plan and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

#### Section 3.4 At-Will Employment

Nothing in the Plan or in any Award Agreement hereunder shall confer upon any Holder any right to continue in the employ of the Company, the Partnership or any Subsidiary, or as a Consultant or Director of the Company, or shall interfere with or restrict in any way the rights of the Company, the Partnership or any Subsidiary, which are hereby expressly reserved, to discharge any Holder at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Holder and the Company, the Partnership or any Subsidiary. Participation by each Holder in the Plan shall be voluntary and nothing in the Plan shall be construed as mandating that any Eligible Individual shall participate in the Plan.

#### Section 3.5 Foreign Participants

Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company, the Partnership, and the Subsidiaries operate or have Eligible Individuals, or in order to comply with the requirements of any foreign securities exchange, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with applicable foreign laws or listing requirements of any such foreign securities exchange; (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the share limit contained in Section 2.1; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any such foreign securities exchange. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate applicable law.

### **ARTICLE IV. GRANTING OF OPTIONS**

#### Section 4.1 Eligibility

Any Employee or Consultant selected by the Administrator pursuant to Section 4.3(a)(i) shall be eligible to be granted an Option. Any Independent Director selected by the Board pursuant to Section 4.3(b)(i) shall be eligible to be granted an Option.

#### Section 4.2 Qualification of Incentive Share Options

No Incentive Share Option shall be granted to any person who is not a Company Employee. No person who qualifies as a Greater Than 10% Shareholder may be granted an Incentive Share Option unless such Incentive Share Option conforms to the applicable provisions of Section 422 of the Code.

#### Section 4.3 Granting of Options

(a) The Administrator shall from time to time, in its sole discretion, and subject to applicable limitations of this Plan:

(i) Select from among the Employees and Consultants (including Employees and Consultants who have previously received Awards) such of them as in its opinion should be granted Options;

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- (ii) Determine the number of shares to be subject to such Options granted to the selected Employees and Consultants;
- (iii) Subject to Section 4.2, determine whether such Options are to be Incentive Share Options or Non-Qualified Share Options; and
- (iv) Determine the terms and conditions of such Options, consistent with this Plan.

(b) The Board shall from time to time, in its sole discretion, and subject to applicable limitations of this Plan:

(i) Determine which Independent Directors (including Independent Directors who have previously received Options) such of them as in its opinion should be granted Options; and

(ii) Subject to the Director Limit, determine the terms and conditions of such Options, consistent with this Plan.

(c) Upon the selection of an Eligible Individual to be granted an Option, the Administrator shall instruct the Secretary to issue the Option and may impose such conditions on the grant of the Option as it deems appropriate.

#### **ARTICLE V. TERMS OF OPTIONS**

##### Section 5.1 Exercise Price

The exercise price per share of the shares subject to each Option shall be set by the Administrator in its discretion; provided, however, that such price shall be no less than the Fair Market Value of a Common Share on the date the Option is granted (or, as to Incentive Share Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code), and, in the case of Incentive Share Options granted to a Greater than 10% Shareholder, such price shall not be less than 110% of the Fair Market Value of a Common Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code).

##### Section 5.2 Option Term

The term of an Option shall be set by the Administrator in its discretion; provided, however, that (i) in the case of Incentive Share Options, the term shall not be more than ten (10) years from the date the Incentive Share Option is granted, or five (5) years from such date if the Incentive Share Option is granted to a Greater Than 10% Shareholder. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Holder has the right to exercise the vested Options, which time period may not extend beyond the last day of the Option Term. Except as limited by requirements of Section 422 of the Code and regulations and rulings thereunder applicable to Incentive Share Options and the requirements of Section 409A, the Administrator may extend the term of any outstanding Option in connection with any Termination of Service, or amend, subject to Section 11.2, any other term or condition of such Option relating to such a termination.

##### Section 5.3 Option Vesting

(a) The period during which the right to exercise an Option in whole or in part vests in the Holder shall be set by the Administrator and the Administrator may determine that an Option may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Company, the Partnership or any Subsidiary, any of the Performance Criteria, or any other criteria selected by the Administrator and, except as may be limited by the Plan, at any time after grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an Option vests.

(b) No portion of an Option which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in the Award Agreement or by action of the Administrator at the time of or following the grant of the Option.

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(c) To the extent that the aggregate Fair Market Value of shares with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Holder during any calendar year (under the Plan and all other incentive stock option plans of the Company and any subsidiary) exceeds \$100,000, such Options shall be treated as Non-Qualified Share Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking options into account in the order in which they were granted. For purposes of this Section 5.3(c), the Fair Market Value of shares shall be determined as of the time the option with respect to such shares is granted.

(d) In the event of a Change in Control, each Option granted to an Eligible Individual shall be exercisable as to all shares covered thereby immediately prior to the consummation of such Change in Control and subject to such consummation and the Eligible Individual's continued employment or service through such consummation, notwithstanding anything to the contrary in this Section 5.3 or the vesting schedule of such Option.

#### Section 5.4 Substitute Awards

Notwithstanding the foregoing provisions of this Article V to the contrary, in the case of an Option that is a Substitute Award, the price per share of the Common Shares subject to such Option may be less than the Fair Market Value per share on the date of grant; provided that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the Common Shares subject to the Substitute Award, over (b) the aggregate exercise price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Administrator) of the shares of the predecessor entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate exercise price of such shares

#### Section 5.5 Substitution of Share Appreciation Rights

The Administrator may, in its sole discretion, substitute an Award of Share Appreciation Rights for an outstanding Option at any time prior to or upon exercise of such Option; provided, however, that such Share Appreciation Rights shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price and remaining term as the substituted Option.

### **ARTICLE VI. EXERCISE OF OPTIONS**

#### Section 6.1 Partial Exercise

An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option, a partial exercise be with respect to a minimum number of shares.

#### Section 6.2 Expiration of Option Term; Automatic Exercise of In-The-Money Options

Unless otherwise provided by the Administrator (in an Award Agreement or otherwise) or as otherwise directed by an Option Holder in writing to the Company, each Option outstanding on the Automatic Exercise Date with an exercise price per share that is less than the Fair Market Value per Common Share as of such date shall automatically and without further action by the Option Holder, the Company, the Partnership or any Subsidiary be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, payment of the exercise price of any such Option shall be made through withholding of Common Shares otherwise issuable under such Option (or the return of Common Shares) having a Fair Market Value equal to the sums required to be withheld and the Company, the Partnership or any Subsidiary shall deduct or withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 11.5. Unless otherwise determined by the Administrator, this Section 6.2 shall not apply to an Option if the Holder of such Option incurs a Termination of

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Service on or before the Automatic Exercise Date. For the avoidance of doubt, no Option with an exercise price per share that is equal to or greater than the Fair Market Value per Common Share on the Automatic Exercise Date shall be exercised pursuant to this Section 6.2.

