

On July 22, 2008, Kirby Corporation amended its Business Ethics Guidelines for the primary purpose of describing in greater detail its policies relating to gifts and entertainment.

On October 28, 2008, Kirby Corporation amended its Business Ethics Guidelines to clarify the policy on compliance with the U. S. Foreign Corrupt Practices Act.

On April 27, 2010, Kirby Corporation amended its Business Ethics Guidelines for the primary purposes of adding policies relating to internet usage and international trade controls and clarifying policies relating to confidential information.

Following are the Business Ethics Guidelines as amended.

Kirby Corporation



**Business Ethics
Guidelines**

APRIL 27, 2010

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**Message from the Chairman, President
and Chief Executive Officer**

Kirby Corporation enjoys the reputation as one of the premier marine transportation service companies in the United States, and a leader in providing service and replacement parts for diesel engines and reduction gears. This reputation is built not only on the excellence of our service and safety record, but also on our high ethical standards and firm commitment to honesty, integrity and fair dealing. Kirby is committed to complying with all applicable laws, both in letter and in spirit.

More than just obeying the law, however, Kirby is dedicated to doing the right thing. While laws, regulations, and Kirby's corporate policies may change, doing the right thing remains at the heart of our core values. Therefore, we expect each and every director, officer and employee to comply with established standards and to report violations. If you feel a violation occurred or could occur, take it up to each succeeding step in your management chain, or if you prefer you may contact us directly.

It is each individual's responsibility to be familiar with and adhere to the Business Ethics Guidelines that follow. It is up to all of us to maintain our reputation for high ethical standards and conduct.

Remember: Do the right thing!

Joe Pyne
Chairman, President and Chief
Executive Officer

Introduction and General Principles

The purpose of these guidelines is to help you understand how Kirby is committed to doing business. Some of the topics involve complicated government regulations. If these regulations govern an area with which you are involved, you will be expected to make the effort to ensure that both you and Kirby are in compliance with the spirit and the letter of the law.

Therefore, Kirby expects more than just what may be required by law. You must conduct all aspects of our business honestly, ethically and fairly, including your relationships with coworkers, customers, suppliers, competitors, and government representatives. You must make ethical considerations the highest priority in all of your actions on behalf of Kirby.

Adherence to law, governmental regulations, Kirby policies, and these guidelines are mandatory. Violations will subject employees to disciplinary action, up to and including termination. Any waiver of these Business Ethics Guidelines requires approval by Kirby's Board of Directors, or a designated Board Committee, and shall be promptly disclosed to stockholders.

The basic principles which follow should guide your conduct.

Communication

The key to effective compliance with these guidelines is communication. If you have any questions about your responsibilities, ask. If you have questions about the law, ask. If you have questions about Kirby policy, ask. These guidelines contain information about whom you can ask and where you can get more facts. Do not hesitate to make use of this information. Kirby maintains an Open Door Policy and on that basis provides every employee with the opportunity to address any questions or issues without reprisal or discipline.

Duty to Report Violations

If you observe any unethical or unlawful conduct, you have a duty to report it. Your failure to bring violations to the attention of appropriate Kirby personnel could result in very serious harm to the Company. Any information that you provide will be treated carefully; your rights, as well as the rights of others, will be scrupulously observed. Your information will be handled discreetly, and under no circumstances will any adverse action be taken against you for providing, in good faith, information about activities you believe to be unethical or unlawful. When reporting violations, you must provide enough information to enable the company to investigate your concerns fully.

There are several avenues for reporting conduct or situations that you believe to be illegal, unethical or in violation of these guidelines. We expect every employee to cooperate with lawful investigations into allegations that our policies or laws

have not been followed. Kirby will cooperate with lawful government investigations. When we are notified of an external investigation, we will take prompt action to preserve documents that may be relevant.

As a general rule you should report violations or suspected violations to your immediate supervisor, or to a more senior member of your management chain. However, if you believe the sensitivity of an issue so warrants, you should contact Joe Reniers, Kirby's Vice President of Human Resources, for advice on how to proceed. You may also contact Joe Pyne, Kirby's Chairman, President and Chief Executive Officer.

If you prefer to remain anonymous when reporting a violation you may do so by sending an unsigned written communication, or you may call 713.435.1333 to leave a confidential voice-mail message.

Equal Opportunity, Nondiscrimination, Nonharassment and Nonviolence Policies

A. Kirby's Values - Equal Opportunity

Kirby and its affiliated companies are equal opportunity employers. Kirby companies are committed to recruiting, hiring, promoting, retaining, and compensating all individuals on the basis of their qualifications and performance, without regard to race, color, ethnicity, national origin, religion, age, sex, disability, veteran status or any other characteristic protected by law. Our goal is to provide a workplace free from offensive conduct. Comments and conduct directed to or referencing an individual's color, race, age, ethnicity, national origin, gender, religion, or disability, even if innocently intended, do not further Kirby's business and may, in fact, undermine the professional, respectful, and cooperative work environment that is a Kirby corporate value.

B. Open Door Policy.

Kirby is committed to an Open Door Policy (see Section G of this Company Policy) whereby an employee with a concern must communicate that concern up the chain of command to the President if a concern is not resolved to an employee's satisfaction. Employees commit to follow the procedures of the Open Door Policy to ensure that no concern is left unaddressed.

C. Prohibited Behavior.

As a condition of employment, all employees commit to the fair and equal treatment of others. No form of discrimination defined by law, harassment, or threat of violence directed to employees, customers, vendors, or others will be tolerated. Employees are barred from engaging in prohibited behavior either in the presence of or outside the presence of others while on company business, premises or equipment. Employees commit to support and nurture this corporate value.

