

EASTGROUP PROPERTIES INC  
Form DEF 14A  
April 13, 2018

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

SCHEDULE 14A  
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Pursuant to Rule  
14a-12

EASTGROUP PROPERTIES, INC.  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required:

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



400 W. Parkway Place, Suite 100

Ridgeland, Mississippi 39157

NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders:

The 2018 Annual Meeting of Shareholders of EastGroup Properties, Inc. (the “Company”) will be held on Thursday, May 24, 2018 at 9:00 a.m., Central Daylight Time, at the offices of Butler Snow LLP, 1020 Highland Colony Parkway, Suite 1400, Magnolia Room, Ridgeland, Mississippi. At the Meeting, shareholders will be asked to:

1. Elect ten directors to serve until the next Annual Meeting of Shareholders and until their successors are elected and qualified;
2. Cast a non-binding advisory vote to ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the 2018 fiscal year;
3. Cast a non-binding advisory vote to approve the compensation of our Named Executive Officers; and
4. Transact other business properly presented at the Meeting or any adjournment or postponement thereof.

All shareholders of record at the close of business on March 29, 2018 are entitled to notice of and to vote at the Meeting or any adjournment thereof.

We are pleased to take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their shareholders electronically. We believe these rules allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of the Meeting.

By Order of the Board of Directors

Brent W. Wood

Executive Vice President, Chief  
Financial Officer and Treasurer

DATED: April 13, 2018

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Every shareholder’s vote is important. Please complete, sign, date, and return your proxy form, or authorize your proxy by phone or via the Internet.

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PROXY STATEMENT

The following information is furnished in connection with the Annual Meeting of Shareholders (the “Meeting”) of EastGroup Properties, Inc. (the “Company”), to be held on May 24, 2018 at 9:00 a.m., Central Daylight Time, at the offices of Butler Snow LLP, 1020 Highland Colony Parkway, Suite 1400, Magnolia Room, Ridgeland, Mississippi. This Proxy Statement, Annual Report on Form 10-K, and Form of Proxy are first being made available, and a Notice Regarding the Availability of Proxy Materials is first being mailed, to shareholders on or about April 13, 2018.

ABOUT THE 2018 ANNUAL MEETING

What is the purpose of the Meeting?

At the Meeting, shareholders will be asked to elect ten directors of the Company, cast a non-binding advisory vote to ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the 2018 fiscal year and cast a non-binding advisory vote on the compensation for our Named Executive Officers (as defined below). In addition, management will report on the performance of the Company and respond to questions from shareholders.

Who is entitled to vote?

All shareholders of record as of the close of business on Thursday, March 29, 2018 (the “Record Date”) are entitled to vote at the Meeting. As of the Record Date, 34,942,110 shares of the Company’s common stock, par value \$0.0001 per share (“Common Stock”) were issued and outstanding. Each share of Common Stock outstanding on the Record Date is entitled to one vote on each item submitted to you for consideration.

Why didn’t I automatically receive a paper copy of the Proxy Statement, Proxy Card and Annual Report?

The Securities and Exchange Commission (“SEC”) rules allow us to furnish proxy materials to our shareholders electronically. In an effort to lower the costs of delivery of proxy materials, as well as to reduce our use of paper, we have elected to take advantage of these rules by only mailing materials to those shareholders who specifically request a paper copy. On or around April 13, 2018, all shareholders were mailed a Notice Regarding the Availability of Proxy Materials that contained an overview of the proxy materials and explained several methods by which shareholders could view the proxy materials online or request to receive a copy of proxy materials via regular mail or email. There is NO charge for requesting a copy.

How can I get electronic access to the proxy materials?

The Notice Regarding the Availability of Proxy Materials includes a website address that will:

- Provide you with instructions on how to view our proxy materials on the Internet; and
- Enable you to notify us to send future proxy materials to you by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.



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Can I find additional information on the Company's website?

