

EASTGROUP PROPERTIES, INC.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

(Revised March 15, 2005)

I. Purpose

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities for oversight of the integrity of the Corporation's financial information that will be provided to the shareholders and others, the Corporation's compliance with legal and regulatory requirements relating to audit matters, the performance and selection of independent accountants, and the performance of the Corporation's internal audit function. The Audit Committee will fulfill these responsibilities by carrying out the activities and duties enumerated in this Charter. The Audit Committee shall be given full and direct access to the Corporation's management, Chairman and independent accountants as necessary to carry out these responsibilities.

II. Composition

The Audit Committee shall be comprised of three or more directors as determined by the Board. Each member must qualify as an independent director under the listing standards of the New York Stock Exchange and applicable federal law. Each member shall have a working familiarity with basic finance and accounting practices and be able to read and understand fundamental financial statements, including at least one member with accounting or related financial management expertise. Additionally, the Board shall designate at least one member as an "audit committee financial expert" as such term is defined in rules promulgated by the SEC.

If any Committee member simultaneously serves on the audit committee of more than three public companies, the Board must determine that such simultaneous services will not impair the ability of such member to effectively serve on the Corporation's Audit Committee.

The members shall be nominated by the Nominating and Corporate Governance Committee and appointed annually to one-year terms by the Board. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Audit Committee membership.

III. Meetings

The Audit Committee shall meet at least quarterly, or more frequently as circumstances dictate. The timing of the meetings shall be determined by the Audit Committee. However, the Audit Committee will meet at any time that the independent accountants believe communication to the Audit Committee is required. As part of its job to foster open communication, the Audit Committee should meet at least quarterly with management and the independent accountants in separate executive sessions. Minutes shall be kept of each meeting of the Audit Committee.

IV. **Education**

The Corporation 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 Corporation shall assist the Committee in maintaining appropriate financial literacy.

V. **Funding**

The Committee will determine the appropriate funding to be provided by the Corporation for payment of compensation to the independent accountants 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. **Responsibilities and Duties**

The Committee shall have the following duties and responsibilities:

GENERAL RESPONSIBILITIES:

- To report Committee actions to the full Board of Directors and make appropriate recommendations.
- To inquire as to the independence of the independent public accountant. As part of this responsibility, the Committee will direct the independent accountants to submit on a periodic basis to the Committee a formal written statement delineating all relationships between such accountants and the Corporation. The Committee is responsible for actively engaging in a dialogue with the independent accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountants and for recommending that the Board of Directors take appropriate action in response to the independent accountants' report to satisfy itself of the independent accountants' independence.
- To conduct or authorize investigations into matters within the Committee's scope of responsibility. The Committee is authorized, with or without Board approval, to retain independent counsel, accountants or other advisors as may be necessary or appropriate to assist the Committee in fulfilling its duties.
- To review and approve, specifically and in advance, any audit or non-audit services proposed to be provided to the Corporation by its independent accountants, and to seek to ensure that such services do not interfere with the independence of such accountants, and do not give rise to an appearance of impropriety.
- To consider policies and procedures for audit partner rotation on a five-year cycle, and if required or appropriate, audit firm rotation.

- To establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding accounting auditing or internal control issues.
- To meet separately and periodically, with management, with internal auditors and with independent accountants.
- To review and establish hiring policies regulating the hiring by the Corporation of employees or former employees of the Corporation's independent accountants.
- To conduct an annual performance evaluation of the Audit Committee.

RESPONSIBILITIES FOR ENGAGING INDEPENDENT ACCOUNTANTS AND REVIEWING INTERNAL AUDIT FUNCTION:

- To select and evaluate the independent accountants for the annual audit and quarterly reviews, and to approve any replacement of the independent accountants if circumstances warrant such action. The Committee's actions in these areas of responsibility may be subject to ratification by the Corporation's shareholders. The Audit Committee also will review and approve fees paid to the independent accountants.
- To confirm and seek to assure the objectivity of the internal audit function

RESPONSIBILITIES REGARDING THE ANNUAL EXTERNAL AUDIT, INTERNAL AUDITS AND QUARTERLY AND ANNUAL FINANCIAL STATEMENTS:

- At least annually, the Audit Committee will obtain and review a report by the independent accountants describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent accountants and the Corporation.
- The Audit Committee will strive to ensure that the independent accountant provides the Committee with a timely notification and analysis of significant financial reporting issues.
- The Audit Committee will discuss with management and the independent accountant the independent accountant's audit of and report on the financial statements. The Committee will consider and recommend to the Board whether the financial statements be included in the Corporation's annual report on Form 10-K.

- The Audit Committee will have discussions with management and the independent accountants regarding each quarterly financial report (Form 10-Q) before those interim reports are released to the public or filed with the SEC or other regulators.

THE AUDIT COMMITTEE WILL DISCUSS THE FOLLOWING WITH THE INDEPENDENT ACCOUNTANT AND THE INTERNAL AUDITORS:

- The planned arrangements and scope of the annual audit.
- The adequacy of the Corporation's internal controls, including computerized information systems controls and security.
- Any significant findings and recommendations made by the independent accountant or internal auditors together with management's response.

THE AUDIT COMMITTEE WILL DISCUSS WITH MANAGEMENT AND THE INDEPENDENT ACCOUNTANT:

- The Corporation's annual financial statements and related notes and quarterly financial statements, including all of the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- The independent accountant's qualitative judgment about the quality, not just the acceptability, of the accounting principles and financial disclosures.
- The matters required to be discussed by Statement on Auditing Standards No. 61, as it may be amended, including but not limited to:
 - Methods used to account for significant unusual transactions.
 - Effect of significant accounting policies in controversial or emerging areas.
 - Process and basis for sensitive accounting estimates.
 - Disagreements between independent accountants and management over accounting or disclosure matters.
- Any serious difficulties or disputes with management encountered during the course of the audit. The Committee is directly responsible for the resolution of disagreements between management and the Corporation's independent accountants regarding financial reporting.
- The Corporation's significant risks and exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies or guidelines, if any.

PERIODIC RESPONSIBILITIES:

- Review annually the Committee's charter for adequacy and recommend any changes to the Board.

- Prepare an annual Committee report or other proxy statement disclosure about the Committee in accordance with Regulations of the Securities and Exchange Commission and other applicable law.
- Include a copy of the Committee charter as an appendix to the proxy statement at least once every three years.
- Discuss with management the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

LIMITATION OF AUDIT COMMITTEE'S ROLE:

- Although the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent accountants.