Sustainability is integral to our corporate culture

“Do the Right Thing” is a key Kirby value

- At Kirby, sustainability is embedded in our culture
  - From an environmental and human impact perspective, safety is the foundation
  - Zero Harm:
    - No harm to people
    - No harm to the environment
    - No harm to equipment
  - Our philosophy is that we are managing for success in perpetuity
  - We invest in training and developing our workforce
  - We promote sound public policy for our industry segments
  - We support our employees, our industry, and our communities
  - Board of Directors oversight and guidance is pivotal to our success
Environmental
Marine transportation is a good news story

Marine transportation is the cleanest, safest and most efficient mode of surface transportation in the U.S., with far fewer impacts on the population than truck or rail.

1 loaded tank barge carrying 27,500 barrels of product can take the equivalent of 144 tractor trailer trucks off the highways.

Source: National Waterways Foundation
Barge tows move more cargo than alternatives...

Kirby's 22.5 million barrels of capacity is equivalent to 45,700 rail cars and 143,200 large tractor-trailer trucks

Source: National Waterways Foundation
… Using less fuel and with fewer emissions

Ton-miles Traveled per Gallon of Fuel

Tons of CO2 per Million Ton-Miles

Source: National Waterways Foundation
Kirby implemented usage of low-sulfur diesel on all vessels in 2012

All tank barges are double hulled to better prevent environmental spills

Voluntary usage of 6 psi vs. 3 psi barges (the industry standard) virtually eliminate cargo vapor emissions

Company policy does not allow for the discharge of bilge overboard, even if the vessel is equipped with an oil-water separator

Large fleet and scale reduces unnecessary emissions and waste
  – Dedicated product tows reduce cleaning between cargos
  – Smaller fleeting boats reduce fuel consumption and emissions
  – Linehaul service improves barge to boat ratio

Ongoing boat and engine replacement program improves efficiencies and reduces emissions

Barge cleaning facility goes well beyond regulatory standards

Reducing, reusing and recycling are integral to our practices

Kirby serves as a leader in numerous industry organizations that help define industry regulations and improve air and water quality
Going above and beyond – Distribution and Services

- Developed technology to lessen environmental impact of hydraulic fracturing
  - Noise reduction fracturing units – reduces up to 14 dBA at 100 feet
  - Bi-fuel powered fracturing units – 70 to 80% diesel to natural gas conversion rate
  - Industry leading electric powered fracturing units – 99% reduction in NOx emissions
- Development of dry gel hydration units eliminates usage of mineral oil and/or diesel in slurries pumped into wells
- Paint and solvent re-use and recycling reduces waste by-products by 95% and recovers 99% of solvents for re-use
- LED lighting installed in key facilities reduced energy consumption by 35-40%
- Largest manufacturer of frac units with Tier 4 engines, achieving higher EPA standards

Kirby built electric frac fleet working in Pennsylvania
Social
Strong emphasis on safety

- Safety is the first and foremost concern in everything we do
- The Board of Directors review safety statistics and major incidents at all levels of the organization
- Investing to ensure safe operations is good for morale and benefit financial performance
- Our customers place a high value on safety
- Kirby has the only inland marine U.S. Coast Guard approved training center
  - Company-owned and operated
  - In-house towboat wheelhouse simulator

Pictured above is our towboat simulator where wheelhouse crew can gain repetitive practice navigating in extreme conditions and high-risk scenarios
Giving back to our industry

Kirby has a long history of supporting foundations, associations and institutions whose charitable work is related to Kirby’s mission

- **Seaman’s Church Institute**
  - North America’s largest mariner’s service agency providing spiritual support, maritime education and legal advocacy to thousands of mariners and port workers
  - In the last 3 years, Kirby has donated more than $650,000
  - Kirby donated a wheelhouse training simulator to the institute which is used to provide navigational training to 1,600 mariners each year
  - Many of Kirby’s officers give their time and expertise to help the institute

- **U.S. Coast Guard Foundation**
  - Focuses on the well-being, education, and morale of the men and women of the U.S. Coast Guard and their families
  - Kirby has proudly supported this organization for more than 30 years

- **Many other industry associations and foundations including:**
  - National Coast Guard Museum
  - Houston Maritime Museum
  - Waterway’s Council
  - National Association of Manufacturers
  - American Bureau of Shipping
  - Regional Associations
    - The Gulf Intracoastal Canal Association
    - Texas Waterways Operators Association
    - Louisiana Association of Waterway Operators
  - National Waterways Foundation
Kirby is positioned to quickly and effectively support the U.S. Coast Guard to safely open our waterways after an incident, natural disaster or storm

- **M/V Marine One** is an emergency response vessel that can be quickly deployed to any area
  - Replaces ATONs (aids to navigation, such as buoys and markers) that are usually torn from their moorings during a storm
  - Can carry 3,000 pounds of equipment
  - Identifies impassible waterways and sends out navigational updates to other ships
  - Works directly with the U.S. Coast Guard, including pre-planning and practice drills
  - Keeps our waterways open and safe, allowing for goods and services to keep moving
Supporting our families and local communities

- **Disaster Relief - “do the right thing”**
  - The Kirby Disaster Relief Fund
  - Charity provides support to Kirby employees, families, and communities affected by natural disasters
  - Kirby matches all employee contributions to the fund at 100%
  - Kirby has donated approximately $400,000 to the fund in 2017 and 2018 YTD
  - Teams and procedures ready to deploy to affected areas to protect and aid employees and their families
  - Support of the Carl McCain Foundation which helps industry families in need
  - Long history of assisting distressed people and vessels on the water

- **Galveston Bay Foundation**
  - Promotes advocacy, conservation, education, and research related to Galveston Bay
  - In the last 3 years, Kirby has donated more than $200,000 to the foundation
  - Kirby participates in annual clean-ups of Galveston Bay and donates a vessel to assist