Yes. Our website is located at [www.eastgroup.net](http://www.eastgroup.net). Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our Code of Ethics and Business Conduct, Corporate Governance Guidelines, charters of committees of our Board of Directors (the "Board") and reports that we file with the SEC. A copy of our Code of Ethics and Business Conduct, Corporate Governance Guidelines and each of the charters of our Board committees may be obtained free of charge by writing to EastGroup Properties, Inc., 400 W. Parkway Place, Suite 100, Ridgeland, Mississippi 39157, Attention: Investor Relations.

How do I vote?

**Voting in Person at the Meeting.** If you are a shareholder of record and attend the Meeting, you may vote in person at the Meeting. If your shares of Common Stock are held in street name and you wish to vote in person at the Meeting, you will need to obtain a "legal proxy" from the broker, bank or other nominee that holds your shares of Common Stock of record.

**Voting by Proxy for Shares Registered Directly in the Name of the Shareholder.** If you hold your shares of Common Stock in your own name as a holder of record with our transfer agent, EQ Shareowner Services, you may instruct the proxy holders named in the proxy card how to vote your shares of Common Stock in one of the following ways:

**Vote online.** You can access proxy materials and vote at [www.proxyvote.com](http://www.proxyvote.com). To vote online, you must have a shareholder identification number, which is provided in the Notice Regarding the Availability of Proxy Materials.

**Vote by telephone.** If you received printed materials, you also have the option to vote by telephone by following the "Vote by Phone" instructions on the proxy card.

**Vote by regular mail.** If you received printed materials and would like to vote by mail, then please mark, sign and date your proxy card and return it promptly in the postage-paid envelope provided.

**Voting by Proxy for Shares Registered in Street Name.** If your shares of Common Stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted.

Regardless of how you choose to vote, your vote is important to us and we encourage you to vote promptly.

What happens if I return my proxy card without voting on all proposals?

When you return a properly executed proxy card, the proxy holders named in the proxy card, Marshall A. Loeb and Brent W. Wood, will vote the shares that the proxy card represents in accordance with your directions. If you return the signed proxy card with no direction on a proposal, the proxy holders will vote your proxy FOR each of the Board's nominees for director, FOR the ratification of the independent registered public accounting firm for the 2018 fiscal year and FOR the approval, on an advisory basis, of the compensation of our Named Executive Officers as disclosed in this proxy statement.

Will there be any other items of business on the agenda?

Pursuant to the Company's Bylaws and SEC rules, shareholder proposals must have been received by February 10, 2018 to be considered at the Meeting. To date, we have received no shareholder proposals and we do not expect any other items of business. Nonetheless, in case there is an unforeseen need, your proxy gives discretionary authority to Marshall A. Loeb and Brent W. Wood with respect to any other matters that might be properly brought before the

Meeting. Those persons intend to vote that proxy in accordance with their best judgment.

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How many votes are needed to hold the Meeting?

In order to conduct the Meeting, the presence, in person or by properly executed proxy, of the holders of shares of Common Stock entitled to cast a majority (i.e., greater than 50%) of all the votes entitled to be cast at the Meeting is necessary to constitute a quorum. Shares of Common Stock represented by a properly signed, dated and returned proxy card, or proxies submitted by telephone or online, including abstentions and broker non-votes, will be treated as present at the Meeting for purposes of determining a quorum.

How many votes are needed to approve each proposal?

Proposal 1 concerns the election of ten directors of the Company. The votes cast “For” a nominee must exceed the votes cast “Against” the nominee for the nominee to be elected. Neither abstentions nor broker non-votes will have any legal effect on whether this proposal is approved as they do not count as votes cast for such matter. If a nominee fails to receive more “For” votes than votes cast “Against” and is an incumbent director, the nominee is required to tender a resignation to the Nominating and Corporate Governance Committee of the Board for consideration.

Proposal 2 concerns a non-binding advisory vote to ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the 2018 fiscal year. This proposal will be approved if the votes cast “For” the proposal exceed the votes cast “Against” the proposal. Neither abstentions nor broker non-votes will have any legal effect on whether this proposal is approved. Even though the vote is advisory and non-binding, the Audit Committee of the Board will consider a vote against the firm by the shareholders in selecting the Company’s independent registered public accounting firm in the future.