While not every comment or act may create legal implications, certain conduct holds the potential for supporting claims of discrimination and harassment, even though no offensive or harassing/discriminatory motive was intended. Some common sense examples of conduct to avoid include:

- racial, ethnic, or national origin comments, slurs, stereotypes, or jokes;
- sexual or gender-based comments, slurs, stereotypes, or jokes;
- comments, slurs, stereotypes or jokes related to an individual or group's age, religion, or perceived disability.

If you are treated in a way that you perceive to be discriminatory, harassing, or physically intimidating, it is incumbent upon you to report the treatment immediately pursuant to the reporting procedures outlined in this policy.

D. Specific guidance regarding gender, age, racial, ethnic, national origin, religious, disability, or veteran status discrimination and harassment.

Discrimination or harassment on the basis of gender, age, race, ethnicity, color, national origin, religion, disability, or veteran status can violate state and federal law. As a matter of basic human morality, corporate culture and good business sense, Kirby expects all employees to judge others on the basis of their character, performance, ethics, and respect for others. No employee has the right to denigrate another because the other is 'different'.

Discrimination occurs when an employee is treated differently in connection with job duties, compensation, opportunity, position, or advancement because of gender, age, race, color, ethnicity, national origin, religion, disability, or veteran status. Harassment on the basis of gender, age, race, color, ethnicity, national origin, religion, disability or veteran status occurs when (1) submission to offensive or derogatory comments or conduct is either explicitly or implicitly made a condition of employment, (2) submission to or protest of offensive or derogatory comments or conduct is used as the basis for employment decisions, or (3) specific offensive or derogatory conduct has the effect of unreasonably interfering with an employee's work performance.

Retaliation or reprisals against anyone who has used the Open Door Policy or complained to Kirby about discrimination or harassment is prohibited. A violation of this policy can be the basis for disciplinary action up to and including termination.

E. Specific guidance regarding sexual harassment.

No employee, male or female, should be subject to sexual overtures or sexual conduct, either physical or verbal, written or transmitted by email, PDA or other device.

Sexual harassment is a violation of state and federal law. It can include, depending on particular circumstances, unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact, and other verbal or physical conduct, or forms of harassment of a sexual nature when (1) submission to such conduct is either explicitly or implicitly made a condition of employment, (2) submission to or protest of such conduct is used as the basis for employment decisions or (3) such conduct has the effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile work environment.

Examples of unwelcome sexual advances, propositions or other sexual comments include:

- (1) sexually oriented gestures, noises, remarks, jokes or comments directed toward or made in the presence of an employee;
- (2) preferential treatment or the promise of preferential treatment to an employee in exchange for submission to sexual conduct; or the threat of discriminatory treatment to an employee who refuses to submit to sexual conduct;
- (3) subjecting an employee to unwelcome sexual attention or intentionally making performance of the employee's job more difficult because of the employee's sex;
- (4) repeatedly asking the employee for dates or other social involvement after the employee has made it clear such invitations are unwelcome;
- (5) display of graphic or sexually suggestive objects or pictures.

Sexual harassment exposes Kirby and the individuals involved to potential legal liability. At all times you should treat other employees respectfully and with dignity in a manner that does not offend the sensibilities of a co-worker.

Retaliation or reprisals against anyone who has used the Open Door Policy or complained to Kirby about sexual harassment or discrimination is also prohibited. A violation of this policy can be the basis for disciplinary action up to and including termination.

F. Specific guidance regarding threats of violence directed toward employees.

Violence and threats of violence or physical retaliation do not advance Kirby's business objectives. Open and candid communication with supervisors and Human Resources is the best means to resolve issues that otherwise could escalate into violence. Kirby reserves the right to search employees and Kirby property, including lockers, desks, information systems, and storage areas, to address concerns of violence or potential violence. Employees shall have no expectations of privacy regarding the use of Kirby property and facilities.

Examples of prohibited conduct are:

- i. the possession of firearms or other weapons on Kirby property, unless specifically authorized in writing by an officer of Kirby,
- ii. physical horseplay or hazing, however innocently intended, that could escalate into violence,
- iii. fighting: assault of a co-worker, security guard, customer, or guest,
- iv. threatening or intimidating coworkers, security guards, customers, or guests through an express or implied threat of physical violence.

Retaliation or reprisals against anyone who has used the Open Door Policy or otherwise complained to Kirby about violence is also prohibited. A violation of this policy can be the basis for disciplinary action up to and including termination.

G. What to do if you feel our equal opportunity, nondiscrimination, nonharassment or nonviolence policies have been violated,

You should immediately contact your supervisor if you feel you have been subjected to discriminatory, harassing, or threatening comments or conduct. If your supervisor does not address the concern to your satisfaction, you are obligated to notify the Vice President of Human Resources and to continue communicating your concern up the chain of command pursuant to Kirby's Open Door Policy.

If you feel uncomfortable bringing the matter to your supervisor or a manager in your chain of command or if your supervisor or manager is thought to be part of the problem, you have an obligation to report your concerns to the Vice President of Human Resources.

If you feel the Vice President of Human Resources is part of your concern, you have an obligation to report your concerns to the President of Kirby Corporation.

Any supervisor who receives a report of harassment or discrimination or a threat of violence shall report the complaint to his or her manager and the Vice President of Human Resources. Any supervisor who fails to report a complaint to his or her manager and the Vice President of Human Resources shall be subject to disciplinary action up to and including termination.

Contact information for Joe Reniers Vice President of Human Resources is:

Phone: 713.435.1223
Fax: 713.435.1080
E-Mail: joe.reniers@kirbycorp.com

Contact information for Joe Pyne, Chairman, President and Chief Executive Officer of Kirby Corporation is:

Phone: 713.435.1104
Fax: 713.435.1010
E-Mail: joe.pyne@kirbycorp.com

To the extent possible, the person you contact will undertake to treat the matter with a degree of confidentiality. Kirby commits to investigate concerns promptly and thoroughly. All employees shall cooperate with any internal investigations.

H. Consequences of substantiated violations of this policy.

Substantiated violations of this policy will subject the violator to remedial training and/or disciplinary action up to and including termination of employment.

Safety and Occupational Health Policy

Kirby Corporation is committed to creating and maintaining a safe work environment. It is the responsibility of every employee, both ashore and afloat, to be familiar with and adhere to this safety policy:

All injuries and accidents can be prevented. Our goal is zero injuries. This goal is considered realistic and attainable but only you can make it happen.

All levels of supervision have the responsibility for the safety of the employee.

It is possible for you to guard against workplace conditions that may result in an occupational health risk, accident or injury. When the source of risk cannot be eliminated, special work processes, safety devices, personal protective equipment, or other protective measures must be used to safeguard employees.

It is the responsibility of managers and supervisors to provide adequate training and supervision for employees. It is the responsibility of the employee to think, to use common sense and to work safely.

Adherence to safety rules and safety instructions from supervisors is a requirement for employment with Kirby.

Safety is good business. It is to the benefit of the employee, their families and the Company to prevent injuries and accidents.

Environmental Policy - Marine Transportation

Kirby recognizes the importance of efficiently meeting the waterborne transportation needs of the United States in an environmentally sound manner, while protecting the health and safety of our employees and the public. The management and employees of Kirby are committed to continuously improving the compatibility of our operations with the environment. In furtherance of this commitment, the management and employees of Kirby pledge to:

- Conduct our business and operate our vessels in a manner that protects the environment and the health and safety of our employees and the public.
- Recognize and be responsive to public concerns about waterborne transportation and its effect on the environment.
- Make safety, health, and the environment a priority in our business planning.
- Commit to reduce overall emissions and waste generation, and comply with all laws and regulations concerning emissions and waste.
- Participate with government and the public in creating responsible laws, regulations, and standards to safeguard the workplace, community, and environment.
- Establish and maintain, in cooperation with public authorities and others, contingency procedures and plans to mitigate the effects of accidents which may occur.

Environmental Policy - Diesel Repair

Kirby recognizes the importance of efficiently meeting the diesel repair needs of our customers in an environmentally sound manner, while protecting the health and safety of our employees and the public. The management and the employees of Kirby are committed to continuously improving the compatibility of our operations with the environment. In furtherance of this commitment, the management and employees of Kirby pledge to:

- Conduct our business in a manner that protects the environment and the health of our employees and the public.
- Recognize and be responsive to public concerns about diesel repair and its effects on the environment.

- Make safety, health, and the environment a priority in our business planning.
- Commit to reduce overall emissions and waste generations, and comply with all laws and regulations concerning emissions and waste.
- Participate with government and the public in creating responsible laws, regulations, and standards to safeguard the workplace, community, and environment.
- Establish and maintain, in cooperation with public authorities and others, contingency procedures and plans to mitigate the effects of accidents which may occur.

Drug and Alcohol Policy

In order to maintain a safe, productive work environment for all employees, no alcohol, illegal drugs, controlled substances or other intoxicants or other prohibited substances are allowed on Kirby property. Employees are also prohibited from reporting to work, or from working, under the influence of alcohol or drugs, or with detectable amounts of drugs in their systems, regardless of how, when, or where the substance entered the employee's system. The sale, possession, offer to transfer or to sell, solicitation of or purchase of illegal drugs, controlled substances or other intoxicants on Company premises, while operating Company equipment offsite of Company premises or while conducting business on Kirby's behalf is also strictly prohibited. Any employee found in violation of these rules will be subject to immediate termination.

In keeping with this policy, applicable federal regulations, and as a further precaution in our effort to protect our workplace from the presence of alcohol and drugs, employees may be required to take drug and alcohol tests upon request. Also, employees and their property will be subject to search at any time while on Company property. Entry onto Company property and continued employment is specifically conditioned upon consent to such testing and searches. Any employee refusing to cooperate in any such testing or search will be subject to immediate termination.

Employees may maintain on Company premises prescription drugs and over-the-counter medication, provided any prescription drugs have been prescribed by a doctor for the person in possession of the drugs, the drugs are kept in their original container, and the use of the drugs will not impair the senses or reactions of the employee or render the employee unable to perform the essential functions of his or her job responsibilities.

Employees who feel they have a substance abuse problem are encouraged to seek rehabilitation. Any employee who voluntarily enters a bona fide drug or alcohol rehabilitation program will be given a leave of absence, in accordance with the Company's personal leave of absence policy, in order to complete the

program, and will not be subject to disciplinary action, provided he or she remains in strict compliance with the program, successfully completes the program and remains free of drugs or alcohol thereafter. This rehabilitation amnesty will only be given one time to any employee, and will not be available to any employee after he or she has notice that a drug or alcohol test is to be given, or after an event has occurred which could lead to testing.

Exclusion: The moderate use of alcohol at Company approved meetings or functions in connection with business entertainment, or in appropriate social settings, is not prohibited by this policy when the consumption or possession of alcohol has been approved by Kirby management.

The description above is a summary of the Kirby Drug & Alcohol Policy. If there is a conflict between this summary and the Policy, the language in the Policy applies.

Information Technology Services and Communication Systems

Kirby's information technology services (including e-mail, Internet access, Internet, computers, and servers) and communication systems (including voice mail, e-mail, telephones, fax machines and teleconferencing services) are valuable company property and intended for business use.

Kirby has the right to review the information contained in these services and systems in the ordinary course of business and employees do not have an expectation of privacy with respect to Company information and communication systems. If you wish to keep information private, it should not be created or stored on Kirby's systems. On occasion and within reasonable limits, you may use these services and systems for necessary personal reasons within the bounds of prudence and good judgment.