- **Charitable matching donation program**
  - Kirby matches qualifying employee charitable contributions
  - Nearly 60 organizations benefited from this program in 2017

- **Other organizations sponsored include:**
  - United Way
  - Susan G. Komen Foundation
  - San Jacinto Monument Park
  - Numerous customer charitable events
Pathways to diversity

In a male-dominated industry, Kirby is making inroads in diversity…

- Elected its first female board member in 2015

- Females on the Executive Leadership Team include:
  - VP and General Counsel
  - VP and Chief HR Officer

- Management
  - 18% of company management positions are held by women
  - ~90 females in managerial roles and higher
  - Females in leadership including the Director of Internal Audit, Corporate Assistant Controller, VP Finance & Controllers, HR Directors, and Marketing Director

- 60% of women working rotations on vessels in Marine Transportation are in the wheelhouse
  - 16 Captains/Pilots
  - 7 Tankermen
  - 3 Deckhands

Women

10%

Minorities

27%
Governance
Board composition and experience

<table>
<thead>
<tr>
<th>Core Industry Experience (in years)</th>
<th>Independent Director Tenure*</th>
<th>Age*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>50-60</td>
<td>50-60</td>
</tr>
<tr>
<td>6-10</td>
<td>60-70</td>
<td>60-70</td>
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<tr>
<td>10+</td>
<td>70+</td>
<td>70+</td>
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<tr>
<td>40+</td>
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</tr>
</tbody>
</table>

Average Tenure: 7.6 years
Average Age: 64

* As of March 2001

**Director Independence**
- Independent: 7

**Director Diversity**
- Woman: 1

**Industry Expertise**
- Marine Transportation: 4
- Petrochemicals & Refining: 3
- Oilfield Services: 3
- Hydrocarbon Transportation: 7

**Positions Held / Qualifications**
- Board Chairman: 4
- Board Member (non-Kirby): 6
- Current or Former CEO: 8
Board committees

All three Board committees consist solely of independent directors

<table>
<thead>
<tr>
<th>Director</th>
<th>Audit Committee</th>
<th>Compensation Committee</th>
<th>Governance Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne-Marie N. Ainsworth</td>
<td>![Icon]</td>
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<td>![Icon]</td>
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<tr>
<td>Richard J. Alario</td>
<td>![Icon]</td>
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<tr>
<td>Barry E. Davis</td>
<td>![Icon]</td>
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<tr>
<td>C. Sean Day</td>
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<tr>
<td>Monte J. Miller</td>
<td>![Icon]</td>
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<tr>
<td>Richard R. Stewart</td>
<td>![Icon]</td>
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<td>![Icon]</td>
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<tr>
<td>William M. Waterman</td>
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</table>

Chairman  Member
Executive compensation

Overseen by the Compensation Committee, executive compensation is comprised of three key elements: base salary, annual incentive plan, and long-term incentive awards

- Objectives of the program are to:
  - attract and retain senior executives
  - motivate consistent performance over time
  - encourage performance that results in increased profitability and stockholder value

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Base Salary</th>
<th>Incentive Plan</th>
<th>Long-Term Incentive Awards</th>
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</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Rewards performance that contributes to long-term growth and stability</td>
<td>Cash</td>
<td>Cash</td>
<td>Stock Options</td>
</tr>
<tr>
<td>Rewards current year financial and operational success</td>
<td></td>
<td></td>
<td>Restricted Shares/Units</td>
</tr>
<tr>
<td>Rewards future growth and profitability</td>
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<td></td>
<td>Cash Performance Awards</td>
</tr>
<tr>
<td><strong>Distribution of Long Term Equity Grants</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>20% of grant</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>40% of grant</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>40% of Grant</td>
</tr>
<tr>
<td><strong>Performance Period</strong></td>
<td>Annual</td>
<td>Annual</td>
<td>Vest in equal increments over 3 years (7 year term)</td>
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<td>Vest in equal increments over 5 years</td>
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<tr>
<td></td>
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<td></td>
<td>Achievement on a cumulative basis of the three measurements over the 3 year performance period</td>
</tr>
<tr>
<td><strong>Payment Components</strong></td>
<td>Fixed</td>
<td>Fixed</td>
<td>Variable</td>
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<td>Variable</td>
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<td>Variable</td>
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<tr>
<td><strong>Metrics</strong></td>
<td>Market study (median)</td>
<td>EBITDA Return on Capital Earnings per Share</td>
<td>Stock Appreciation</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Stock Appreciation</td>
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<td>EBITDA Return on Capital Earnings per Share</td>
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<tr>
<td><strong>Thresholds</strong></td>
<td>N/A</td>
<td>Entry - 80% of target (Incremental from 80% to 99%)</td>
<td>N/A</td>
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<tr>
<td></td>
<td></td>
<td>EV - 100% of target (100% payout)</td>
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<tr>
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<td></td>
<td>Cap - 120% of target (200% payout)</td>
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<tr>
<td></td>
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<td>Entry - 80% of target (Incremental from 80% to 99%)</td>
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<tr>
<td></td>
<td></td>
<td>EV - 100% of target (100% payout)</td>
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<tr>
<td></td>
<td></td>
<td>Cap - 130% of target (200% payout)</td>
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</tbody>
</table>
Executive compensation

Overview of 2017 performance based compensation

**Executive Chairman Total Compensation**
- At Risk: 82%
- Not At Risk: 18%

**President and CEO Total Compensation**
- At Risk: 82%
- Not At Risk: 18%

**Other NEO Total Compensation***
- At Risk: 73%
- Not At Risk: 27%

* Excludes the CFO who left during the 2017 fiscal year