Proposal 3 concerns a non-binding advisory vote to approve the compensation of the Named Executive Officers disclosed in the section of this Proxy Statement entitled “Compensation of Executive Officers.” For the non-binding advisory vote to be approved, the votes cast “For” the proposal must exceed the votes cast “Against” this proposal. Neither abstentions nor broker non-votes will have any legal effect on whether this proposal is approved.

Can I change my vote after I have voted?

You can revoke your proxy and change your vote at any time before the polls close at the Meeting. You can do this by:

- filing with the Secretary of the Company a written revocation;
- signing and submitting another proxy with a later date; or
- attending the Meeting, withdrawing the proxy and voting in person.

How do I submit a proposal for the 2019 Annual Meeting?

If a shareholder wishes to have a proposal considered for inclusion in the Company’s proxy statement for the 2019 Annual Meeting of Shareholders, the shareholder must submit the proposal in writing to the Secretary of the Company at 400 W. Parkway Place, Suite 100, Ridgeland, Mississippi 39157 so that the Company receives the proposal by December 14, 2018.

If the proposal is not intended to be included in the Company’s proxy statement, a qualified shareholder intending to introduce a proposal or nominate a director at the 2019 Annual Meeting of Shareholders should give written notice to the Company’s Secretary not later than February 23, 2019 and not earlier than January 24, 2019 (although these dates may be adjusted in the event that the date of the 2019 Annual Meeting of Shareholders is more than 30 days before or

more than 60 days after the anniversary date of the 2018 Annual Meeting of Shareholders).

Shareholders also are advised to review the Company's Bylaws, which contain additional advance notice requirements, including requirements with respect to advance notice of shareholder proposals and director nominations.

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Will anyone contact me regarding this vote?

No arrangements or contracts have been made with any solicitors as of the date of this Proxy Statement, although we reserve the right to engage solicitors if we deem them necessary. Such solicitations may be made by mail, telephone, facsimile, email or other electronic means or personal interviews. In addition, we reserve the right to solicit proxies through our directors, officers and employees (who will receive no additional compensation for those services). We anticipate that banks, brokerage houses and other institutions, nominees or fiduciaries will be requested to forward the soliciting material to their principals and to obtain authorization for the execution of proxies. The Company may, upon request, reimburse banks, brokerage houses and other institutions, nominees and fiduciaries for their expenses in forwarding proxy material to their principals.

Who has paid for this proxy solicitation?

The Company has paid the entire expense of this proxy statement and any additional materials furnished to shareholders.

**CORPORATE GOVERNANCE AND BOARD MATTERS**

**Director Qualifications and Biographical Information**

The biography of each director nominee below contains information regarding that person's principal occupation, tenure with the Company, business experience, other director positions currently held or held at any time during the past five years, and the specific experience, qualifications, attributes or skills that led to the conclusion by the Board of Directors that such person should serve as a director of the Company.

D. Pike Aloian, age 63 – Mr. Aloian has served as a director of the Company since 1999. His financial and investment experience, knowledge of capital markets and experience on other public and private company boards prepare him to give the Board his views on real estate investment markets and financial matters. He is a partner of Almanac Realty Investors, LLC (formerly known as Rothschild Realty Managers, LLC), a real estate advisory and investment management firm based in New York that specializes in providing growth capital to public and private real estate companies. At Almanac, Mr. Aloian is responsible for originating investment opportunities, negotiating and structuring transactions, and monitoring the investments over their respective lives. Mr. Aloian served on the Board of Directors of Brandywine Realty Trust from 1999 to 2012 and was most recently a member of its Audit, Corporate Governance and Executive Committees. He graduated from Harvard College and received an MBA from Columbia University.

