

I. PURPOSE

The primary purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of EastGroup Properties, Inc. (the “Company”) in fulfilling its oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements relating to audit matters, (iii) the Company’s independent auditors’ qualifications and independence, and (iv) the performance of the Company’s internal audit function and independent auditors.

In fulfilling its purpose, the Committee shall review (a) the financial reports and other financial information of the Company; (b) the Company’s systems of internal control over financial reporting and disclosure controls and procedures; and (c) the Company’s auditing, accounting and financial reporting processes generally. In addition, the Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement for its annual meeting. Consistent with this purpose, the Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels.

II. COMPOSITION

The Committee shall be comprised of three or more directors as determined by the Board, all of whom shall be independent as determined by the Board pursuant to the listing standards of the New York Stock Exchange, the regulations of the SEC, and applicable federal law. All members of the Committee shall be financially literate and shall have a working familiarity with basic finance and accounting practices and be able to read and understand fundamental financial statements, and at least one member of the Committee shall be an “audit committee financial expert,” as such term is defined by the rules and regulations of the SEC. The Company does not limit the number of public company audit committees on which a Committee member serves, but if a member does serve on more than two other public company audit committees, the Board must have determined that this simultaneous service would not impair the member’s ability to serve on the Committee, and the Company must disclose this determination in its proxy statement for its annual meeting.

The members of the Committee shall be elected by the Board annually on the recommendation of the Nominating and Corporate Governance Committee and shall serve until the earlier to occur of her or his resignation or removal or the election and qualification of such member’s successor. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. The Board may at any time, consistent with the Bylaws, remove one or more directors as members of the Committee and may fill any vacancy on the Committee. Resignation or removal of a Director from the Board, for any reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee.

III. MEETINGS

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. The timing of the meetings shall be determined by the Committee. However, the Committee will meet at any time that the independent auditors believe communication with the Committee is required. As part of its job to foster open communication, the Committee shall meet regularly with management, the independent auditors and the Director of Internal Audit; such meetings shall be in separate executive sessions when the Committee so determines. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend a meeting of the Committee or meet with any members of, or consultants to, the Committee to provide such pertinent information as the Committee requests.

Meetings of the Committee may be called by the Chair of the Committee or any other two or more members of the Committee. A majority of the Committee shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting (in person or by telephonic means), at which a quorum is present, shall be the act of the Committee. The Committee may also act by unanimous consent of all members of the Committee in accordance with the provisions of the Company's Bylaws and the Maryland General Company Law. The Committee may delegate authority to act upon specific matters within determined parameters to a subcommittee consisting of one or more members, consistent with applicable law, except to the extent prohibited under Section 303A.07 of the NYSE Listed Company Manual. Any such subcommittee shall report any action to the full Committee at its next meeting. The Committee shall keep a record of its actions and proceedings and make a report thereof from time to time to the Board. The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and its Charter.

IV. EDUCATION

The Company is responsible for providing the Committee with educational resources related to accounting principles and procedures, current accounting topics pertinent to the Company and other material as may be requested by the Committee. The Company shall assist the Committee in maintaining appropriate financial literacy.

V. FUNDING

The Committee will determine the appropriate funding to be provided by the Company for payment of compensation to the independent auditors and any professional consultants or other advisers employed by the Committee as authorized by this Charter and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

VI. POWERS, DUTIES AND RESPONSIBILITIES

The Committee shall have the power, duty and responsibility to:

A. Review of Documents/Reports and Disclosure Matters

1. Review, at least annually, and, if necessary, revise this Charter periodically as conditions dictate. Upon any revision, submit the revised Charter to the Nominating and Corporate Governance Committee and the Board of Directors for approval.
2. Review and discuss with management and the independent auditors the Company's annual audited financial statements and other financial information, including the Company's disclosures under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing the Company's Form 10-K. Each such discussion and review shall include, among other things, a discussion of significant issues regarding accounting principles, practices and judgments, and a recommendation to the Board of Directors as to whether the annual audited financial statements should be included in the Form 10-K.
3. Review and discuss with management and the independent auditors the Company's quarterly financial statements and other financial information, including the Company's disclosures under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the results of the independent auditor's review of the quarterly financial statements, prior to filing the Company's Form 10-Q. Each such discussion and review shall include, among other things, a discussion of whether there were any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors in accordance with the auditing standards of the Public Company Accounting Oversight Board ("PCAOB"). The Chair of the Committee may represent the entire Committee for purposes of this review.
4. Review the significant internal reports to management prepared by the internal auditors and management's responses. The review should consider the integrity of the Company's financial reporting processes, including major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, if any.
5. Review and discuss reports from the independent auditors on (a) all critical accounting policies and practices to be used, (b) all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material written communications between the independent auditor and management, including, but not limited to, any: (i) management letter; (ii) schedules of material adjustments and proposed reclassifications; (iii) listings of adjustments and reclassifications not recorded, if any; (iv) reports on observations and recommendations on internal controls; (v) engagement letter; or (vi) independence letter. In connection therewith, the Committee shall consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
6. Discuss with management the Company's earnings press releases, including the use of "non-GAAP financial measures" as defined by the rules and regulations of the SEC, as well as

financial information and earnings guidance provided to analysts and rating agencies. Such discussion may generally address the types of information to be disclosed and the types of presentations to be made in any such communications.

7. Discuss the Company's major financial exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies or guidelines, if any.
8. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer in accordance with the periodic report certification requirements imposed by the rules and regulations of the SEC, regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
9. Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested in writing by the independent auditors, management or the internal auditors.
10. Report regularly, and at least quarterly, to the Board. The Committee shall promptly review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance, qualifications and independence of the Company's independent auditors, or the performance of the Company's internal audit function and the internal auditors.

B. Independent Auditors

1. The Committee has sole authority to appoint, compensate, retain, terminate, evaluate and oversee the Company's independent auditors, including determining the terms of engagement and the resolution of any disagreements between management and the independent auditors regarding financial reporting. Such authority may not be delegated to the Board or management. In exercising such authority, the Committee shall consider, among other things, the independent auditors' independence and effectiveness. The independent auditors shall report directly to the Committee.
2. The Committee shall pre-approve all audit services and permitted non-audit services to be performed by any independent auditors in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules promulgated thereunder, and has the sole authority to approve the fees and compensation to be paid to the Company's independent auditors for such services; *provided*, however, that the pre-approval requirement is waived with respect to the provision of non-audit services for the Company if the *de minimis* provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. The Chair of the Committee may grant pre-approval of audit and permitted non-audit services, provided that the Chair's pre-approval decisions shall be presented to the full Committee at its next scheduled meeting.
3. Obtain and review the independent auditors' annual report to the Committee. This annual report shall describe: (a) the independent auditors' internal quality control procedures; (b)

any material issues raised by the most recent internal quality-control review (or peer review) of the independent auditors or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and (c) in order to assess the independent auditors' independence, all relationships between the independent auditors and the Company. The Committee shall review this annual report on at least an annual basis when evaluating the independent auditors, and require updates to such annual report where the Committee believes that it is reasonable to request such updates.

4. Review the qualifications, performance and independence of the independent auditors, including the lead partner of the independent auditors, and approve any proposed dismissal of the independent auditors when circumstances warrant. When evaluating the independent auditors and its audit partners, the Committee should consider: (a) the opinions of the Company's management and Director of Internal Audit (or other personnel responsible for the internal audit function); (b) considerations as to independence of the independent auditor, including whether permitted non-audit services are compatible with maintaining the independent auditors' independence; (c) whether the independent auditors' quality controls are adequate; and (d) whether, to assure continuing auditor independence, rotation of the audit partners has occurred in accordance with the rules and regulations of the SEC. The Committee shall present the conclusions of its evaluations of the independent auditors and its audit partners to the independent auditors and the Board.
5. Consult periodically with the independent auditors, out of the presence of management and the Director of Internal Audit, about internal controls and the completeness and accuracy of the Company's financial statements.
6. Review the independent auditors' audit plan, which review should include the scope of work, staffing, locations, reliance upon management and internal audit and general audit approach.
7. The Committee shall discuss with the independent auditors the matters required to be discussed by PCAOB Auditing Standard 1301, "Communications with Audit Committees," or as otherwise required by law or the rules, regulations and standards of the SEC or the requirements of the Exchange Act and the PCAOB.