#### Section 6.3 Manner of Exercise

All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary or his office prior to the time when such Option or such portion becomes unexercisable under the Plan or the applicable Award Agreement:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Option or such portion of the Option;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal or state securities laws or regulations and any other applicable law. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates or book entries evidencing shares and issuing stop-transfer notices to agents and registrars;

(c) In the event that the Option shall be exercised by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option, as determined in the sole discretion of the Administrator; and

(d) Full cash payment of the exercise price and applicable withholding taxes to the Secretary for the shares with respect to which the Option, or portion thereof, is exercised. However, the Administrator may in its discretion allow payment, in whole or in part, through (i) the delivery of Common Shares owned by the Holder, duly endorsed for transfer to the Company with a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; (ii) the surrender of Common Shares then issuable upon exercise of the Option having a Fair Market Value on the date of Option exercise equal to the aggregate exercise price of the Option or exercised portion thereof; (iii) the delivery of property of any kind which constitutes good and valuable consideration; (iv) the delivery of a notice that the Holder has placed a market sell order with a broker with respect to Common Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price, **provided** that payment of such proceeds is then made to the Company upon settlement of such sale; or (v) any combination of the consideration provided in the foregoing subparagraphs (i), (ii), (iii) and (iv). The Option may not be exercised, however, by delivery of a promissory note or by a loan from the Company, the Partnership or any Subsidiary when or where such loan or other extension of credit is prohibited by law, and payment in the manner prescribed by the preceding sentences shall not be permitted to the extent that the Administrator determines that payment in such manner may result in an extension or maintenance of credit, an arrangement for the extension of credit, or a renewal of an extension of credit in the form of a personal loan to or for any Director or executive officer of the Company that is prohibited by Section 13(k) of the Exchange Act or other applicable law.

#### Section 6.4 Rights as Shareholders

The Holders of Options shall not be, nor have any of the rights or privileges of, shareholders of the Company in respect of any shares purchasable upon the exercise of any part of an Option unless and until certificates representing such shares have been issued by the Company or the Partnership to such Holders or book entries evidencing shares have been made.

#### Section 6.5 Ownership and Transfer Restrictions

The Administrator, in its sole discretion, may impose such restrictions on the ownership and transferability of the shares purchasable upon the exercise of an Option as it deems appropriate. Any such restriction shall be set forth in the respective Award Agreement or other written agreement between the Company and the Holder and may be referred to on the certificates or book entries evidencing such shares.

#### Section 6.6 Notification Regarding Disposition

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The Holder shall give the Company prompt written or electronic notice of any disposition of Common Shares acquired by exercise of an Incentive Share Option which occurs within (a) two years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) such Option to such Holder, or (b) one year after the transfer of such Common Shares to such Holder.

## ARTICLE VII. AWARD OF RESTRICTED SHARES

### Section 7.1 Eligibility

Subject to the Director Limit, Restricted Shares may be awarded to any Eligible Individual.

### Section 7.2 Award of Restricted Shares

(a) The Administrator may from time to time, in its sole discretion:

(i) Select from among Eligible Individuals (including Eligible Individuals who have previously received other Awards under the Plan) such of them as in its opinion should be awarded Restricted Shares; and

(ii) Determine the purchase price, if any, and other terms and conditions (including, without limitation, in the case of awards to Partnership Employees and Partnership Consultants, the mechanism for the transfer of the Restricted Shares and payment therefor, and any surrender of such Restricted Shares pursuant to Section 7.4) applicable to such Restricted Shares, consistent with the Plan.

(b) The Administrator shall establish the purchase price, if any, and form of payment for Restricted Shares; provided, however, that such purchase price, if any, shall be no less than the par value of the Common Shares to be purchased, unless otherwise permitted by applicable state law.

(c) Upon the selection of an Eligible Individual to be awarded Restricted Shares, the Administrator shall instruct the Secretary to issue such Restricted Shares and may impose such conditions on the issuance of such Restricted Shares as it deems appropriate.

### Section 7.3 Rights as Shareholders

Subject to Section 7.4, upon delivery of the Restricted Shares to the Holder or the escrow holder pursuant to Section 7.6, the Holder shall have, unless otherwise provided by the Administrator, all the rights of a shareholder with respect to said shares, subject to the restrictions in his or her Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the shares; provided, however, that in the discretion of the Administrator, any extraordinary distributions with respect to the Common Shares shall be subject to the restrictions set forth in Section 7.4. In addition, with respect to a Restricted Share with performance-based vesting, dividends which are paid prior to vesting shall only be paid out to the Holder to the extent that the performance-based vesting conditions are subsequently satisfied and the Restricted Share vests.

### Section 7.4 Restriction

All Restricted Shares issued under the Plan (including any shares received by Holders thereof with respect to Restricted Shares as a result of share dividends, share splits or any other form of recapitalization) shall, in the terms of each individual Award Agreement, be subject to such restrictions and vesting requirements as the Administrator shall provide, which restrictions and vesting requirements may include, without limitation, restrictions concerning voting rights and transferability and restrictions based on duration of employment or directorship with the Company, the Partnership or any Subsidiary, or performance of the Company, the Partnership or a Subsidiary or individual performance or other criteria selected by the Administrator; provided, however, that by action taken after the Restricted Shares are issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, remove any or all of the restrictions imposed by the terms of the Award Agreement. Restricted Shares may not be sold or encumbered until all restrictions are terminated or expire. Except as

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otherwise provided by any written agreement between the Company, the Partnership or any Subsidiary, as applicable, and any applicable Holder or otherwise determined by the Administrator at the time of grant or thereafter, if no cash consideration was paid by the Holder upon issuance, a Holder's rights in unvested Restricted Shares shall lapse, and such Restricted Shares shall be surrendered to the Company, the Partnership or the Subsidiary, as applicable, without consideration, upon a Termination of Service.