H.C. Bailey, Jr., age 78 – Mr. Bailey has served as a director of the Company since 1980. He provides valuable insight to the Board with respect to the historical and future direction of the Company based on his many years of experience on the Board together with his decades of experience in the real estate, finance and real estate development industries. He is Chairman and President of H.C. Bailey Company and its affiliated companies, and has been employed in various capacities with that company since 1962. The companies' primary areas of activity have been in real estate investments, development, property management, mortgage banking, financial institutions, lumber and supply company, and general insurance. The companies presently own or have previously owned and/or operated office buildings, hotels, shopping centers, and commercial and residential developments. He is a graduate of the University of Mississippi with a BA degree and a graduate of the School of Mortgage Banking, Northwestern University, in cooperation with the Mortgage Bankers Association of America.

H. Eric Bolton, Jr., age 61 – Mr. Bolton has served as a director of the Company since 2013. He brings extensive business and real estate operating experience to the Board. Mr. Bolton has been Chief Executive Officer of Mid-America Apartment Communities, Inc. ("MAA"), a REIT that owns and operates apartment complexes, since

October 2001 and Chairman of the Board of Directors of MAA since September 2002. He joined MAA in 1994 as Vice President of Development and was named Chief Operating Officer in February 1996 and promoted to President in December 1996. Prior to that time, he was Executive Vice President and Chief Financial Officer of Trammell Crow Realty Advisors. Mr. Bolton served on the Board of Directors of Interstate Hotels and Resorts, Inc. from 2008 to 2010. He currently serves on the National Association of Real Estate Investment Trusts (“NAREIT”) Advisory

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Board of Governors. He received a BBA in Accounting from the University of Memphis and an MBA with a concentration in Finance and Real Estate from the University of North Texas.

Donald F. Colleran, age 62 – Mr. Colleran was appointed a director of the Company in August 2017. His leadership positions provide broad experience and allow him to provide valuable insight to the Company and the Board regarding operational and strategic issues. He is Executive Vice President, Chief Sales Officer of FedEx Corporation. He also serves on the Strategic Management Committee, which sets the strategic direction for FedEx. Mr. Colleran joined FedEx in 1989, where he has served in a variety of leadership roles including Executive Vice President, Global Sales of FedEx Services from July 2006 through December 2016. He received a BBA from the University of New Hampshire.

Hayden C. Eaves III, age 72 – Mr. Eaves has served as a director of the Company since 2002. Mr. Eaves' leadership and experience in the real estate, real estate development and real estate operations business, particularly in the California and Arizona real estate markets, are valuable to the Board. Mr. Eaves has extensive experience in the real estate industry. He is currently President of Hayden Holdings, Inc., a family investment management company and an advisor to IDS Real Estate Group, where he served as a Managing Director until 2006. Previously, Mr. Eaves was President and Chief Executive Officer of the Western Region of Trammell Crow Company until 1995, where he was responsible for 52 million square feet of industrial, office and retail space in California, Oregon, Washington, Arizona and Nevada. He currently serves on the Board of Directors of Watson Land Company, a private developer, owner, and manager of industrial properties located in Southern California. Mr. Eaves received a BS in Accounting from California State University of Los Angeles.

Fredric H. Gould, age 82 – Mr. Gould has served as a director of the Company since 1998. He has extensive experience in commercial real estate lending and operations, including as the chief executive of a public real estate company, and he provides the Board with perspective on financial, operational and strategic matters. Mr. Gould is a member of the Board of Directors of BRT Realty Trust and Vice-Chairman of One Liberty Properties, Inc. He is also the Chairman of the General Partner of Gould Investors L.P., a limited partnership engaged in real estate ownership. He previously served on the NAREIT Board of Governors as well as the Board of Directors of the Real Estate Board of New York where he was also a member of its Finance Committee. Mr. Gould received a BBA from Lehigh University and an LLB, cum laude, from New York Law School.