The complete text of this policy is detailed in the statement of Kirby IT Policies which is posted on the Kirby Intranet.

Internet Usage

Access to the Internet through Kirby's network is a privilege and carries responsibilities reflecting reasonable and ethical use. Employees are prohibited from accessing the Internet for any unethical purposes, including pornography, violence, gambling, racism, discrimination, harassment, or any illegal activity. At any time and without prior notice, Kirby reserves the right to examine email, personal file directories, and other information stored on Company computers or transmitted on our network. This examination helps to ensure compliance with internal policies, supports the performance of internal investigations and assists the management of information systems.

Confidentiality Policy

Critical to the preservation of our business is the preservation and protection of our confidential information and that of our customers, business partners, vendors, and suppliers. In the course of your employment, Kirby may provide you with access on a need-to-know basis to confidential and proprietary information (written, oral, or digital) essential to performing job functions. Each employee has an obligation and a duty to Kirby regarding such information as follows:

Confidential Information: Employees may have access to or become aware of inside or confidential information. Such information may include without limitation acquisition plans, earnings or profits, market changes, financing, proposed dividends, new contracts, current short or long-term contracts, major regulatory, court or legislative events, major management changes, financial projections, technology, business operations, methods, training protocols, training lesson plans, source code and object code for proprietary software, fleet size and capabilities, fleet schedules, customer/vendor/supplier lists, identity, job positions, qualifications, skill sets, medical histories, personal data, financial compensation of employees, plans for restructuring, recruiting and training processes for new employees, or other business plans. Such information would also include information relating to third parties currently unrelated to Kirby, with whom Kirby may be discussing a potential business transaction. All such information relating to Kirby, unless it has been made public by authorized personnel, should be treated as confidential information and on that basis should not be disclosed. When in doubt, treat the information as confidential until written guidance to the contrary is received.

Confidentiality: Serious problems could be caused for Kirby and employees by unauthorized disclosure of confidential information, whether or not in connection with trading in the securities of Kirby. Employees should not discuss confidential information with anyone outside of Kirby (including family, relatives, friends and business or social acquaintances), except as required in the performance of regular corporate duties. Nor should confidential information be discussed with other employees unless they have a clear right and need to know, in the performance of their regular corporate duties. This prohibition also applies specifically (but not exclusively) to inquiries about Kirby which may be made by stockholders, the financial press, investment analysts or others in the financial community. It is important that all such communications on behalf of Kirby be through an appropriately designated officer under carefully controlled circumstances. Unless expressly authorized to the contrary, any employee who receives an inquiry of this nature should decline comment and refer the inquirer to Steve Holcomb, Kirby's Investor Relations Officer.

Confidentiality Agreements: From time to time, Kirby may enter into confidentiality agreements with third parties with respect to information relating to such third parties. Such confidentiality agreements would include information

provided to Kirby as the basis for entering into a proposed business transaction or for other business purposes. Employees shall be obligated to honor the terms of any such applicable confidentiality agreement in regards to information provided thereunder.

Proprietary Information: Employees may have access to or become familiar with various Kirby proprietary data and information, which may include, but may not be limited to, computer software and hardware, analytical tools and models, know-how, compilations of information, financial information, records and customer lists and requirements, which are owned by Kirby or which Kirby may have in its possession (including information disclosed to Kirby on a confidential basis by third parties), some of which may be trade secrets of Kirby or such third party. Such proprietary information should not be used by any employee or disclosed by any employee to other employees or to persons outside Kirby, directly or indirectly, in any way, either during the term of their employment, or any time thereafter, except as may be required in the course of their employment.

Proprietary Rights: All files, records, documents, audio/video media, drawings, materials, software, computer programs and data, operating procedures, equipment and similar items relating to the business of Kirby, whether prepared by an employee or otherwise, coming into the possession of an employee, will remain the exclusive property of Kirby and will not be removed from the premises under any circumstances, unless necessary in the performance of the regular corporate duties of the employee.

If there is any doubt as to responsibilities under these policy guidelines, the employee should seek prior clarification and guidance from Steve Holcomb, Kirby's Investor Relations Officer. Employees should not try to resolve uncertainties on their own or by asking other employees.

Compliance with the above policies is part of the job responsibility of each employee. Kirby expects the strictest compliance with these policies by all personnel at every level. Failure to observe them may result in serious legal difficulties for employees, as well as Kirby. A failure to follow their letter and spirit would be considered a matter of extreme seriousness and possibly a basis for termination of employment.

Commitment: The way Kirby collects, analyzes and preserves its confidential information is what contributes to Kirby's competitive advantage in the industries in which it operates. As a condition of employment, each employee agrees to protect and preserve confidential and proprietary information and to refrain from its unauthorized disclosure or misappropriation.

Insider Trading Policy

The purchase or sale of Kirby stock while in possession of material nonpublic information, as well as the disclosure of material nonpublic information to others who then trade in Kirby stock, are prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the government and the possible civil and criminal penalties can be severe. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and their supervisory personnel if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an employee's failure to comply with Kirby's Insider Trading Policy may subject the employee to Company-imposed sanctions, including termination of employment, whether or not the employee's failure to comply results in a violation of law.

Kirby has adopted this Insider Trading Policy to satisfy the Company's obligation to take steps to prevent insider trading, to help Kirby employees avoid the severe consequences associated with violations of the insider trading laws and to preserve Kirby's reputation for integrity and ethical conduct, particularly in relation to the public market for its securities. Questions about a proposed transaction in Kirby stock should be directed to Steve Holcomb, Kirby's Investor Relations Officer.

