

THE SHAW GROUP INC.

Nominating and Corporate Governance Committee Charter (adopted as of December 16, 2003)

Purpose

The Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of The Shaw Group Inc. (the “Company”) has been constituted for the following purposes:

- To assist the Board by identifying individuals qualified to become Board members, and to recommend to the Board the director nominees for election at the annual meetings of stockholders or for appointment to fill vacancies;
- To recommend to the Board director nominees for each committee of the Board;
- To advise the Board about appropriate composition of the Board and its committees;
- To advise the Board about and recommend to the Board appropriate corporate governance practices and to assist the Board in implementing those practices;
- To assist the Board in its annual review of the performance of the Board and its committees;
- To direct all matters relating to succession of the Chief Executive Officer of the Company; and
- To perform such other functions as the Board may assign to the Committee from time to time.

Organization

The Committee shall consist of two or more members, all of whom are members of the Board. One of the members shall serve as the chairperson of the Committee. Each member of the Committee shall satisfy the independence requirements of the applicable rules of the New York Stock Exchange and any other applicable laws.

The Board shall appoint the members of the Committee. The chairperson of the Committee shall be designated by the Board or, if no such designation is made, shall be selected by the affirmative vote of the majority of the Committee. The chairperson of the Committee shall also serve as the presiding director at the executive sessions of the Company’s non-management directors. The Board may remove or replace the chairperson and any other member of the Committee at any time.

Meetings

The Committee shall meet at least four (4) times a year. The agenda of each meeting will be prepared by the Secretary of the Committee and whenever reasonably practicable, circulated to each member prior to the meeting date.

Authority and Responsibilities

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. The Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate, provided that such subcommittees are composed of entirely independent directors and have a published committee charter. Without limiting the generality of the preceding statements, the Committee shall have authority, and is entrusted with the responsibility, to undertake the following actions:

- Evaluate the current number, composition, organization and governance of the Board of Directors and its various committees, seek to provide that the majority of the members of the Board are independent directors and that each committee of the Board contains exclusively or, if appropriate, a majority of members that are independent to the extent required by law, applicable listing standards, the Company's articles of incorporation or bylaws, or the Company's corporate governance guidelines and determine future requirements and make recommendations to the Board for approval;
- Determine desired board skills and attributes and conduct searches for prospective board members whose skills and attributes reflect those desired;
- Evaluate and propose nominees for election to the Board of Directors. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including the sole authority to approve the search firm's fees and other retention terms and shall have authority to cause the Company to pay the fees and expenses of the search firm. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of such outside advisors, and to cause the Company to pay the fees and expenses of such outside advisors;
- Recommend to the Board the composition of each committee of the Board and the individual director to serve as chairperson of the committee;
- Administer the Board performance evaluation process including (i) conducting surveys of director observations, suggestions and preferences, (ii) requesting that the chairperson of each Board committee report to the Board about such committee's annual evaluation of its performance and evaluation of its charter and (iii) receive comments from all directors and report to the

Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year;

- Determine whether or not each director and each prospective director of the Company is independent, disinterested, or a non-employee director under the standards applicable to the committees on which such director is serving or may serve. The Committee may survey any and all of the directors and prospective directors to determine any matter or circumstance that would cause the person not to qualify as an independent, disinterested or non-employee director under applicable standards. The Committee shall report to the Board the existence of any such matter or circumstance;
- Consider shareholder nominees, if any, for election to the Board;
- Evaluate and recommend termination of membership of individual directors in accordance with the Board's corporate governance principles, for cause or for other appropriate reasons;
- Coordinate and approve Board and committee meeting schedules;
- Evaluate and consider matters relating to the qualifications, retirement and compensation of directors;
- Review and reassess the adequacy of the corporate governance guidelines of the Company and recommend any proposed changes to the Board for approval;
- Review periodically the Company's Articles of Incorporation and recommend to the Board any changes thereto in respect of corporate governance matters; and
- Review periodically the advisability or need for any changes in the number, charters or titles of committees of the Board;
- Review and evaluate other directorships, consulting arrangements and the like of Board members for conflicts of interest and determine in such instances or any other instances whether an actual or potential conflict of interest exists.
- Identify, and periodically update, the qualities and characteristics necessary for an effective Chief Executive Officer and monitor and review the development and progression of potential candidates against these standards;
- Consult with the Chief Executive Officer on senior management succession planning;
- Oversee the evaluation of the Board and management; and

- Review management's monitoring of the Company's compliance programs and code of conduct, including a report of violations and waivers of the code of conduct approved by management.

Procedural Matters

A majority of the members of the Committee will constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee will meet at such times as shall be determined by its chairperson, or upon request of any two or more members. The chairperson will preside, when present, at all meetings of the Committee. The Committee will keep a record of all meetings and will report thereon to the Board. The Committee may meet by telephone or video conference, or in any other manner in which the Board is permitted to meet under law or the Company's bylaws, and may take action by unanimous written consent.

Reports

The Committee shall make regular reports to the Board, directly or through the chairperson.

Rules

The Committee may determine additional rules and procedures, including designation of a chairperson *pro tempore* in the absence of a chairperson, at any meeting thereof.

Performance Criteria

Each year, the Committee will review and reassess performance criteria for the Committee and, each year, will review and evaluate its own performance and each Committee member and shall submit itself and each Committee member to the review and evaluation of the Board. Committee evaluation will include an assessment of whether the Committee has the necessary diversity of skills, backgrounds, experiences, etc. to meet the Company's needs. Individual Committee members' evaluations will include high standards for in-person attendance at Committee meetings and consideration of absences.

Review of Charter

Each year the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.

Fees

Each member of the Committee shall be paid the fee set by the Board for his or her services as a member of, or chairperson of, the Committee.