#### Section 7.5 Repurchase of Restricted Shares

Except as otherwise provided by the individual Award Agreement, the Company, the Partnership or a Subsidiary shall have the right to repurchase from the Holder the Restricted Shares then subject to restrictions under the Award Agreement immediately upon a Termination of Service at a cash price per share equal to the lesser of (i) the Fair Market Value of a Common Share on the date of Termination of Service, and (ii) the price per share paid by the Holder for such Restricted Shares. Notwithstanding the foregoing, the Administrator, in its sole discretion, may provide that upon certain events, including a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service or any other event, the Holder's rights in unvested Restricted Shares shall not lapse, such Restricted Shares shall vest and, if applicable, the Company, the Partnership and the Subsidiaries shall not have a right of repurchase.

#### Section 7.6 Escrow

Except as otherwise provided in any Award Agreement, the Secretary or such other escrow holder as the Administrator may appoint shall retain physical custody of each certificate representing Restricted Shares, if any, until all of the restrictions imposed under the Award Agreement with respect to the shares evidenced by such certificate expire or shall have been removed.

#### Section 7.7 Legend

In order to enforce the restrictions imposed upon Restricted Shares hereunder, the Administrator shall cause a legend or legends to be placed on certificates or book entries evidencing all Restricted Shares that are still subject to restrictions under Award Agreements, which legend or legends shall make appropriate reference to the conditions imposed thereby.

### **ARTICLE VIII.**

#### **PERFORMANCE AWARDS, DIVIDEND EQUIVALENTS, SHARE PAYMENTS, DEFERRED SHARES, DEFERRED SHARE UNITS, RESTRICTED SHARE UNITS, LTIP UNITS**

#### Section 8.1 Eligibility

Subject to the Director Limit, one or more Performance Awards, award of Dividend Equivalents, awards of Deferred Shares, awards of Deferred Share Units or Restricted Share Units, Share Payments and/or LTIP Units may be granted to any Eligible Individual whom the Administrator determines should receive such an Award.

#### Section 8.2 Performance Awards

(a) Any Eligible Individual selected by the Administrator may be granted one or more Performance Awards. The value of such Performance Awards may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. In making such determinations, the Administrator shall consider (among such other factors as it deems relevant in light of the specific type of award) the contributions, responsibilities and other compensation of the particular Eligible Individual.

(b) Without limiting Section 8.1 or 8.2(a), the Administrator may grant Performance Awards to any Eligible Individual in the form of a cash bonus payable upon the attainment of objective performance goals which are established by the Administrator and relate to one or more of the Performance Criteria, or such other criteria, whether or not objective, which are established by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator.

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(c) Payment of the amount determined under Section 8.2 shall be in cash, in Common Shares or a combination of both, as determined by the Administrator. To the extent any payment under this Section 8.2 is effected in Common Shares, it shall be made subject to satisfaction of all provisions of Section 11.16.

#### Section 8.3 Dividend Equivalents

(a) Subject to Section 8.3(b), Dividend Equivalents may be granted by the Administrator based on dividends declared on the Common Shares, to be credited as of dividend payment dates with respect to dividends with record dates that occur during the period between the date the Dividend Equivalents are granted to a Holder and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Common Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to an Award with performance-based vesting that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Holder to the extent that the performance-based vesting conditions are subsequently satisfied and the Award vests.

(b) Notwithstanding the foregoing, no Dividend Equivalent shall be payable with respect to Options or Share Appreciation Rights.

#### Section 8.4 Share Payments

Any Eligible Individual selected by the Administrator may receive Share Payments in the manner determined from time to time by the Administrator. The number of shares shall be determined by the Administrator and may be based upon the Performance Criteria or other specific criteria determined appropriate by the Administrator, determined on the date such Share Payment is made or on any date thereafter. Common Shares underlying a Share Payment which is subject to a vesting schedule or other conditions or criteria set by the Administrator shall not be issued until those conditions have been satisfied. Unless otherwise provided by the Administrator, a Holder of a Share Payment shall have no rights as a Company shareholder with respect to such Share Payment until such time as the Share Payment has vested and the Common Shares underlying the Award have been issued to the Holder. Share Payments may, but are not required to, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such Eligible Individual.

#### Section 8.5 Deferred Shares

Any Eligible Individual selected by the Administrator may be granted an award of Deferred Shares in the manner determined from time to time by the Administrator. The number of Deferred Shares shall be determined by the Administrator and may (but is not required to) be linked to the Performance Criteria or other specific criteria determined to be appropriate by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. Common Shares underlying a Deferred Share award will not be issued until the Deferred Share Award has vested and any other applicable conditions and/or criteria have been satisfied, pursuant to a vesting schedule or performance conditions and/or criteria set by the Administrator. Unless otherwise provided by the Administrator, a Holder of Deferred Shares shall have no rights as a Company shareholder with respect to such Deferred Shares until such time as the Award has vested and any other applicable conditions and/or criteria have been satisfied and the Common Shares underlying the Award have been issued.

#### Section 8.6 Deferred Share Units; Restricted Share Units

Any Eligible Individual selected by the Administrator may be granted an award of Deferred Share Units or Restricted Share Units in the manner determined from time to time by the Administrator. The number and terms and conditions of Deferred Share Units or Restricted Share Units shall be determined by the Administrator. The Administrator shall specify the date or dates on which the Deferred Share Units or Restricted Share Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including conditions based on one or more Performance Criteria or other specific criteria, including service to the Company, the Partnership or a Subsidiary, in each case, on a specified date or dates or over any period or periods, as determined by the Administrator. The Administrator shall specify, or permit the Participant to elect, the conditions and dates upon which the Common Shares underlying the Deferred Share Units or Restricted Share Units shall be issued, which dates shall not be earlier than the date as of which the Deferred Share Units or Restricted Share Units vest and become nonforfeitable and which conditions and dates shall be consistent with the applicable provisions of Section 409A or an exemption therefrom. On the distribution dates, the Company shall issue to the applicable Eligible Individual one unrestricted, fully transferable Common Share (or, in the sole discretion of the Administrator, the Fair Market Value of one such Common Share in cash) for each vested and

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nonforfeitable Deferred Share Units or Restricted Share Unit. Unless otherwise determined by the Administrator, a Holder of Deferred Share Units or Restricted Share Units shall possess no incidents of ownership with respect to the Common Shares represented by such Deferred Share Units or Restricted Share Units, unless and until such Common Shares are transferred to the Holder pursuant to the terms of this Plan and the applicable Award Agreement.