David H. Hoster II, age 72 – Mr. Hoster is Chairman of the Board of Directors, a position he has held since January 2016. Previously, he was the Chief Executive Officer of the Company from 1997 to December 2015. He has served as a director since 1993 and was President of the Company from 1993 to March 2015. His leadership experience and knowledge of the Company and the industry in which we operate, including 40 years' involvement with publicly held REITs and extensive experience with industrial real estate, provide valuable insight to the Board in formulating and executing the Company's strategy. Mr. Hoster previously served on the Board of Directors of Trustmark National Bank and Trustmark Corporation until April 2016 and on the NAREIT Board of Governors. He received a BA degree with honors from Princeton University and an MBA from Stanford University Graduate School of Business.

Marshall A. Loeb, age 55 – Mr. Loeb has served as the President of the Company since March 2015 and Chief Executive Officer and a director of the Company since January 2016. He rejoined the Company as President and Chief Operating Officer in March 2015 from Glimcher Realty Trust, now Washington Prime Group Inc., a retail REIT that owns, develops and manages shopping centers in the United States, where he served as President and Chief Operating Officer from 2005 to 2015. From 2000 to 2005, he served as Chief Financial Officer of Parkway Properties, Inc. Previously, Mr. Loeb was employed by the Company from 1991 to 2000, beginning as an asset manager and rising to senior vice president after having a variety of responsibilities with the Company. Mr. Loeb has almost 30 years of experience with publicly held REITs and brings real estate industry, finance, operations, development, and executive leadership expertise to the Board of Directors. He received a BS in Accounting and a Master of Tax Accounting degree from the University of Alabama, then earned an MBA from the Harvard Graduate School of

Business.

Mary E. McCormick, age 60 – Ms. McCormick has served on the Board since 2005. Ms. McCormick has extensive experience in real estate, capital markets, and corporate governance and brings that expertise to Board discussions. She served the Ohio Public Employees System from 1989 through 2005, where she was responsible for directing real estate investments and overseeing an internally managed REIT portfolio. In recent years, she has

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served on the boards of multiple public and private real estate companies and as a Senior Advisor for Almanac Realty Partners. Ms. McCormick has held a number of leadership positions for a variety of national and regional real estate associations, including Chair of the Pension Real Estate Association. Ms. McCormick teaches real estate at the Fisher College of Business, The Ohio State University. She has served on the Board of Directors of Xenia Hotels and Resorts, a lodging REIT, since 2015 and previously served on the Board of Directors of MAA from 2006 to 2010. Ms. McCormick is a member of the Urban Land Institute and the National Association of Corporate Directors. She has a Bachelor's degree and an MBA from The Ohio State University.

Leland R. Speed, age 85 – Mr. Speed is Chairman Emeritus of the Board of Directors, a position he has held since January 2016. He served as the Chairman of the Board of the Company from 1983 to December 2015 and a director since 1978. He brings extensive knowledge of the Company, experience in commercial real estate and real estate development as well as his current experience as an active member of public and charitable boards. He served as Chief Executive Officer of both the Company and Parkway Properties, Inc. until 1997, as Chairman of the Board of Parkway from 1980 until 2011 and as Chairman Emeritus of Parkway until 2012. From 2004 to 2006 and from March 2011 to January 2012, Mr. Speed served as the Executive Director of the Mississippi Development Authority, the State of Mississippi's lead economic development agency. He has served in various capacities at NAREIT, including the Board of Governors and was the recipient of the 2008 Industry Leadership Award. He received his BS in Industrial Management from Georgia Institute of Technology and an MBA from the Harvard Graduate School of Business.

## Independent Directors

Under the New York Stock Exchange ("NYSE") listing standards, at least a majority of the Company's directors and all of the members of the Company's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee must meet the test of "independence" as defined by the NYSE. The NYSE standards provide that, to qualify as an "independent" director, in addition to satisfying certain bright-line criteria, the Board of Directors must affirmatively determine that a director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) that would interfere with such person's ability to exercise independent judgment as a member of the Company's Board.

Our Board currently has ten members: D. Pike Aloian, H.C. Bailey, Jr., H. Eric Bolton, Jr., Donald F. Colleran, Hayden C. Eaves III, Fredric H. Gould, David H. Hoster II, Marshall A. Loeb, Mary E. McCormick and Leland R. Speed. The Board of Directors has determined that each director who served during the fiscal year ended December 31, 2017 was, and each current director continues to be, independent other than Mr. Loeb, the Company's Chief Executive Officer, Mr. Hoster, the Company's Chairman of the Board and Mr. Speed, the Company's Chairman Emeritus.