This policy applies to all employees of Kirby and its subsidiaries. Certain additional restrictions apply to certain executive officers and key employees of Kirby and its subsidiaries. Those restrictions are described in a separate supplemental policy that is distributed to the persons affected.

Statement of Policy. Kirby employees who are aware of material nonpublic information relating to Kirby may not, directly or through family members or other persons or entities, (a) buy or sell Kirby stock (other than pursuant to a pre-approved trading plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. If you disclose material nonpublic information to another person who then trades in Kirby stock, you are subject to the same penalties as the person trading, even if you receive no personal benefit. In addition, a Kirby employee who, in the course of working for Kirby, learns of material nonpublic information about another company with which Kirby does business, including a customer or supplier, may not trade in that company's securities until the information becomes public or is no longer material.

Material Information. Material information is any information that a reasonable investor would consider important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect a company's stock

price, whether it is positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material are:

- projections of future earnings or losses or other earnings guidance,
- earnings that are inconsistent with the consensus expectations of the investment community,
- a pending or proposed merger, acquisition or tender offer,
- a pending or proposed acquisition or disposition of a significant asset,
- the gain or loss of a significant customer or supplier,
- significant litigation or governmental investigation,
- a change in dividend policy, the declaration of a stock split or an offering of securities, or
- a major change in management.

When Information is "Public". If you are aware of material nonpublic information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or an SEC filing) and the investing public has had time to absorb the information fully. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until the second full business day after the information is released. For example, if Kirby makes an announcement before the market opens on a Monday, an employee should not trade in Kirby stock until Tuesday. If the announcement is made after the market opens on a Monday, an employee should not trade in Kirby stock until Wednesday.

Transactions by Family Members. The insider trading policy also applies to your family members who reside with you, anyone else who lives in your household and any family members who do not live in your household but whose transactions in Kirby stock are directed by you or are subject to your influence or control.

Transactions Under Company Plans

Stock Option Exercises. The insider trading policy does not apply to the exercise of an employee stock option, including the use of shares to pay the exercise price or the use of shares subject to an option to satisfy tax withholding requirements. The policy does apply, however, to any sales of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

401(k) Plan. The Company's insider trading policy does not apply to purchases of Company stock in the 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. The policy does apply, however, to certain elections you may make under the 401(k) plan, including an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Kirby stock fund and an election to make a transfer of an existing account balance into or out of the Kirby stock fund.

Additional Prohibited Transactions

Kirby considers it inappropriate for any employee of the Company to engage in speculative transactions in Kirby stock, which are in effect bets on short-term movement in the price of the stock or on a decline in value of the stock. Therefore employees may not engage in short sales of Kirby stock or in transactions involving puts, calls or other similar options to buy or sell Kirby stock. This prohibition does not relate to the exercise of stock options granted by Kirby.

Protecting Kirby's Assets

Kirby has a large variety of assets that are of great value to our continued success as a business. These include both intangible assets (such as confidential information and trademarks) and tangible, physical assets.

Proprietary and Confidential Information: Kirby's proprietary and confidential information includes all technical, marketing, procurement, financial, personnel and other data which may give Kirby a competitive advantage.

Physical Assets: Kirby's tangible, physical assets include all of its marine equipment and spare parts, buildings and land, vehicles, computers, peripherals, office machines, furniture, and supplies.

Other Intangible Assets: Kirby's assets also include trademarks and the company's reputation and goodwill.

Safeguarding these assets is crucial to our future. You must take personal responsibility for helping to protect these assets. You should be alert to any situation or incident that could lead to loss, misuse, or theft of company property: and you should report any such situations or incidents to your manager.

Antitrust

Kirby believes that open competition in a free marketplace will lead to appropriate prices and promote an efficient and productive economy. Federal and state antitrust laws prohibit agreements that unreasonably restrain trade and anti-competitive behavior that results in monopolies. These laws apply to conduct that has economic effects regardless of where it occurs.

Failure to comply with antitrust laws can be extremely damaging to Kirby and its employees. Because antitrust law is complex, we have identified several practices that are generally viewed as violating these laws. Questions about these laws and how they apply to specific business transactions must be discussed with Amy Husted, Kirby's Vice President of Legal.

Generally, the antitrust laws prohibit the following conduct:

Price Fixing - agreements or understandings between competitors to raise, lower, maintain, stabilize, or otherwise fix prices. Competitors may not agree on the prices they will charge for their services or products. No employee shall ever discuss pricing practices with a competitor except where that competitor is a customer and the discussion is in conjunction with a specific sales transaction in the normal course of business.

Bid Rigging - agreements or understandings between competitors to rig bids or proposals, such as by (1) agreeing upon prices or other terms and conditions; (2) agreeing to rotate or alternate submission of bids, or (3) agreeing that one competitor will bid for certain contracts or customers while other competitors will bid for different contracts or customers.

Market Division - agreements or understandings by which competitors divide the market in which they compete, such as by allocating customers, territories, or services and products, among themselves.

Boycotts or Concerted Refusals to Deal - agreements or understandings by which two or more companies jointly refuse to do business with other companies for the purpose of eliminating competition. As a company, we can decide with whom we wish to do business. But we cannot exercise this right in conjunction with other companies. That would be a boycott, which is illegal.

Monopolization - attempting to achieve, achieving, or maintaining "monopoly power", i.e. the ability to control prices or exclude competition, through illegal or unfair exclusionary practices, in a particular market. While we believe that Kirby does not have, nor is it likely to have, a monopolistic position in any relevant market, we cannot be sure that a court of law would not define a relevant market so narrowly as to raise a question about monopolization.