#### Section 8.7 LTIP Units

Any Eligible Individual selected by the Administrator may be granted an award of LTIP Units in the manner determined from time to time by the Administrator. The number and terms and conditions of LTIP Units shall be determined by the Administrator; provided, however, that LTIP Units may only be issued to a Holder for the performance of services to or for the benefit of the Partnership (a) in the Holder's capacity as a partner of the Partnership, (b) in anticipation of the Holder becoming a partner of the Partnership, or (c) as otherwise determined by the Administrator, provided that the LTIP Units are intended to constitute "profits interests" within the meaning of the Code, including, to the extent applicable, Revenue Procedure 93-27, 1993-2 C.B. 343 and Revenue Procedure 2001-43, 2001-2 C.B. 191. The Administrator shall specify the conditions and dates upon which the LTIP Units shall vest and become nonforfeitable. LTIP Units shall be subject to the terms and conditions of the Partnership Agreement and such other restrictions, including restrictions on transferability, as the Administrator may impose. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Administrator determines at the time of the grant of the Award or thereafter.

#### Section 8.8 Term

The term, if any, of a Performance Award, award of Dividend Equivalents, award of Deferred Share Units or Restricted Share Units, Deferred Shares, Share Payment and/or LTIP Units shall be set by the Administrator in its sole discretion.

#### Section 8.9 Exercise or Purchase Price

The Administrator may establish the exercise or purchase price of a Performance Award, award of Dividend Equivalents, award of Deferred Share Units or Restricted Share Units, Deferred Share award, shares received as a Share Payment or award of LTIP Units; provided, however, that such price with respect to any Common Shares shall not be less than the par value of a Common Share, unless otherwise permitted by applicable law.

#### Section 8.10 Termination of Service

A Performance Award, award of Dividend Equivalents, award of Deferred Share Units or Restricted Share Units, award of Deferred Shares, Share Payment and/or LTIP Units is exercisable, distributable or payable only while the Holder is an Eligible Individual; provided, however, that the Administrator in its sole discretion may provide that the Performance Award, award of Dividend Equivalents, award of Deferred Share Units or Restricted Share Units, award of Deferred Shares, Share Payment and/or LTIP Unit may be exercised, distributed or paid subsequent to a Termination of Service, or following a Change in Control, or because of the Holder's retirement, death or disability, or otherwise.

### **ARTICLE IX. SHARE APPRECIATION RIGHTS**

#### Section 9.1 Grant of Share Appreciation Rights

(a) The Administrator is authorized to grant Share Appreciation Rights to any Eligible Individual from time to time, in its sole discretion, on such terms and conditions as it may determine consistent with the Plan.

(b) A Share Appreciation Right shall entitle the Holder (or other person entitled to exercise the Share Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Share Appreciation Right (to the extent then-exercisable pursuant to its terms) and to receive from the Company an amount determined by

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multiplying the difference obtained by subtracting the exercise price per Common Share of the Share Appreciation Right from the Fair Market Value on the date of exercise of the Share Appreciation Right by the number of Common Shares with respect to which the Share Appreciation Right shall have been exercised, subject to any limitations the Administrator may impose. Except as described in Section 9.1(c) hereof, the exercise price per Common Share subject to each Share Appreciation Right shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value on the date the Share Appreciation Right is granted.

(c) Notwithstanding the foregoing provisions of Section 9.1(b) hereof to the contrary, in the case of a Share Appreciation Right that is a Substitute Award, the price per share of the shares subject to such Share Appreciation Right may be less than 100% of the Fair Market Value per share on the date of grant; provided, however, that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

#### Section 9.2 Share Appreciation Right Vesting

(a) The Administrator shall determine the period during which the Holder shall vest in a Share Appreciation Right and have the right to exercise such Share Appreciation Rights (subject to Section 9.4 hereof) in whole or in part. Such vesting may be based on service with the Company or any Subsidiary, any of the Performance Criteria or any other criteria selected by the Administrator. At any time after grant of a Share Appreciation Right, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which the Share Appreciation Right vests.

(b) No portion of a Share Appreciation Right which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in an Award Agreement or by action of the Administrator at the time of or following the grant of the Share Appreciation Right.

#### Section 9.3 Manner of Exercise

All or a portion of an exercisable Share Appreciation Right shall be deemed exercised upon delivery of all of the following to the share administrator of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Share Appreciation Right, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then-entitled to exercise the Share Appreciation Right or such portion of the Share Appreciation Right;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal, state or foreign securities laws or regulations. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance;

(c) In the event that the Share Appreciation Right shall be exercised pursuant to this Section 9.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Share Appreciation Right; and

(d) Full payment of the applicable withholding taxes for the Common Shares with respect to which the Share Appreciation Rights, or portion thereof, are exercised, in a manner permitted by the Administrator in accordance with Section 11.5 hereof.

#### Section 9.4 Share Appreciation Right Term

The term of each Share Appreciation Right shall be set by the Administrator in its sole discretion; provided, however, that the term shall not be more than ten (10) years from the date the Share Appreciation Right is granted. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Holder has the right to exercise the vested Share Appreciation Rights, which time period may not extend beyond the expiration date of the Share Appreciation Right term. Except as limited by the requirements of Section 409A of the Code, the Administrator may extend the term of any outstanding Share Appreciation Right, and may extend the time period during which vested Share

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Appreciation Rights may be exercised, in connection with any Termination of Service of the Holder, and may amend any other term or condition of such Share Appreciation Right relating to such a Termination of Service.

#### Section 9.5 Payment

Payment of the amounts payable with respect to Share Appreciation Rights pursuant to this Article 9 shall be in cash, Common Shares (based on its Fair Market Value as of the date the Share Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

#### Section 9.6 Expiration of Share Appreciation Right Term: Automatic Exercise of In-The-Money Share Appreciation Rights.

Unless otherwise provided by the Administrator (in an Award Agreement or otherwise) or as otherwise directed by a Share Appreciation Right Holder in writing to the Company, each Share Appreciation Right outstanding on the Automatic Exercise Date with an exercise price per share that is less than the Fair Market Value per Common Share as of such date shall automatically and without further action by the Share Appreciation Right Holder or the Company be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, the Company, the Partnership or any Subsidiary shall deduct or withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 11.5. For the avoidance of doubt, no Share Appreciation Right with an exercise price per share that is equal to or greater than the Fair Market Value per Common Share on the Automatic Exercise Date shall be exercised pursuant to this Section 9.6.