Several of our directors serve as an executive officer at a company with whom we may directly or indirectly do business. The Board determined that the commercial relationships involving routine, arms-length transactions between EastGroup and these companies were not considered a material relationship that would impair the director's independence. We provide additional details about these relationships in the following table.

Director	Name of Employer (including affiliated companies)	Business Relationship	Dollar Amount of Transactions (approximate)
Donald F. Colleran	FedEx Corporation	Routine leasing of space by EastGroup to FedEx	\$1,600,000, representing less than 0.6% of EastGroup's gross revenues in 2017

Routine purchases of package  
delivery services by EastGroup  
from FedEx

The amount paid by EastGroup represents a de  
minimis percentage of FedEx's gross revenue in fiscal  
2017



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Director	Name of Employer (including affiliated companies)	Business Relationship	Dollar Amount of Transactions (approximate)
H.C. Bailey, Jr.	H.C. Bailey Company	H.C. Bailey Company exclusively represented the landlord in connection with EastGroup's new office lease in Ridgeland, MS and received certain commissions from the landlord for those services	\$106,000

## Shareholder Communication With the Board

The Board has created the position of Lead Independent Director to facilitate and strengthen the Board's independent oversight of our performance, strategy and succession planning and to promote effective governance standards. The Lead Independent Director presides over the meetings of the non-management directors of the Company. Our current Lead Independent Director is Mr. Bolton. Shareholders and other parties interested in communicating directly with the Lead Independent Director or with the non-management directors as a group may do so by writing to Lead Independent Director, EastGroup Properties, Inc., 400 W. Parkway Place, Suite 100, Ridgeland, Mississippi 39157. Correspondence so addressed will be forwarded directly to the Lead Independent Director, who will forward any such communication to the director(s) to whom the communication is addressed.

## Code of Ethics and Business Conduct and Other Policies

## Code of Ethics and Business Conduct

Our Board adopted a Code of Ethics and Business Conduct (the "Code of Ethics"), which governs business decisions made and actions taken by our directors, officers and employees. A copy of this Code of Ethics is available on our website at <http://investor.eastgroup.net/govdocs>. We intend to disclose on this website any amendment to, or waiver of, any provision of this Code of Ethics applicable to our directors and executive officers that would otherwise be required to be disclosed under the rules of the SEC or the NYSE.

## Corporate Governance Guidelines

Our Board of Directors adopted Corporate Governance Guidelines, a copy of which is available on our website at <http://investor.eastgroup.net/govdocs>.

Copies of our Code of Ethics and Corporate Governance Guidelines may also be obtained free of charge by writing to EastGroup Properties, Inc., 400 W. Parkway Place, Suite 100, Ridgeland, Mississippi 39157, Attention: Investor Relations.

## Leadership Structure

Our current leadership structure is comprised of the Chairman of the Board, a separate Chief Executive Officer, an independent director serving as Lead Independent Director who presides over the non-management directors, and strong active independent directors. As Chief Executive Officer, Mr. Loeb is responsible for setting the strategic direction of the Company and for the day to day leadership and management of the Company, while Mr. Hoster, Chairman of the Board, provides oversight, direction and leadership to the Board.

Another component of our leadership structure is the active role played by our independent directors in overseeing the Company's business, both at the Board and Committee level. Seven of the current ten directors are considered independent under the NYSE listing standards. All of our directors are free to suggest the inclusion of items on the

agenda for meetings of our Board of Directors or raise subjects that are not on the agenda for that meeting. In addition, our Board of Directors and each committee have complete and open access to any member of management and the authority to retain independent legal, financial and other advisors as they deem appropriate

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without consulting or obtaining the approval of any member of management. Our Board of Directors also holds regularly scheduled executive sessions of only non-management directors, led by the Lead Independent Director, in order to promote discussion among the non-management directors and assure independent oversight of management. Moreover, our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, all of which are comprised entirely of independent directors, also perform oversight functions independent of management.

