

EQUITY ONE, INC.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

(ADOPTED AS OF MAY 2, 2011)

I. PURPOSE

The primary function of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Equity One, Inc. (the “Company”) is to provide assistance to the Board with respect to its oversight of:

1. The quality and integrity of the Company’s financial statements, financial reporting process and systems of internal accounting and financial controls;
2. The Company’s compliance with legal and regulatory requirements;
3. The qualifications, independence, performance and retention of the Company’s independent registered public accounting firm (the “independent auditor”);
4. The performance of the Company’s internal audit function; and
5. The Company’s compliance with its ethics program, including the Company’s Code of Conduct and Ethics.

In addition, the Committee shall prepare the Committee report required by the rules and regulations of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement or other disclosure documents.

II. STRUCTURE

Composition

The Committee shall consist of three or more independent members of the Board. Subject to the foregoing, the exact number of members of the Committee shall be fixed and may be changed from time to time by resolution duly adopted by the Board. No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board (a) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and (b) discloses such determination in the Company’s proxy or on its website.

Qualifications

All members of the Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her

appointment) and meet the experience requirements and the independence requirements under the rules of the New York Stock Exchange (the “NYSE”), the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the SEC. At least one member must be an “audit committee financial expert” under the requirements of the Exchange Act and the rules and regulations of the SEC, it being understood that there shall not be imposed upon any member who is designated or identified as an “audit committee financial expert” any duties, obligations or liability that is greater than the duties, obligations and liability imposed on such person as a member of the Committee or the Board in the absence of such designation or identification. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or by an outside consultant.

Compensation

Subject to further limitations imposed by law, regulation or the rules of the NYSE, no member of the Committee shall receive compensation other than (a) director’s fees for service as a director of the Company, including reasonable compensation for serving on the Committee and regular benefits that other directors receive and (b) a pension or similar compensation for past performance, provided that such compensation is not conditioned on continued or future service to the Company.

Appointment and Removal

The members of the Committee shall be appointed by the Board upon the recommendation of its Nominating and Corporate Governance Committee and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Chairman

Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by the majority vote of the full Committee membership. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

III. MEETINGS

The Committee shall meet at least quarterly, or more frequently as determined by the Chairman of the Committee to be necessary or appropriate for the Committee to carry out its duties and responsibilities. As part of its goal to foster open communication, the Committee shall meet at least annually with management, those persons responsible for the internal audit function, and the independent auditor in separate executive sessions to discuss any matters that the Committee or any of these groups believe would be appropriate to discuss privately.

In addition, the Committee should meet with the independent auditor and management quarterly to review the Company's financial statements in a manner consistent with that outlined in this Charter. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically.

Any action required to be taken at a meeting of the Committee, or any action which may be taken at a meeting of the Committee, may be taken without a meeting if a consent in writing setting forth the action so to be taken signed by all the members of the Committee is filed in the minutes of the proceedings of the Committee. Such consent shall have the same effect as a unanimous vote of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. In addition, the Committee may invite to its meetings any director, member of management or such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

IV. AUTHORITY, DUTIES AND RESPONSIBILITIES

The Committee shall be given full access to and shall maintain direct communication with the independent auditor, those persons responsible for the Company's internal audit function, management of the Company and the Board as necessary to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board, except as otherwise limited by applicable law.

The Committee shall be empowered to investigate any matter brought to its attention with full access to all books, records and personnel of the Company using special counsel or outside experts when necessary or appropriate.

In fulfilling its purpose, it is the responsibility of the Committee to maintain free and open communication between the Committee, the independent auditor, the internal audit function and management of the Company, and to determine that all parties are aware of their responsibilities.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of one or more members of the Committee.