### **ARTICLE X. ADMINISTRATION**

#### Section 10.1 Compensation Committee

The Compensation Committee (or another committee or subcommittee of the Board or the Compensation Committee assuming the functions of the Committee under the Plan) shall administer the Plan (except as otherwise permitted herein). To the extent necessary to comply with Rule 16b-3, then the Compensation Committee (or another committee or subcommittee of the Board or Compensation Committee assuming the functions of the Committee under the Plan) shall take all action with respect to such Awards, and the individuals taking such action shall consist solely of two or more Directors, appointed by and holding office at the pleasure of the Board, none of whom shall be an Employee and each of whom is a "non-employee director" as defined by Rule 16b-3. Additionally, to the extent required by applicable law, each of the individuals constituting the Compensation Committee (or another committee or subcommittee of the Board or Compensation assuming the functions of the Committee under the Plan) shall be an "independent director" under the rules of any securities exchange or automated quotation system on which the Common Shares are listed, quoted or traded. Notwithstanding the foregoing, any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 10.1 or otherwise provided in any charter of the Committee. Except as may otherwise be provided in any charter of the Committee, appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written notice to the Board. Vacancies in the Committee may only be filled by the Board.

#### Section 10.2 Duties and Powers of Committee

It shall be the duty of the Committee to conduct the general administration of this Plan in accordance with its provisions. The Committee shall have the power to interpret this Plan, the Award Agreements and to adopt such rules for the administration, interpretation and application of this Plan as are consistent therewith and to interpret, amend or revoke any such rules. Any such interpretations and rules with respect to Incentive Share Options shall be consistent with the provisions of Section 422 of the Code. The Committee shall have the power to amend any Award Agreement provided that the rights or obligations of the Holder of the Award that is the subject of any such Award Agreement are not affected adversely unless the consent of such Holder is obtained or such amendment is otherwise permitted under Section 11.15 or 11.17; provided, however, that neither the Committee nor the Board shall, without the approval of the shareholders of the Company, authorize (a) the amendment of any outstanding Option or Share Appreciation Right to reduce its exercise price or (b) any Option or Share Appreciation Right to be canceled in exchange for cash or another Award (including other Options or Share Appreciation Rights) when the exercise price per share exceeds the Fair Market Value of the underlying

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Common Shares. Grants or Awards under the Plan need not be the same with respect to each Holder. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Rule 16b-3, or any regulations or rules issued thereunder, or the rules of any securities exchange or automated quotation system on which the Common Shares are listed, quoted or traded, are required to be determined in the sole discretion of the Committee. Notwithstanding the foregoing, (i) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Independent Directors and, with respect to such Awards, the terms "Administrator" and "Committee" as used in the Plan shall be deemed to refer to the Board and (ii) the Board and Committee may delegate its authority hereunder to the extent permitted under Section 10.6.

#### Section 10.3 Majority Rule

Unless otherwise established by the Board or in any charter of the Committee, the Committee shall act by a majority of its members in attendance at a meeting where quorum is present or by a memorandum or other written instrument signed by all members of the Committee. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding and conclusive on all parties.

#### Section 10.4 Compensation; Professional Assistance; Good Faith Actions

Members of the Committee shall receive such compensation for their services as members as may be determined by the Board. All expenses and liabilities which members of the Committee incur in connection with the administration of this Plan shall be borne by the Company. The Committee may, with the approval of the Board, employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company and the Company's officers and Directors shall be entitled to rely upon the advice, opinions, valuations reports and other information from any such persons and each member of the Committee shall be entitled to rely or act upon any advice, opinions, valuations, report or other information furnished to that member by any officer or other Employee. All actions taken and all interpretations and determinations made by the Committee or the Board in good faith shall be final and binding upon all Holders, the Company and all other interested persons. No members of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to this Plan or any Award, and all members of the Committee and the Board shall be fully protected by the Company in respect of any such action, determination or interpretation.

#### Section 10.5 Authority of Administrator.

Subject to the Company's Bylaws, the Committee's Charter and any specific designation in the Plan, the Administrator has the exclusive power, authority and sole discretion to:

- (a) Designate Eligible Individuals to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Eligible Individual;
- (c) Determine the number of Awards to be granted and the number of Common Shares or LTIP Units to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, purchase price, legal consideration therefor, any Performance Criteria or other performance criteria, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Common Shares, LTIP Units, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;

(g) Determine as between the Company, the Partnership and any Subsidiary which entity will make payments with respect to an Award, consistent with applicable securities laws and other applicable law;

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(h) Decide all other matters that must be determined in connection with an Award;

(i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;

(k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan; and

(l) Accelerate wholly or partially the vesting or lapse of restrictions of any Award or portion thereof at any time after the grant of an Award, subject to whatever terms and conditions it selects and Section 11.3.

#### Section 10.6 Delegation of Authority.

To the extent permitted by applicable law, the Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Article IV; provided, however, that in no event shall an officer of the Company be delegated the authority to grant awards to, or amend awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act or (b) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under applicable law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 10.6 shall serve in such capacity at the pleasure of the Board and the Committee.

### **ARTICLE XI. MISCELLANEOUS PROVISIONS**

#### Section 11.1 Not Transferable

(a) Awards under this Plan may not be sold, pledged, assigned, or transferred in any manner other than by will or the laws of descent and distribution or, with the consent of the Administrator, pursuant to a DRO, unless and until such Awards have been exercised (if applicable), the shares underlying such Awards have been issued, and all restrictions applicable to such shares have lapsed. No Award or interest or right therein shall be liable for the debts, contracts or engagements of the Holder or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), unless and until such Award has been exercised, or the Common Shares underlying such Award have been issued, and all restrictions applicable to such Common Shares have lapsed, and any attempted disposition of an Award prior to the satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) During the lifetime of the Holder, only he may exercise an Option or other Award (or any portion thereof) granted to him under the Plan, unless it has been disposed of pursuant to the foregoing paragraph. After the death of the Holder (or transferee), any exercisable portion of an Option or other Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Award Agreement or other agreement, be exercised by the personal representative of, or by any person empowered to do so under, the deceased Holder's (or transferee's) will or under the then applicable laws of descent and distribution.