International Trade Controls

Kirby is committed to ensuring that its business practices conform with all laws and regulations that restrict, regulate or prohibit transactions with non-U.S. parties. This includes: (1) U.S. export laws that govern the export of products, software and technology (collectively, any "item") from the U.S. to another country, any subsequent re-export of any item from one foreign country to another, and the transfer of any item to a non-U.S. person in the U.S., (2) U.S. economic sanctions and embargoes that restrict or prohibit certain transactions and dealings with designated countries, entities and individuals and (3) anti-boycott regulations prohibiting participation in or cooperation with a foreign boycott not sanctioned by the U.S.

Kirby will not sell, transfer, export, re-export, finance, order, buy, transport, store, use or otherwise service any item with knowledge that a violation has occurred or will occur. Employees in business operations that involve transactions or potential transactions with non-U.S. parties should ensure their actions are in compliance with applicable international trade laws. This may mean applying for and obtaining the necessary export license or other authorization and taking all other appropriate action before proceeding with the export or re-export of any item or service. If an employee is in doubt as to whether or what laws may apply, to a particular transaction, refrain from entering into the transaction and consult with the Vice President-Legal to obtain guidance.

Dealing with Customers, Partners, Suppliers and Competitors

Kirby's business operations require interaction and dealings with a variety of other companies and organizations, including suppliers, vendors, customers, distributors, business partners and competitors.

Fairness, honesty and integrity are the basic principles that guide our business relationships. Our relationships with our customers, business partners, suppliers and vendors are important to our success as a Company, and we value and cultivate those relationships. While we vigorously compete for business in the marketplace, we do so fairly. We support laws prohibiting restraints of trade, unfair business practices, or abuse of economic power in all countries of the world.

All employees have an obligation to represent the Company in a positive fashion and to make customers and others with whom we interact, feel as comfortable as possible in their dealings with our organization.

Fair Competition

Kirby does not make untrue or dishonest statements to anyone about its services or those of a competitor. You may compare our services to a competitor's, however, false or misleading statements about a competitor only undermine our customers' respect for us.

Fair Treatment of Suppliers

Our relationships with our suppliers are a highly valued aspect of our operations. Many of our suppliers are smaller companies than Kirby. When using our size and purchasing power we must carefully balance cost savings with fairness and long term supplier health.

Towards that end, Kirby has a documented procurement process and policy as embodied in the following Vision Statements:

- Centrally manage all expenditures - speak with one voice to the supplier community

- Leverage our volume
- Use the internal experts (our internal customers) in the form of commodity teams to make the deals
- Negotiate aggressively from a strategic and fact base
- Make our suppliers work for us - they are sources of information and cost reduction ideas
- Measure performance - both suppliers and ours

Obtaining, Using and Protecting Third Party Information and Property

Acquiring information about other organizations and businesses, including competitors, is a normal part of conducting business. Kirby may collect information for such purposes as extending credit, evaluating the competition's products and services, and maintaining competitive compensation and benefits programs. Nonetheless, care must be exercised in how information is gathered and in no case should this information be gathered or used illegally.

The following specific guidelines have been adopted for conducting competitive employee compensation and benefits surveys:

- The survey must be managed by a third party,
- The information provided by survey participants must be based on data that is more than three months old,
- There must be at least five participants for each statistic disseminated,
- No single participant's data can represent more than 25%, on a weighted basis, of any statistic, and
- All information must be sufficiently aggregated so that individual participant data cannot be identified.

Government and Political Activities

Our business activities require significant interaction with federal, state and local governmental bodies, and their various associated agencies. It is important to Kirby that these interactions and relationships are maintained at the highest possible professional and ethical level. In addition, there are statutes and strict government rules regulating the interaction of persons with government officials,

such as restrictions on gifts, meals, travel and entertainment. All dealings with the Government should be in strict compliance with the principles detailed in these Business Ethics Guidelines and all applicable laws, rules and regulations. In all cases, senior management of Kirby should be kept informed of significant issues or activities.

Kirby is proud of its participation in public debate about issues that impact our business. U.S. law and the laws of many states prohibit corporate contributions to political candidates or officeholders. Kirby complies with all laws regulating our participation in political affairs. U.S. law allows independent political action committees that make political contributions. Eligible executive and administrative personnel may be solicited to make voluntary contributions to Kirby's political action committee, Kirby PAC. Kirby PAC channels these voluntary contributions to those political candidates whose philosophies are consistent with Kirby's.

All questions or concerns regarding government and political activities should be discussed with Matt Woodruff, Kirby's Director of Government Affairs.

Participation in Politics

Kirby will not influence or control your personal position on political issues and candidates. You should feel free to contribute to whatever organization and whomever you choose, and to speak freely about your position on public issues. However, when you do so, be sure you do not give the impression that you are acting or speaking on Kirby's behalf.

Lobbying Activity

The Federal government, most states, some local governments, and various foreign countries have enacted laws that regulate lobbying activities. It is Kirby's policy to comply fully with all applicable lobbying laws and regulations. Any Kirby employee who contacts government officials directly or indirectly on behalf of Kirby in an effort to influence administrative or legislative action must be aware of and comply with obligations under the lobbying and other applicable laws such as the Foreign Corrupt Practices Act. If you have any questions concerning the legality of a lobbying practice in the U.S. or in any other country, contact Amy Husted, Kirby's Vice President-Legal, and in all cases the Vice President of Legal should be kept informed of significant issues and activities.

Community Service

Kirby encourages its employees to be active in the civic life of their communities. However, you should be sensitive to conflicts of interest with Kirby that may arise as a result of such service.

Trade and Professional Associations

Kirby employees are encouraged to participate in trade and professional associations that promote Kirby's goals, individual skills development and professional recognition. However, employee participation in such associations must not conflict with Kirby's interests.

Kirby will identify certain trade and professional associations in which it wants to be represented, and designate the employees that it will sponsor for membership in such associations. Employees so designated will represent Kirby in the association and will be expected to participate actively and promote its interest.

Gifts and Entertainment

We recognize that gifts and business entertainment are meant to create good will and sound working relationships, not to gain unfair advantage with customers or suppliers. Any form of gift that obligates an employee to act in a particular manner with regard to the company's business is a bribe and is not allowed, regardless of its value.

No Kirby employee should offer or accept bribes, kickbacks, gifts or business courtesies of substantial value, to or from any employee or representative of any existing or potential supplier or customer or of any federal, state, local or foreign government or regulatory authority. Business courtesies and gifts for the purpose of creating good will and good working relationships may be offered to or accepted from employees of nongovernmental entities if they (a) are customary in the industry or business, (b) are reasonable and appropriate in frequency, type and value, (c) are not given with the intent to influence the judgment of the recipient in a pending transaction or to make the recipient feel obligated, and (d) to the giver's knowledge, do not violate a policy or standard of conduct to which the recipient is subject. Employees may not accept honoraria or expense reimbursement from current or potential suppliers or customers, or from not-for-profit organizations supported by the Company.

Gifts. Gifts accepted from or given to anyone with whom the Company does business should be promotional in nature and nominal in value. Gifts of nominal value are unlikely to be perceived as influencing the recipient. Cash gifts should never be accepted from or offered to anyone.

Business Courtesies. Business courtesies include but are not limited to, meals, drinks, entertainment, (including tickets to sports or social events), recreation, transportation, or use of donor's time, equipment, materials or facilities.

- Employees may accept business courtesies if so doing is: 1) appropriate -if the event promotes a legitimate business purpose; 2) reasonable, for example, the invitation is for a meal, entertainment

or travel that is not lavish; and 3) consistent with the ethical practices of the Company, the employee would not be uncomfortable discussing it with his or her manager, co-workers or the media.

- A business courtesy should not be accepted if it does not fall within the guidelines described above or if the donor expects something in return, may be attempting to gain an unfair advantage, may be attempting to influence the employee's judgment, or if acceptance creates the appearance of any of the foregoing.

Frequent Gifts or Business Courtesies. Employees should avoid a pattern of accepting frequent gifts or business courtesies from the same persons or companies as it may give the appearance of impropriety or preferential treatment.

Examples of Gifts and Business Courtesies:

- A ballpoint pen with a company logo would satisfy the test of being promotional in nature and of nominal value. An inscribed gold wristwatch may be promotional in nature but would unlikely be nominal in value and, therefore, would not be acceptable.
- Lunch, dinner or entertainment invitations to reasonably priced establishments may be permitted if furnished in connection with bona fide business meetings or conferences but, if the meal or entertainment is considered lavish or accepted on a frequent basis, it would not be acceptable.
- Accepting a reasonably priced golf outing, sporting event or entertainment ticket in the local area on an occasional basis may be reasonable. Accepting a fully paid trip out of the local area to attend a golf outing, sporting event or entertainment event requires approval in accordance with the Reporting and Approval requirements of this policy.
- The Company normally pays work-related transportation, lodging and expenses directly or on a pro-rated basis for combined work and personal trips consistent with the Company's existing travel and entertainment policy. Accepting an offer for an expense paid trip for pleasure with a customer or supplier is not permitted.

Any employee who receives a gift or is offered a business courtesy that does not fall within the guidelines described herein should arrange to have whatever is received, together with a letter declining the gift or business courtesy, mailed to the donor at the Company's expense, return receipt requested, with appropriate insurance.

An employee with a question as to whether the acceptance of a gift or business courtesy is appropriate should contact his or her immediate supervisor for a determination prior to accepting the gift or business courtesy.

It is important to observe the policies of any company with which the Company does business. Meals, gifts, entertainment, transportation, lodging or any other business courtesy should never be offered to an employee of a company that you know prohibits accepting such items or services. Anyone who is unsure of the other company's policies should ask his or her supervisor.

Expenditures for gifts and business courtesies are subject to Kirby's normal review and approval procedures, including established procedures for review and approval of budgets, expenditures and expense accounts. All expenditures must be handled in accordance with those procedures and accurately recorded in the books and records of the company.

Reporting and Approval. The following specific reporting and approval schedule applies to all Kirby employees who either give or receive gifts or business courtesies in the course of their employment:

- Gifts or business courtesies with a value of \$100 or more should be reported to the employee's immediate supervisor.
- Gifts or business courtesies with a value of \$250 or more require prior approval from the employee's immediate supervisor.
- Gifts or business courtesies with a value of \$500 or more require prior approval from the President of Kirby Inland Marine, the President of Kirby Engine Systems, or from Kirby's Chief Financial Officer.
- Gifts or business courtesies with a value of \$1,000 or more require prior approval from Kirby's Chief Executive Officer.

Special Restrictions with Respect to Government Employees and Public Officials. What is acceptable practice when dealing with other private businesses may be entirely unacceptable, and even illegal, when dealing with public officials or other government employees. Kirby requires strict compliance with government laws and rules relating to gifts and business entertainment. If you have any questions concerning dealing with government employees or public officials, contact Amy Husted, Kirby's Vice President of Legal.

Compensation. No Kirby employee nor any member of his/her family should solicit or accept payment of a commission, fee, salary or other form of compensation from an existing or potential Kirby supplier or customer.

Foreign Corrupt Practices Act

In accordance with Kirby's Anti-Corruption Policy, Kirby prohibits all employees from making improper payments or giving gifts to government officials of any foreign country. Any payment to any government officials of any foreign country not only requires compliance with the laws of the country in which you are dealing, but also with the Foreign Corrupt Practices Act (FCPA) of the U.S.