The Committee, to the extent it deems necessary and appropriate, shall:

Financial Reporting Process, Financial Statements and Disclosure Matters

1. In consultation with the independent auditor, management and the internal audit function, review the integrity of the Company's financial reporting processes, both internal and

external. In furtherance thereof, the Committee should obtain and discuss with management and the independent auditor:

- a. the annual audited financial statements and quarterly financial statements, including disclosures made in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” prior to filing the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, with the SEC, as well as any other information that is relied upon by a third party to produce financial statements, and discuss with the independent auditor the matters required to be discussed by Statement of Auditing Standards No. 61 as amended and as adopted by the Public Company Accounting Oversight Board (the “PCAOB”) in Rule 3200T14, and the results of the audit or any quarterly review procedures;
 - b. significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the review of (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles; (ii) major issues as to the adequacy of the Company’s internal controls and any specific audit steps adopted in light of material control deficiencies; and (iii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company’s management, the ramifications of the use of the alternative disclosures, and treatments, and the treatment preferred by the independent auditor; and
 - c. reports from management and the independent auditor regarding (i) all critical accounting policies and practices to be used by the Company and the related disclosure of those critical accounting policies in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”; and (ii) any other material written communications between the independent auditor and the Company’s management including management letters and the schedule of unadjusted differences.
2. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, contractual obligations and contingent liabilities and commitments, on the financial statements of the Company.
 3. Discuss with management and the independent auditor the Company’s earnings press releases (including the use of any “pro forma” or “adjusted” non-GAAP information), as well as financial information and earnings guidance provided to investors, analysts and

- rating agencies. The Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.
4. Regularly review with the independent auditor the matters required to be discussed by relevant PCAOB and SEC requirements relating to the conduct of the audit, including any audit problems or difficulties encountered by the auditor in the course of the audit work and management's response to such matters, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. Without excluding other possibilities, the Committee may wish to review with the independent auditor (a) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), (b) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement, and (c) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company.
 5. Discuss with management and the independent auditor prior to the Company's filing of any quarterly or annual report (a) whether any significant deficiencies in the design or operation of internal controls exist that could adversely affect the Company's ability to record, process, summarize, and report financial data; (b) the existence of any material weaknesses in the Company's internal controls; and (c) the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
 6. Discuss with management its process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act, including the evaluation of the effectiveness of disclosure controls by the Chief Executive Officer and Chief Financial Officer.
 7. Recommend to the Board, based on the reviews performed by the Committee, whether the Company's annual financial statements should be included in its Annual Report on Form 10-K.

Oversight of the Company's Relationship with the Independent Auditor

8. Appoint, compensate, retain and terminate the Company's independent auditors and have the sole authority to approve all audit engagement fees and terms. Any public accounting firm performing audit and audit related work for the Company shall (i) be retained by the Committee, (ii) report directly and be ultimately accountable to the Committee and (iii) be informed of such reporting and accountability requirements by the Committee.

9. Oversee the work of any registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services (including the resolution of any disagreement between management and the independent auditor regarding financial reporting).
10. Approve in advance any audit or non-audit services (including the fees and terms of those services) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in section 10A(i)(1)(B) of the Exchange Act, other than “prohibited nonaudit services,” as may be specified in the Sarbanes-Oxley Act or applicable laws or regulations. The Committee may delegate to a subcommittee of one or more members of the Committee the authority to pre-approve audit and permitted non-audit services provided that any such pre-approvals shall be presented to the full Committee at its next scheduled meeting. “Prohibited non-audit services” shall mean those prohibited services set forth in Section 10A(g) of the Exchange Act and the rules and regulations of the SEC thereunder.
11. Review, at least annually, the professional competency, performance, and independence of the independent auditor. In conducting its review and evaluation, the Committee should:
 - a. At least annually, obtain and review a report by the Company's independent auditor describing (i) the firm's internal quality-control procedures; (ii) 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 (iii) all relationships between the independent auditor and the Company, in order to assess the auditor's independence;
 - b. Ensure the rotation of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit, in accordance with the rules and regulations of the SEC. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis; and
 - c. Take into account the opinions of management and the Company's internal audit function.
12. Report the Committee's conclusions to the full Board with respect to the independent auditor's qualifications, performance and independence.
13. Set clear hiring policies for employees or former employees of the independent auditor who participated in any capacity in the audit of the Company. At a minimum, these policies must comply with the rules and regulations of the SEC related to the hiring of

former partners, principals, shareholders and professional employees of the independent auditor.

14. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit Function

15. Oversee the Company's Chief Financial Officer with respect to the administration of the Company's internal audit function and approve in advance the appointment, replacement, reassignment or dismissal of those persons having primary responsibility for the internal audit function.
16. Satisfy itself as to the professional competency of the members of the internal audit function and the adequacy of the staff in discharging its responsibilities.
17. Review significant reports prepared by the internal audit function and management's response and follow-up to those reports.
18. Review and discuss with the independent auditor and management the responsibilities, budget, and staffing of the Company's internal audit function, as well as any recommended changes in the internal audit function.

Oversight of the Company's Information Technology Systems to Support the Company's Internal Controls

19. Review with the Company's senior information technology personnel and the Company's Chief Financial Officer at least once each year the sufficiency of the Company's information technology systems to support effective internal controls and any recommended changes in the information technology department's priorities and projects planned for improving such systems.
20. Review reports to management, if any, prepared by the Company's information technology department relating to the integrity and security of the Company's information technology systems and subsequent follow-up on the responses.

Reports

21. Prepare the annual report of the Committee's oversight responsibilities for inclusion in the Company's proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.
22. Report regularly to the full Board. In this regard, the Committee should review with the full 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 and independence of the Company's independent auditor, or the performance of the internal audit function. In addition, the Committee should report to the full Board with respect to such other matters as are relevant to the Committee's discharge of its responsibilities. The report to the Board may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report. The Committee shall provide such recommendations to the Board as the Committee may deem appropriate.

23. Maintain minutes or other records of meetings and activities of the Committee.

Legal Compliance/General

24. Review periodically, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements or compliance policies.
25. Approve in advance all transactions between the Company and any affiliated party, provide notification thereof to the Board and discuss with management the business rationale for the transactions and whether appropriate disclosures have been made.
26. Discuss with management and the independent auditors the Company's major financial risk exposures, off balance sheet arrangements, the guidelines and policies by which risk assessment and management is undertaken and the steps management has taken to monitor and control risk exposure.
27. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, financial reporting practices or violations of the Company's Code of Conduct and Ethics; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Review reports from management, the internal audit function and the independent auditor and advise the Board regarding compliance with the Company's Code of Conduct and Ethics Policy.
28. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
29. In carrying out its duties and responsibilities, the Committee shall have the authority to retain, without seeking Board approval, outside legal, accounting or other advisors as the Committee may deem appropriate in its sole discretion to assist with the execution of its duties and responsibilities as set forth in this Charter, including the authority to approve the terms of retention of, and to cause the Company to pay the fees payable to, such advisors.

30. The Committee shall also carry out any other duties and responsibilities delegated to it by the Board from time to time related to the purposes of the Committee outlined in this Charter. The Committee may perform any functions it deems appropriate under applicable law, rules, or regulations, the Company's by-laws, and the resolutions or other directives of the Board, including review of any certification required to be reviewed in accordance with applicable law or regulations of the SEC or the NYSE.

V. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews as required by law, regulation and the requirements of the NYSE, in such manner as the Committee deems appropriate.

VI. LIMITATION OF COMMITTEE'S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles in the United States and applicable rules and regulations, including the rules and regulations of the SEC. Nor is the Committee responsible for certifying the Company's financial statements or guaranteeing the independent auditor's report. These responsibilities and the fundamental responsibility for the Company's financial statements and related disclosures rest with management and the Company's independent auditor. Consequently, in carrying out its oversight responsibilities, the Committee does not provide any expert or special assurance as to the Company's financial statements or internal controls or any professional certification as to the work of the independent auditor.