(c) Notwithstanding Sections 11.1(a) and 11.1(b), the Administrator, in its sole discretion, may determine to permit a Holder (or a Permitted Transferee of such Holder) to transfer an Award other than an Incentive Share Option (unless such Incentive Share Option is to become a Non-Qualified Share Option) to any one or more Permitted Transferees of such Holder, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee (other than to another Permitted Transferee of the applicable Holder) other than by will or the laws of descent and distribution or pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award); (iii) the Holder (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator including, without limitation, documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer

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under applicable law and (C) evidence the transfer; and (iv) such transfer is not effectuated for any value or consideration. In addition, and notwithstanding Sections 11.1(a), the Administrator, in its sole discretion, may determine to permit a Holder to transfer Incentive Share Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and applicable state law, the Holder is considered the sole beneficial owner of the Incentive Share Option while it is held in the trust.

(d) Notwithstanding Sections 11.1(a) and 11.1(b), a Holder may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan or Award Agreement applicable to the Holder, except to the extent the Plan and the Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married or a domestic partner in a domestic partnership qualified under applicable law and resides in a community property state, a designation of a person other than the Holder's spouse or domestic partner, as applicable, as the Holder's beneficiary with respect to more than 50% of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse or domestic partner. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time; provided that the change or revocation is filed with the Administrator prior to the Holder's death.

#### Section 11.2 Amendment, Suspension or Termination of this Plan

Subject to Section 11.4, the Plan will expire on, and no Award may be granted pursuant to the Plan after May 19, 2033; and any Award outstanding on such date shall remain in force according to the terms of the applicable Award Agreement. This Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board or the Committee; provided, however, that (a) to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, and (b) shareholder approval is required for any amendment to the Plan that (i) increases the number of shares available under the Plan (other than any adjustment as provided by Section 11.3), (ii) permits the Administrator to grant Options or Share Appreciation Rights with an exercise price that is below Fair Market Value on the date of grant (other than Substitute Awards), (iii) permits the Administrator to extend the exercise period for an Option or Share Appreciation Right beyond ten years from the date of grant, (iv) reduces the price per share of any outstanding Options or Share Appreciation Rights granted under the Plan, or (v) cancel any Option or Share Appreciation Right in exchange for cash or another Award (including other Options or Share Appreciation Rights) when the exercise price per share exceeds the Fair Market Value of the underlying Common Shares. Except as provided in the Plan (including, without limitation, Sections 11.15 and 11.17), no amendment, suspension or termination of this Plan shall, without the consent of the Holder impair any rights or obligations under any Awards theretofore granted, unless the Award Agreement itself otherwise expressly so provides. No Award may be granted during any period of suspension or after termination of this Plan, and in no event may any Incentive Share Option be granted under this Plan after May 19, 2033.

#### Section 11.3 Changes in Common Shares, Partnership Units or Assets of the Company; Acquisition or Liquidation of the Company and Other Corporate Events

(a) Subject to Section 11.3(e), in the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Shares, Partnership Units, other securities or other property), recapitalization, reclassification, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company (including, but not limited to, a Change in Control), or exchange of Common Shares, Partnership Units or other securities of the Company, issuance of warrants or other rights to purchase Common Shares, Partnership Units or other securities of the Company, or other similar corporate transaction or event, in the Administrator's sole discretion, affects the Common Shares or the share price of the Common Shares (other than an Equity Restructuring), then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(i) The number and kind of Common Shares (or other securities or property) with respect to which Awards may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 2.1 on the maximum number and kind of shares which may be issued;

(ii) The number and kind of Common Shares (or other securities or property) subject to outstanding Awards; and

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(iii) The terms and conditions of outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto);

(iv) The grant or exercise price with respect to any Award.

(b) Subject to Section 11.3(e), except as otherwise provided in any Award Agreement, in the event of any transaction or event described in Section 11.3(a) or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate thereof (including, without limitation, any Change in Control), or of changes in applicable laws, regulations or accounting principles, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the applicable Award Agreement or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(i) To provide for either the termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 11.3, the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment) or the replacement of such Award with other rights or property selected by the Administrator, in its sole discretion, having an aggregate value not exceeding the amount that could have been attained upon the exercise of such Award or realization of the Holder's rights had such Award been currently exercisable or payable or fully vested;

(ii) To provide that the Award cannot vest, be exercised or become payable after such event;

(iii) To provide that such Award shall be exercisable or payable or fully vested as to all Common Shares or other securities covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(iv) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(v) To make adjustments in the number and type of Common Shares (or other securities or property) subject to outstanding Awards, and in the number and kind of outstanding Restricted Shares or Deferred Shares and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future; and

(vi) To provide that, for a specified period of time prior to such event, the restrictions imposed under an Award Agreement upon some or all Restricted Shares or Deferred Shares may be terminated, and, in the case of Restricted Shares, some or all of such Restricted Shares may cease to be subject to repurchase under Section 7.5 or forfeiture under Section 7.4 after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Section 11.3(a) and 11.3(b):

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted; and/or

(ii) The Administrator shall make such equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of Common Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 2.1 on the maximum number and kind of Common Shares which may be issued under the Plan). The adjustments provided under this Section 11.3(c) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company.

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(d) The Administrator may, in its discretion, include such further provisions and limitations in any Award, agreement or certificate or book entry, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(e) No adjustment or action described in this Section 11.3 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to violate Section 422(b)(1) of the Code. Furthermore, no such adjustment or action shall be authorized to the extent such adjustment or action would result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 unless the Administrator determines that the Award is not to comply with such exemptive conditions.

(f) The existence of the Plan, the Award Agreement and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of shares or of options, warrants or rights to purchase shares or of bonds, debentures, preferred or prior preference shares whose rights are superior to or affect the Common Shares or the rights thereof or which are convertible into or exchangeable for Common Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(g) No action shall be taken under this Section 11.3 which shall cause an Award to fail to be exempt from or comply with Section 409A.

(h) In the event of any pending share dividend, share split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting the Common Shares or the share price of a Common Share including any Equity Restructuring, for reasons of administrative convenience, the Administrator, in its sole discretion, may refuse to permit the exercise of any Award during a period of up to thirty (30) days prior to the consummation of any such transaction.

