

## Kirby Corporation

### Audit Committee Charter

#### **I. Purpose**

The purpose of the Audit Committee of the Board of Directors of Kirby Corporation (the “Company”) is to assist the Board in fulfilling its responsibilities by:

1. monitoring the integrity of the Company’s financial statements and the effectiveness of the Company’s accounting procedures, internal control over financial reporting and disclosure controls and procedures;
2. monitoring the Company’s compliance with legal and regulatory requirements;
3. monitoring the qualifications, independence and performance of the Company’s independent auditors;
4. monitoring the performance of the Company’s internal audit function; and
5. preparing the Committee report required to be included in the Company’s proxy statement for its annual meeting of stockholders.

While the Committee has the responsibilities and authority set forth in this Charter, the Committee serves in an oversight role and is not responsible for planning or conducting audits or determining that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. Those are the responsibilities of the independent auditors and management, respectively.

#### **II. Composition and Meetings**

1. The Committee shall consist of three or more directors, each of whom is independent within the meaning of applicable New York Stock Exchange standards and federal securities laws and regulations.
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. Each member of the Committee shall be financially literate in the judgment of the Board.
4. At least one member of the Committee shall in the judgment of the Board be an audit committee financial expert as defined in applicable Securities and Exchange Commission regulations and at least one member of the Committee shall in the judgment of the Board have accounting or related financial management expertise.

5. 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.
6. 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 the independent auditors, the internal auditor, representatives of management or counsel to the Company.
7. The Committee will periodically meet separately with management, the independent auditors and the internal auditor.
8. The independent auditors, the internal auditor or counsel to the Company may at any time request a meeting with the Committee or the Chairman with or without representatives of management present.
9. The Committee may delegate authority to one or more subcommittees or members of the Committee.

### **III. Relationship with Independent Auditors**

1. The Committee has the sole authority and responsibility to (a) select, evaluate and, when appropriate, replace the independent auditors, (b) approve in advance all audit engagement fees and terms, (c) approve in advance all audit and permitted nonaudit services to be provided by the independent auditors (including consideration of whether the performance of nonaudit services is compatible with the independence of the independent auditors) and (d) resolve any disagreements between management and the independent auditors. The independent auditors shall report directly to the Committee.
2. The Committee is responsible for obtaining at least annually a report by the independent auditors describing (a) the firm's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review or peer review of the firm and any steps taken to deal with any such issues, (c) any material issues raised by any inquiry or investigation by governmental or professional authorities within the preceding five years relating to any independent audit performed by the firm and any steps taken to deal with any such issues and (d) all relationships between the independent auditors and the Company. Based on that report and other factors considered relevant by the Committee, the Committee will evaluate the qualifications, performance and independence of the independent auditors (including the lead partner) and present its conclusions to the Board.

### **IV. Relationship with Internal Auditor**

1. The Company's internal auditor is ultimately accountable to the Board and the Committee.

2. The Committee has the sole authority and responsibility to select, evaluate and replace the internal auditor.

## **V. Responsibilities**

1. With respect to the audited financial statements to be included in the Company's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission:
  - (a) Review and discuss the financial statements with management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
  - (b) Discuss with the independent auditors, without representatives of management present, their evaluation of the Company's financial, accounting and auditing personnel, systems and procedures and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to information and any significant disagreements with management.
  - (c) Discuss with the independent auditors the matters required to be discussed by AICPA Statement of Auditing Standards No. 114.
  - (d) Review and discuss with the independent auditors the written disclosure from the independent auditors required by the rules of the Public Company Accounting Oversight Board relating to the independence of the independent auditors.
  - (e) Based on the foregoing review and discussions, recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
  - (f) Prepare a report on the foregoing matters for inclusion in the Company's proxy statement for its annual meeting of stockholders.
2. Review and discuss the Company's quarterly financial statements with management and the independent auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
3. Review with the independent auditors, the internal auditor and management the adequacy and effectiveness of the Company's internal control over financial reporting, any significant changes or deficiencies in such controls reported to the Committee by the independent auditors or management and any recommendations for the improvement of such controls.

4. Review the Company's disclosure controls and procedures with management, including any significant changes in such controls reported to the Committee by management and any recommendations for the improvement of such controls.
5. Review and discuss reports from the independent auditors on (a) critical accounting policies and practices, (b) alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the independent auditors and (c) other material written communications between the independent auditors and management, including any management letter or schedule of unadjusted differences.
6. Review the internal audit function of the Company, including the qualifications, performance and authority of the internal auditor, proposed internal audits, progress on proposed internal audits, findings from completed internal audits, the status of any recommended remedial actions and the reasons for any deviations from the internal audit plan.
7. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
8. Discuss generally with management the type and presentation of information (particularly non-GAAP financial information) to be disclosed in earnings press releases and in other financial information and earnings guidance disclosed publicly or provided to rating agencies. The Committee need not discuss in advance each earnings release or other such disclosure.
9. Discuss with management the Company's policies with respect to risk assessment and risk management.
10. Establish hiring policies for employees or former employees of the Company's independent auditors.
11. Review and reassess the adequacy of the Audit Committee Charter annually.
12. Conduct an annual performance evaluation of the Committee.
13. Report regularly to the Board of Directors on the Committee's activities.
14. The Committee has the authority to retain, at Company expense, independent counsel, accountants 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 October 21, 2003; revised April 28, 2009 and April 27, 2010.