## Board Oversight of Risk Management

The Company believes that its leadership structure allows the Board of Directors to provide effective oversight of the Company's risk management function by receiving and discussing regular reports prepared by the Company's senior management on areas of material risk to the Company, including market conditions, tenant concentrations and credit worthiness, leasing activity and expirations, compliance with debt covenants, management of debt maturities, access to debt and equity capital markets, existing and potential legal claims against the Company, cyber-security including cyber-attacks and computer viruses, and various other matters relating to the Company's business. Additionally, the Board of Directors administers its risk oversight function through (i) the required approval by the Board of Directors (or a committee thereof) of significant transactions and other decisions, including, among others, development and acquisitions of properties, new borrowings and the appointment and retention of the Company's senior management, (ii) the coordination of the direct oversight of specific areas of the Company's business by the Compensation, Audit and Nominating and Corporate Governance Committees, and (iii) periodic reports from the Company's auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to the qualification of the Company as a REIT for tax purposes, the Company's internal control over financial reporting, and the security of the electronic systems which the Company relies upon to conduct its business.

## Committees and Meeting Data

The Board of Directors has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each member of each of these committees is "independent" as that term is defined in the NYSE listing standards. The Board has adopted written charters for each of these committees, which are available on our website at [www.eastgroup.net](http://www.eastgroup.net).

The Audit Committee consists of Messrs. Aloian and Bolton and Ms. McCormick. The Audit Committee met eight times during the Company's 2017 fiscal year. The Audit Committee oversees the financial reporting of the Company, including the audit by the Company's independent registered public accounting firm and the internal audit department. Messrs. Aloian and Bolton and Ms. McCormick have each been designated as an "Audit Committee financial expert" in accordance with the SEC rules and regulations, and the Board has determined that they have accounting and related financial management expertise within the meaning of the listing standards of the New York Stock Exchange. See "Report of the Audit Committee" later in this proxy statement.

The Compensation Committee consists of Messrs. Bailey, Bolton, Eaves and Gould. The Compensation Committee's function is to review and recommend to the Board of Directors appropriate executive compensation policy and compensation of the Company's directors and executive officers. The Compensation Committee also reviews and makes recommendations with respect to executive and employee benefit plans and programs. The Compensation Committee met four times during the Company's 2017 fiscal year.

The Nominating and Corporate Governance Committee currently consists of Messrs. Aloian and Eaves and Ms. McCormick. The Nominating and Corporate Governance Committee met nine times during the Company's 2017 fiscal year. The responsibilities of the Nominating and Corporate Governance Committee include assessing Board membership needs and identifying, screening, recruiting and presenting director candidates to the Board, implementing policies regarding corporate governance matters, making recommendations regarding committee

memberships and sponsoring and overseeing performance evaluations for the Board as a whole and the directors.

#### Nominating Procedures

In identifying suitable candidates for nomination as a director, the Nominating and Corporate Governance Committee considers the needs of the Board and the range of skills and characteristics required for effective

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functioning of the Board. Although the Company does not have a formal policy or guidelines regarding diversity, the Company's Corporate Governance Guidelines recognize the value of having a Board that encompasses a broad range of skills, expertise, contacts, industry knowledge and diversity of opinion. In evaluating such skills and characteristics, the Committee may take into consideration such factors as it deems appropriate, including those included in the Corporate Governance Guidelines. Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are considered for re-nomination. In addition, the Nominating and Corporate Governance Committee will consider nominees suggested by incumbent Board members, management, shareholders and, in certain circumstances, outside search firms; as such, shareholders may influence the composition of the Board. Under this principle, the Nominating and Corporate Governance Committee will consider written recommendations for potential nominees suggested by shareholders. Any such person will be evaluated in the same manner as any other potential nominee for director. Any suggestion for a nominee for director by a shareholder should be sent to the Company's Secretary at 400 W. Parkway Place, Suite 100, Ridgeland, Mississippi 39157, within the time periods set forth under the heading "About the Meeting – How do I submit a proposal for the 2019 Annual Meeting?"

