

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF MARITRANS INC.**

I. Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (“Board”) of Maritrans Inc. (the “Company”) is appointed by, and generally acts on behalf of, the Board. The Committee’s purposes shall be:

- A. To establish and periodically review the Company’s compensation philosophy and the adequacy of compensation plans and programs for executive officers and other Company employees;
- B. To establish compensation arrangements and incentive goals for executive officers and to administer compensation plans;
- C. To review the performance of the executive officers and award incentive compensation and adjust compensation arrangements as appropriate based upon performance;
- D. To review and monitor management development and succession plans and activities; and
- E. To prepare the report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with Securities and Exchange Commission rules and regulations.

II. Compensation Philosophy

- A. With respect to executive officers (defined as the Chief Executive Officer, Chief Financial Officer and Business Leaders), the Committee’s philosophy is to promote the achievement of the Company’s annual and long-term performance objectives as set forth by the Committee, ensure that the executive officers’ interests are aligned with the success of the Company, and provide compensation opportunities that will attract, retain, and motivate superior executive personnel. This philosophy contemplates that the compensation of each executive officer should be influenced significantly by the executive officer’s performance, measured by financial, non-financial, and market performance, as well as the compensation levels of an appropriate peer group. Base salaries are set to reflect the performance and experience of the incumbent and are compared to the seventy-fifth percentile of a mix of published survey data and published proxy data. Total compensation opportunity is set at the seventy-fifth percentile, on average, and the actual award is based on the attainment of personal goals and Company financial performance goals.

- B. With respect to employees, the Committee’s philosophy is to provide pay and benefit programs that attract and retain qualified employees, drive employee development and performance to achieve short- and long-term business goals and strategies and reinforce the Company’s cultures, behaviors, and values.

III. Membership

- A. The Committee shall be composed of at least three directors, each of whom must be independent. A director shall qualify as independent if the Board has affirmatively determined that the member has met the independence criteria set forth in the Company’s Corporate Governance Guidelines. In addition, for purposes of meeting the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), or any successor Code section, the Committee, or a sub-committee approving the performance goals to which certain of the executive compensation is tied in making such performance-based awards, shall consist of at least three “outside” directors, as defined in Treasury Regulation 1.162-27(e)(3) promulgated under the Code.
- B. The members of the Committee shall be nominated by the Nominating and Corporate Governance Committee and appointed by the Board for one-year terms. The Nominating and Corporate Governance Committee shall recommend, and the Board shall designate, one member of the Committee to serve as Chairperson. The members of the Committee shall serve until their resignation, retirement, or removal by the Board or until their successors shall be appointed. No member of the Committee shall be removed except by majority vote of the independent directors of the full Board then in office.

IV. Meetings and Procedures

- A. The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than three times per year. A majority of the members of the Committee shall constitute a quorum.
- B. The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
- C. The Committee may delegate authority to one or more members of the Committee when appropriate, but no such delegation shall be permitted if the authority is required by a law, regulation, or listing standard to be exercised by the Committee as a whole.
- D. 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 any meeting to provide such information as the Committee requests.

- E. The Committee shall fix its own rules of procedure, which shall be consistent with the By-laws of the Company and this Charter.
- F. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.
- G. The Committee shall report to the Board on the matters discussed at each meeting of the Committee, including describing all actions taken by the Committee at the meeting.

V. Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

- A. Resources
 - 1. Sole authority, and necessary funding, to retain, set compensation and retention terms for, and terminate any consultants, legal counsel, or other advisors that the Committee determines to employ to assist it in the performance of its duties.
 - 2. Access to internal advisors and all other resources within the Company to assist it in carrying out its duties and responsibilities.
- B. Compensation and Other Philosophy, Plans, and Programs
 - 1. Periodically review, consider, and approve the philosophy for compensation of the Company's executive officers and other employees.
 - 2. Establish compensation plans and programs for senior executives and other employees, including incentive and equity-based plans and programs, any appropriate employment contracts, special retirement benefits, and severance or change in control arrangements.
 - 3. Annually review the adequacy of such plans and programs for the executive officers and other employees, comparing such plans and programs to those of the Company's peer groups, ensuring appropriate levels of incentive to management, and aligning management's goals with the interests of stockholders, and report the results of, and recommendations resulting from, such review to the Board.
 - 4. Administer the Company's incentive and equity-based plans and programs.
 - 5. Monitor the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, and determine the extent to which the Company should comply with its provisions and any

steps that the Committee must take in order to comply with such provisions.

6. Consider and recommend to the Board, when appropriate, amendments or modifications to existing compensation and employee benefit programs and adoption of new plans.
7. Review and evaluate the performance of the investment managers of the Retirement Plan and the Profit Sharing and Savings Plan and determine if any changes are required or any funds should be added or deleted from the Plans' Trust.
8. Review and monitor the Company's investment policy and practices with respect to the assets of the Retirement Plan and Profit Sharing and Savings Plan

C. Specific Compensation Amounts and Incentives

1. Establish annual base salary amounts for executive officers and, based upon discussions with CEO in advance of the commencement of the fiscal year or as soon as practicable, annual incentive opportunity levels and the financial and any other goals to be met to earn annual and long-term incentive awards, and recommend, where appropriate, Board approval of such salary amounts and incentive levels and goals.
2. Review and evaluate, at least annually and taking into account the views of the other members of the Board, the performance and leadership of the CEO and determine, and recommend, where appropriate, Board approval of, the amounts of annual and any long-term incentive awards and any adjustments to the annual salary amounts based upon such performance and consistent with the achievement of the established goals.
3. Review with the CEO his evaluation of the performance of the executive officers and determine with the CEO, and recommend, where appropriate, Board approval of, the amounts of annual and any long-term incentive awards and any adjustments to the annual salary amounts based upon such performance and consistent with the achievement of the established goals.
4. Review at least annually all other officer and key management compensation actions.

D. Management Development and Succession

1. Review and monitor management development plans and activities.

2. Review annually the process for identifying executive officers of the Company.
3. Review annually with the CEO the CEO's proposed succession plan for each executive officer and the CEO's evaluation of each executive officer. Finalize a succession plan for presentation to the Board.
4. Review with the Board the Company's succession plan for the CEO and other executive officers, including plans for emergency succession in case of the unexpected disability of the the CEO.

E. Other Responsibilities

1. Review and reassess on an annual basis the adequacy of this Charter and recommend any proposed changes to the Board for its approval.
2. Annually review and assess the performance of the Committee and each Committee member and deliver a report to the Board setting forth the results of the evaluation. In conducting the evaluation, the Committee shall address matters that it considers relevant to its performance, including at a minimum, the adequacy, appropriateness, and quality of the information and recommendations presented 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 in a thorough and thoughtful manner.
3. Perform any other activities consistent with this Charter, the Company's Certificate of Incorporation, the Company's By-laws, and governing law as the Committee or the Board deems necessary or appropriate.

Reviewed and approved: February 2006