C. Process and Procedures

1. Establish regular and separate systems of reporting to the Committee by each of: (a) management; (b) the independent auditors; and (c) the Director of Internal Audit regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
2. Review regularly and separately with each of management, the independent auditors and the Director of Internal Audit any problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of work or on access to requested information.

3. Review regularly any significant disagreement among management and the independent auditors or the internal auditors in connection with the preparation of the financial statements.
4. Review, with the independent auditors, the internal auditors and management, the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should include a discussion of the responsibilities, budget and staffing of the Company's internal audit function.
5. Establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
6. Review and approve or ratify all related-party transactions or relationships involving a Board member or officer of the Company subject to Section 16 of the Exchange Act and conduct any activities relating to the Company's Code of Ethics and Business Conduct as may be delegated from time to time to the Committee by the Board. The Committee, however, shall not be required to review and approve or ratify employment, compensation or similar arrangements between the Company and the Board of Directors or between the Company and officers subject to Section 16.

D. Other Powers, Duties and Responsibilities

1. Prepare annually the Committee's report to stockholders and publish the report in the Company's annual proxy statement as required by the SEC.
2. Perform any other activities consistent with this Charter, the Company's By-laws and applicable law as the Committee or the Board deems necessary or appropriate.
3. Authorize or conduct special investigations and studies that arise out of the Committee's areas of responsibility.
4. Authorize or conduct investigations into matters within the Committee's scope of responsibility. The Committee is authorized, without further Board approval, to retain independent counsel, accountants or other advisors as may be necessary or appropriate to assist the Committee in fulfilling its duties.
5. Review and establish, in the Committee's sole authority and discretion, and in accordance with the rules and regulations of the SEC, hiring policies regulating the hiring by the Company of employees or former employees of the Company's independent auditors.
6. Work with the Nominating and Corporate Governance Committee to establish and maintain a process for the annual evaluation of the performance of the Committee and, pursuant to such process, conduct an annual evaluation of the performance of the Committee. In conducting this review, the Committee shall address all matters that it considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner

in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work.

7. To review and approve the policy decision of the Company and its subsidiaries to enter into swaps, as defined in Section 1a(47) of the Commodity Exchange Act and applicable regulations and rules (“Swaps”) to mitigate interest rate risk.
8. To review and approve the policy decision of the Company and its subsidiaries to enter into Swaps that are exempt from the requirements of section 2(h)(1) and 2(h)(8) of the Commodity Exchange Act (“Exempt Swaps”), pursuant to section 2(h)(7) of the Commodity Exchange Act and applicable regulations and rules (the “End-User Exception”). The Committee must set appropriate policies governing use of Swaps, Exempt Swaps, and the End-User Exception by the Company and its subsidiaries. The Committee must review and approve the decision to use Exempt Swaps, and the policies governing the use of Exempt Swaps, at least annually or more often upon a triggering event, including but not limited to a change in the Company’s hedging policy.

VII. LIMITATION OF AUDIT COMMITTEE’S ROLE

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not employees of the Company and do not bear any of the responsibilities of management and the Company’s independent auditors. As such, it is not the duty or responsibility of the Committee or its members (a) to plan or conduct audits, (b) to determine that the Company’s financial statements are complete and accurate and are in accordance with GAAP, (c) to design and implement internal controls and procedures and disclosure controls and procedures, or (d) to conduct other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (a) the integrity of those persons and organizations within and outside the Company that provide information to the Committee and (b) the accuracy and completeness of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors).