

**EASTGROUP PROPERTIES, INC.**  
**COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

***CHARTER***

(Adopted March 11, 2004)

**I. Purpose**

The Compensation Committee (the "Committee") is responsible for ensuring that the Corporation's compensation program for key executives is effective in attracting and retaining key executives, that it links pay to performance, and that it is administered fairly and in the shareholders' interests. The Committee will review and recommend to the Board of Directors appropriate executive compensation policy, compensation of the Corporation's directors and officers, and executive and employee benefit plans and programs that benefit only key executives of the Company, and shall be responsible to the Board of Directors for overseeing such policies, compensation, plans and programs approved by the Board of Directors and, where appropriate, by the shareholders. The Committee will also review non-discriminatory employee benefit plans in which key executives of the Company participate.

**II. Composition**

The Committee shall consist of three or more directors, as determined by the Board. The members shall be nominated by the Nominating and Corporate Governance Committee and appointed annually to one-year terms by the Board. The Nominating and Corporate Governance Committee shall recommend and the Board shall designate one member of the Committee as Chair.

Each Committee member must qualify as an independent director under the listing standards of the New York Stock Exchange. In addition, each member of the Committee shall be a "non-employee director" as that term is defined under Securities and Exchange Commission Rule 16b-3; and, an "outside director" as that term is defined for the purposes of the Internal Revenue Code section 162(m). No member of the Committee shall occupy a position disclosable as a compensation committee interlock under Securities and Exchange Commission regulations.

**III. Meetings and Procedures**

- The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Corporation and this Charter.
- The Committee shall meet at least two times each year and more frequently as circumstances require.
- The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

- A majority shall constitute a quorum of the Committee for purposes of each meeting. All Committee actions shall be taken by a majority vote of the quorum of members present in person or by telephone at the meeting.
- The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that:
  - no subcommittee shall consist of fewer than two members, and
  - the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.
- The Committee may request that any directors, officers or employees of the Corporation, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.
- Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting.
- The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Corporation.

#### IV. **Policies and Principles**

The Committee shall apply the following principles in the performance of their duties for the Corporation:

- Compensate competitively in order to attract, retain and motivate a highly competent executive team dedicated to achieving the Corporation's mission and strategic plans, which are designed to result in long-term growth in shareholder value;
- Tie individual compensation to individual performance and the success of the Corporation; and
- Align executive officers' and selected eligible employees' interests with those of the Corporation and its shareholders by providing long-term compensation opportunities.

#### V. **Responsibilities and Duties**

The Committee shall perform the following duties and responsibilities:

##### GENERAL

- Recommend to the Board of Directors the compensation and benefits philosophy and strategy for the Corporation, in consultation with senior management of the Corporation.

##### PERFORMANCE EVALUATION

- Recommend performance measures and, if applicable, goals for measuring corporate and business unit performance in consultation with the Chairman of the Board, CEO and President and other senior officers, for approval by the Board of Directors.

- Establish and administer performance goals and certify that performance goals have been attained for Section 162(m) of the Internal Revenue Code.
- Assess the performance of the Chairman of the Board, CEO and President.

#### EVALUATION OF COMPETITIVE PAY

- Evaluate competitive pay levels for key executives based on industry analyses.

#### COMPENSATION DETERMINATIONS

- Determine and approve the compensation for the CEO and recommend to the Board of Directors compensation for the Chairman, President and other senior officers, including salary, bonus, stock and option awards, and, if applicable, contracts and any supplemental compensation or benefit arrangements.
- Review and approve compensation programs covering executive officers and other selected employees and, upon recommendation of the Chairman of the Board, CEO and President, review and recommend Board of Directors' approval of individual compensation awards for the executive officers.
- Recommend to the Board the compensation for Board members (retainer, committee chairman's fees, stock options, and other similar items as appropriate).

#### OTHER DUTIES

- Prepare the Compensation Committee Report to shareholders included with the annual proxy statement.

#### VI. **Committee Access to Management and Outside Advisors**

- Members of the Committee shall have direct access to the Corporation's senior management, employees, and financial, legal and other business advisors, as requested and as may be necessary and appropriate to support Committee functions.
- The Committee shall have the authority to retain and terminate any compensation consultant used to assist in the evaluation of a director, CEO, or senior executive, or their compensation, and the authority to hire independent counsel and advisors as may be necessary or appropriate to support Committee functions.

#### VII. **Performance Evaluation**

- The Committee shall conduct a self-evaluation of its performance annually.
- In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope.
- 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.

- The Committee shall make a report to the Board regarding evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies and procedures.