

Kirby Corporation

Compensation Committee Charter

I. Purpose

The purpose of the Compensation Committee of the Board of Directors of Kirby Corporation (the "Company") is to:

1. discharge the Board's responsibilities relating to compensation of the Company's executives; and
2. prepare the Committee report on executive compensation required to be included in the Company's proxy statement for its annual meeting of stockholders.

II. Composition and Meetings

1. The Committee shall consist of two or more directors, each of whom is (a) independent within the meaning of applicable New York Stock Exchange standards and federal securities laws and regulations, (b) a Non-Employee Director for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and (c) an outside director for purposes of Section 162(m) of the Internal Revenue Code.
2. Committee members shall be appointed by the Board on the recommendation of the Governance Committee and may be removed by the Board in its discretion.
3. A Chairman of the Committee shall be appointed by the Board or, if the Board does not appoint a Chairman, the members of the Committee may designate a Chairman by majority vote of the full membership of the Committee.
4. The Committee will meet at such times as shall be scheduled by the Chairman. The Committee may meet in executive session or may request the attendance at any meeting of representatives of management or counsel to the Company.
5. The Committee may delegate authority to one or more subcommittees or members of the Committee.

III. Responsibilities

1. Annually review and approve goals and objectives relating to compensation of the Chief Executive Officer ("CEO"), evaluate the performance of the CEO in light of those goals and objectives and determine the compensation of the CEO based on that evaluation.
2. Determine the salaries of executive officers of the Company.

3. Administer all of the Company's stock option and incentive plans and grant stock options and other awards under the plans (except those plans under which grants are automatic). In determining long-term incentive compensation for the CEO, the Committee will consider the Company's performance and relative return to stockholders, the value of similar awards to CEOs at comparable companies and awards given to the CEO in past years.
4. Review the Company's incentive and equity-based compensation plans and recommend changes in such plans to the Board as the Committee determines to be necessary or appropriate. Review and make recommendations to the Board with respect to any new incentive or equity-based compensation plans or any other forms of executive compensation.
5. Review and reassess the adequacy of the Compensation Committee Charter annually.
6. Conduct an annual performance evaluation of the Committee.
7. Report regularly to the Board of Directors on the Committee's activities.
8. The Committee has the sole authority to retain and terminate any consulting firm used to assist in the evaluation of director, CEO or executive compensation, including the sole authority to approve fees and other terms of engagement. The Committee also has the authority to retain, at Company expense, independent counsel or other advisors as the Committee deems necessary or appropriate to carry out its responsibilities and to determine appropriate compensation for any such advisors.

Adopted January 27, 2004.