#### Section 11.4 Approval of Plan by Shareholders

The Plan will be submitted for the approval of the Company's shareholders on or prior to March 29, 2024. Awards may be granted or awarded after the Board's adoption, but prior to shareholder approval, provided that, to the extent such Awards were granted after March 29, 2023, such Awards shall not be exercisable nor shall such Awards vest prior to the time when the Plan is approved by the Company's shareholders, and provided further that if shareholder approval is not obtained within twelve months after the date of the Board's adoption of this amendment and restatement, all Awards granted after March 29, 2023 shall thereupon be canceled and become null and void. If this amendment and restatement of the Plan is not approved by the Company's shareholders within twelve months after the date of the Board's adoption, (i) this amendment and restatement of the Plan will not become effective, (ii) no Awards shall be granted under this amendment and restatement of the Plan, and (iii) the Plan will continue in full force and effect in accordance with its terms.

#### Section 11.5 Tax Withholding

The Company or the Partnership, as applicable, shall be entitled to require payment in cash or deduction from other compensation payable to each Holder of any sums required by federal, state, local, or foreign tax law to be withheld with respect to the issuance, vesting, exercise, payment or other taxable event related to any Award and the Administrator shall be entitled to satisfy such requirement in any method described in Section 6.3(d). Without limiting the foregoing, the Administrator may in its discretion and in satisfaction of the foregoing requirement allow such Holder to elect to have the Company or the Partnership, as applicable, withhold Common Shares otherwise issuable under such Award (or allow the surrender of Common Shares) having a fair market value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Common Shares which may be withheld or surrendered with respect to the issuance, vesting, exercise or payment of any Award in order to satisfy the Holder's federal and state income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall be limited to the number of Common Shares which have a fair market value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income (or such higher rate as determined by the Administrator, which shall in no event exceed the maximum statutory

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withholding rate in the applicable jurisdiction at the time of such withholding). The Administrator shall determine the fair market value of the Common Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with the issuance, vesting, exercise or payment of the Award (including, without limitation, a broker-assisted cashless Option or Share Appreciation Right exercise involving the sale of Common Shares to pay the Option or Share Appreciation Right exercise price or any tax withholding obligation).

#### Section 11.6 Loans

The Administrator may, in its discretion, extend one or more loans to Employees in connection with the exercise, vesting, settlement or receipt of an Award granted or awarded under the Plan, or the issuance of Common Shares with respect to an Award under the Plan. The terms and conditions of any such loan shall be set by the Administrator. Notwithstanding the foregoing, no loan shall be made under this Section to the extent such loan shall result in a violation of Section 409A or an extension or maintenance of credit, an arrangement for the extension of credit, or a renewal of an extension of credit in the form of a personal loan to or for any Director or executive officer of the Company that is prohibited by Section 13(k) of the Exchange Act or other applicable law. In the event that the Administrator determines in its discretion that any loan under this Section may be or will become prohibited by Section 13(k) of the Exchange Act or other applicable law, the Administrator may provide that such loan shall be immediately due and payable in full and may take any other action in connection with such loan as the Administrator determines in its discretion to be necessary or appropriate for the repayment, cancellation or extinguishment of such loan.

#### Section 11.7 Effect of Plan Upon Options and Compensation Plans

The adoption of this Plan shall not affect any other compensation or incentive plans in effect for the Company, the Partnership or any Subsidiary. Nothing in this Plan shall be construed to limit the right of the Company, the Partnership or any Subsidiary (i) to establish any other forms of incentives or compensation for Eligible Individuals or (ii) to grant or assume options or other rights or awards otherwise than under this Plan in connection with any proper corporate purpose including but not by way of limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, securities or assets of any corporation, partnership, limited liability company, firm or association. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company, the Partnership or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

#### Section 11.8 Section 83(b) Election Prohibited

No Holder may make an election under Section 83(b) of the Code, or any successor section thereto, with respect to any award or grant under the Plan without the consent of the Administrator, which the Administrator may grant or withhold at its sole discretion.

#### Section 11.9 Grants of Awards to Certain Eligible Individuals

The Company, the Partnership and any Subsidiary may provide through the establishment of a formal written policy or otherwise for the method by which Common Shares and/or payment therefor may be exchanged or contributed between the Company and such other party, or may be returned to the Company upon any forfeiture of Common Shares by the Holder, for the purpose of ensuring that the relationship between the Company and the Partnership or such Subsidiary remains at arm's-length.

#### Section 11.10 Restrictions on Awards

This Plan shall be interpreted and construed in a manner consistent with the Company's status as a REIT. No Award shall be granted or awarded, and with respect to an Award already granted under the Plan, such Award shall not vest, be exercisable or be settled:

(a) to the extent the grant, vesting, exercise or settlement of such Award could cause the Holder or any other person to be in violation of the Ownership Limit or the Preferred Share Ownership Limit (each as defined in the Company's Articles of Incorporation, as amended from time to time) or any other provision of Article II(B)(4), II(H)(8), II(I)(9) or II(J)(10) of the Company's Articles of Incorporation, as amended from time to time; or

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(b) if, in the discretion of the Administrator, the grant, vesting, exercise or settlement of such Award could result in income to the Company which, when considered in light of the Company's other income, could cause the Company to fail to satisfy the gross income limitations set forth in Code Section 856(c) or otherwise impair the Company's status as a REIT.

#### Section 11.11 Compliance with Laws

The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Common Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all applicable federal, state, and foreign laws, rules and regulations (including but not limited to state, federal and foreign securities law and margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all applicable legal requirements. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

#### Section 11.12 Titles and Headings; References to Sections of the Code or Exchange Act

Titles and headings are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Plan. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

#### Section 11.13 Governing Law

This Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the state of North Carolina without regard to conflicts of laws thereof or of any other jurisdiction.

#### Section 11.14 Conflicts

Notwithstanding any other provision of the Plan, no Holder shall acquire or have any right to acquire any Common Shares, and shall not have other rights under the Plan, which are prohibited under the Company's Articles of Incorporation, as amended from time to time.

#### Section 11.15 Section 409A

To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A. Notwithstanding any provision of the Plan to the contrary, in the event that the Administrator determines that any Award may be subject to Section 409A, the Administrator reserves the right (without any obligation to do so or to indemnify any Holder for failure to do so) to adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) to comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under such Section. Notwithstanding the foregoing, no provision of any Award or this Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from a Holder or any other individual to the Company or any of its affiliates, employees or agents.

#### Section 11.16 Conditions to Issuance of Common Shares

(a) Notwithstanding anything herein to the contrary, the Company and the Partnership shall not be required to issue or deliver any certificates or make any book entries evidencing Common Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel, that the issuance of such Common Shares is in compliance with applicable law and the Common Shares are covered by

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an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Holder make such reasonable covenants, agreements and representations as the Administrator, in its sole discretion, deems advisable in order to comply with applicable law.

(b) All share certificates delivered pursuant to the Plan and all Common Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with applicable law. The Administrator may place legends on any share certificate or book entry to reference restrictions applicable to the Common Shares.

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Common Shares shall be issued and the Administrator, in its sole discretion, shall determine whether cash shall be given in lieu of fractional Common Shares or whether such fractional Common Shares shall be eliminated by rounding down.

(e) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by applicable law, the Company shall not deliver to any Holder certificates evidencing Common Shares issued in connection with any Award and instead such Common Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or share plan administrator).

#### Section 11.17 Forfeiture and Clawback

Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, the Administrator shall have the right to provide, in an Award Agreement or otherwise, or to require a Holder to agree by separate written or electronic instrument, that:

(a) (i) Any proceeds, gains or other economic benefit actually or constructively received by the Holder upon any receipt or exercise of the Award, or upon the receipt or resale of any Common Shares underlying the Award, shall be paid to the Company or the Partnership, as applicable, and (ii) the Award shall terminate and any unexercised portion of the Award (whether or not vested) shall be forfeited, if (x) a Termination of Service occurs prior to a specified date, or within a specified time period following receipt or exercise of the Award, or (y) the Holder at any time, or during a specified time period, engages in any activity in competition with the Company, or which is inimical, contrary or harmful to the interests of the Company, as further defined by the Administrator, or (z) the Holder incurs a Termination of Service for "cause" (as such term is defined in the sole discretion of the Administrator, or as set forth in a written agreement relating to such Award between the Company, the Partnership or any Subsidiary and the Holder); and

(b) All Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Common Shares underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, the Partnership or any Subsidiary, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

#### Section 11.18 No Right to Awards

No person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company, the Partnership, the Subsidiaries nor the Administrator is obligated to treat any Eligible Individuals, Holders or any other persons uniformly.

#### Section 11.19 Unfunded Status of Awards

The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company, the Partnership or any Subsidiary.

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#### Section 11.20 Indemnification

To the extent allowable pursuant to applicable law, the Company's Articles of Incorporation, as amended from time to time, or Bylaws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Articles of Incorporation, as amended from time to time, or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

#### Section 11.21 Expenses

The expenses of administering the Plan shall be borne by the Company, the Partnership and its Subsidiaries.

#### Section 11.22 Paperless Administration

In the event that the Company or the Partnership establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

#### Section 11.23 Grant of Awards to Certain Eligible Individuals

The Company, the Partnership or any Subsidiary may provide through the establishment of a formal written policy (which shall be deemed a part of this Plan) or otherwise for the method by which Common Shares or other securities of the Company may be issued and by which such Common Shares or other securities and/or payment therefor may be exchanged or contributed among such entities, or may be returned upon any forfeiture of Common Shares or other securities by the Eligible Individual.

I, Stephen J. Yalof, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the period ended June 30, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

/s/ Stephen J. Yalof

Stephen J. Yalof  
President and Chief Executive Officer  
(Principal Executive Officer)  
Tanger Factory Outlet Centers, Inc.

I, Michael J. Bilerman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the period ended June 30, 2023;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

/s/ Michael J. Bilerman  
Michael J. Bilerman  
Executive Vice President, Chief Financial Officer, Chief Investment Officer and Secretary  
Tanger Factory Outlet Centers, Inc.

I, Stephen J. Yalof, certify that:

- 1 I have reviewed this quarterly report on Form 10-Q of Tanger Properties Limited Partnership for the period ended June 30, 2023;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

/s/ Stephen J. Yalof

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Stephen J. Yalof

President and Chief Executive Officer

Tanger Factory Outlet Centers, Inc., sole general partner of Tanger Properties Limited Partnership

I, Michael J. Bilerman, certify that:

- 1 I have reviewed this quarterly report on Form 10-Q of Tanger Properties Limited Partnership for the period ended June 30, 2023;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

/s/ Michael J. Bilerman

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Michael J. Bilerman

Executive Vice President, Chief Financial Officer, Chief Investment Officer and Secretary

Tanger Factory Outlet Centers, Inc., sole general partner of Tanger Properties Limited Partnership

**Certification of Chief Executive Officer**

In connection with the Quarterly Report on Form 10-Q of Tanger Factory Outlet Centers, Inc. (the "Company") for the period ended June 30, 2023 (the "Report"), the undersigned, principal executive officer of the Company, hereby certifies, to such officer's knowledge, that:

(i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Stephen J. Yalof

Stephen J. Yalof  
President and Chief Executive Officer  
Tanger Factory Outlet Centers, Inc.

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**Certification of Chief Financial Officer**

In connection with the Quarterly Report on Form 10-Q of Tanger Factory Outlet Centers, Inc. (the "Company") for the period ended June 30, 2023 (the "Report"), the undersigned, principal financial officer of the Company, hereby certifies, to such officer's knowledge, that:

(i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2023

/s/ Michael J. Bilerman

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Michael J. Bilerman  
Executive Vice President, Chief Financial Officer, Chief Investment Officer and Secretary  
Tanger Factory Outlet Centers, Inc.

**Certification of Chief Executive Officer**

In connection with the Quarterly Report on Form 10-Q of Tanger Properties Limited Partnership (the "Operating Partnership") for the period ended June 30, 2023 (the "Report"), the undersigned, principal executive officer of the Operating Partnership's general partner, hereby certifies, to such officer's knowledge, that:

- (i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: August 4, 2023

/s/ Stephen J. Yalof

Stephen J. Yalof

President and Chief Executive Officer

Tanger Factory Outlet Centers, Inc., sole general partner of the Operating Partnership



**Certification of Chief Financial Officer**

In connection with the Quarterly Report on Form 10-Q of Tanger Properties Limited Partnership (the "Operating Partnership") for the period ended June 30, 2023 (the "Report"), the undersigned, principal financial officer of the Operating Partnership's general partner, hereby certifies, to such officer's knowledge, that:

- (i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: August 4, 2023

/s/ Michael J. Bilerman

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Michael J. Bilerman  
Executive Vice President, Chief Financial Officer, Chief Investment Officer and  
Secretary  
Tanger Factory Outlet Centers, Inc., sole general partner of the Operating  
Partnership