The FCPA prohibits offering or promising to make a gift or any other payment to any non-U.S. government official, employee or agent, or to any political party or political candidate outside the United States for the purpose of obtaining or retaining business, or obtaining any unfair advantage. The FCPA also requires publicly traded US companies like Kirby to make and keep accurate books and records, and effective internal accounting controls. This U.S. law applies throughout the world to actions by Kirby, all Kirby personnel and representatives, and all Kirby subsidiaries, affiliates, and joint ventures.

The FCPA imposes severe criminal and civil penalties against both the guilty individual and his or her employer. The law applies not only to Kirby employees and agents who make improper payments, but also to employees of Kirby joint ventures (regardless of how much Kirby owns and whether or not it is the managing partner) or to any employee who knows or believes that a Kirby related company plans to make an improper payment. Because of the broad coverage and severe penalty provisions of the FCPA, it is imperative that you immediately report to David Grzebinski, Kirby's Chief Financial Officer, any transaction that appears to violate the FCPA.

The description above is a summary of Kirby's Anti-Corruption Policy. If there is a conflict between this summary and the Policy, the language in the Policy applies.

Conflict of Interest

Kirby expects undivided loyalty from its employees when they conduct Kirby business. You should not be in a position where there is a conflict between what is best for Kirby and what may benefit you personally. If you believe a potential conflict of interest exists, you should immediately contact your supervisor or a more senior member of your management chain to discuss the proper action for you to take. However, if you believe the sensitivity of an issue so warrants, you should contact Joe Reniers, Kirby's Vice President of Human Resources, for advice on how to proceed. You may also contact Joe Pyne, Kirby's Chairman, President and Chief Executive Officer.

Corporate Opportunities

Employees of Kirby are prohibited from (a) taking for themselves personally, opportunities that are discovered through the use of Company property, information, or position; (b) using Company property, information, or position for personal gain; and (c) competing with the Company. Employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Using Kirby Assets for Personal Financial Gain

Regardless of what type of activities you engage in outside of your Kirby duties, you are strictly prohibited from using Kirby facilities, equipment, supplies, or time for your personal financial gain.

Distributors, Agents and Consultants

Kirby will not authorize any distributor, agent, or consultant to do any act that is prohibited by these Business Ethics Guidelines.

Payments to Bank Accounts

Kirby will not make payments to (a) bank accounts identified by number only, (b) persons other than those to whom payment is due, or (c) banks or depositories outside the country of the payee's place of business. Any exception must be approved in advance in writing by David Grzebinski, Kirby's Chief Financial Officer.

General Accounting Practices

Internal Controls: Employees should make sure that; (1) Transactions are executed in accordance with management authority; (2) Transactions are recorded in sufficient detail to permit preparation of financial statements in conformity with generally accepted accounting principles; and (3) Access to Kirby assets occurs only in accordance with management's specific authorization.

Periodic Reporting: Kirby must make full, fair, accurate, timely and understandable disclosure of its financial condition and results of operations, as well as other required disclosures, in its quarterly and annual reports filed with the Securities and Exchange Commission. All Kirby employees performing financial or accounting functions must comply with all financial and accounting policies, procedures and controls established by Kirby to ensure that Kirby is able to gather, process, record and report all financial information in compliance with applicable laws and regulations. Kirby maintains books, records and accounts that accurately reflect all Kirby payments, receipts and transactions. Kirby will not maintain any numbered or secret account or any unrecorded or undisclosed

funds or assets, no Kirby employee shall make any false entry in the books and records of the Company and Kirby will not enter into any transaction or agreement or make or receive any payment for any purpose other than the stated purpose reflected in the documentation supporting the payment or governing the transaction or agreement.

Records and Documents Retention

All entries in Kirby's books, records, and accounts and all documents created must be accurate, complete, and fairly reflect our business transactions. All financial transactions must conform with generally accepted accounting practices. False or misleading data supplied in connection with any aspect of Kirby's business, whether for internal Kirby purposes or external use by a supplier, customer or the government, cannot be tolerated because it compromises Kirby's stand on ethics and compliance with law.

We create documents and records in the normal course of business to document our compliance with laws, regulations, and policies. We also keep records that preserve key historical information about our business.

We keep documents and records in forms that enable efficient retrieval. All company records will be kept for the shortest time needed to comply with applicable laws, regulations, policies and Kirby's records and documents retention program. We keep documents and records that describe our business activities for enough time to ensure that we have fulfilled our obligations and promises.

Documents and records are any medium, regardless of physical format, which memorializes information created or used by the company. This includes paper documents, audio or video tapes, magnetic or optical media, microfilm or microfiche, voice mail and computer-based information such as electronic mail, computer files on disk, servers or tape, and any other medium that contains information about a company organization or its business activities. Employees are prohibited from tampering with these documents or removing or destroying them prior to the dates specified in our retention program. Regardless of the document retention program, upon learning that a lawsuit or government investigation is threatened, or receiving notice that a lawsuit or government investigation has been initiated, all document destruction involving records which might be relevant must immediately stop.

Conclusion

As stated at the beginning, these guidelines are just that - guidelines. They are not meant to cover every possible situation in which you may find yourself. Rather, they are intended to give you the framework Kirby wants you to have for making decisions about how to conduct yourself. You will undoubtedly run into situations from time to time in which it is difficult to determine what is legal and

appropriate. When that happens, consult these Business Ethics Guidelines or Kirby Corporate Policies, or ask the appropriate individual who is responsible. If you are confronted by an ethical issue, you are encouraged to use your chain of command to address the issue. However, if you are uncomfortable using the chain of command because of a conflict of interest, you may take the issue to any senior officer in the Company.

Employee Acknowledgement

This is to verify that I have read and understand the provisions of the “Kirby Corporation Business Ethics Guidelines”, agree, as a condition of employment, to conduct myself in accordance with its terms, and certify that I have not observed any unethical or unlawful conduct which has not been reported.

Signed

Date

Printed Name