### Board Attendance at Meetings

The Company's Corporate Governance Guidelines provide that all directors are expected to regularly attend all meetings of the Board and the Board committees on which he or she serves. The Board of Directors held six meetings during the Company's 2017 fiscal year and each meeting was attended by all of the directors then in office. Additionally, each director attended at least 75% of the total number of meetings held by all committees of the Board of Directors on which he or she served. Each director also is expected to attend the 2018 Annual Meeting of Shareholders. All nine board members who were directors at the time of the 2017 Annual Meeting of Shareholders attended that meeting.

### Compensation Committee Interlocks

As noted above, the Compensation Committee is comprised of four independent directors: Messrs. Bailey, Bolton, Eaves and Gould. No member of the Compensation Committee is or was formerly an officer or an employee of the Company. No executive officer of the Company serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Company's Board of Directors, nor has such interlocking relationship existed in the past.

### Compensation of Directors

We believe that a combination of cash and equity compensation is appropriate to attract and retain the individuals we desire to serve on our Board and that this approach is comparable to the policies of our peers. We feel that it is appropriate to provide cash compensation to our non-employee directors to compensate them for their time and effort and to provide equity compensation to our non-employee directors to align their long-term interests with those of the Company and our stockholders.

Under the Company's director compensation program as set forth in the Independent Director Compensation Policy, each non-employee director is paid an annual cash retainer in the amount of \$40,000, payable ratably on a monthly basis. The chairperson of each of the Audit Committee and Compensation Committee receives an additional annual cash retainer in the amount of \$15,000 and the chairperson of the Nominating and Corporate Governance Committee receives an additional annual cash retainer in the amount of \$10,000. All other committee chairpersons receive an additional annual cash retainer in the amount of \$7,500 and the Lead Independent Director receives an additional annual cash retainer in the amount of \$10,000. A non-employee director who is appointed to the Board of Directors outside of an annual meeting of shareholders will receive a prorated amount of the applicable annual cash retainer, based on the time between his or her appointment and our next annual meeting of shareholders.

The director compensation program provides that each non-employee director is paid \$1,500 for each Board meeting attended. Non-employee directors serving as members of Board committees are paid \$1,000 for each committee meeting attended. In each case, the non-employee director is also reimbursed for his or her expenses in connection with attendance at each meeting.

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Pursuant to the Independent Director Compensation Policy, non-employee directors receive an annual award under the Company's 2013 Equity Incentive Plan, in connection with their election to the Board at the annual meeting of shareholders. The annual award consists of shares of the Company's Common Stock determined by dividing \$80,000 by the fair market value of a share of the Common Stock on the date of grant. A non-employee director who is appointed to the Board outside of the annual meeting of shareholders will receive a prorated amount of the annual award, based on the time between his or her appointment and our next annual meeting of shareholders.

The Independent Director Compensation Policy also provides that each new non-employee director appointed or elected will receive an automatic award of restricted shares of Common Stock, under the Company's 2013 Equity Incentive Plan, on the effective date of election or appointment, the number of which equals \$25,000 divided by the fair market value of a share of the Common Stock on such date. These restricted shares will vest over a four-year period, subject to the director's continuous service on our Board of Directors on each applicable vesting date.

As an employee of the Company, Mr. Loeb did not receive any compensation under the Independent Director Compensation Policy during the fiscal year ended December 31, 2017. The Company's non-employee directors received the following aggregate amounts of compensation for the fiscal year ended December 31, 2017:

Name	Fees Earned or Paid in		Total
	Cash	Stock Awards (1)	
D. Pike Aloian	\$ 80,996	\$ 80,011	\$ 161,007
H.C. Bailey, Jr.	\$ 60,996	\$ 80,011	\$ 141,007
H. Eric Bolton, Jr.	\$ 70,996	\$	