

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 27, 2021

**Kirby Corporation**

(Exact name of Registrant as Specified in Charter)

**Nevada**  
(State or other Jurisdiction of incorporation)

**1-7615**  
(Commission File Number)

**74-1884980**  
(IRS Employer Identification No.)

**55 Waugh Drive, Suite 1000, Houston, Texas**  
(Address of Principal Executive Offices)

**77007**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 435-1000**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	KEX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On April 29, 2021, Kirby Corporation (“Kirby”) issued a press release announcing results for the first quarter ended March 31, 2021. A copy of the press release is attached as Exhibit 99.1 to this report.

Adjusted EBITDA, a non-GAAP financial measure, is used in the press release. Kirby defines Adjusted EBITDA as net earnings (loss) attributable to Kirby before interest expense, taxes on income, depreciation and amortization, impairment of long-lived assets and impairment of goodwill. Kirby has historically evaluated its operating performance using numerous measures, one of which is Adjusted EBITDA. Adjusted EBITDA is presented because of its wide acceptance as a financial indicator. Adjusted EBITDA is one of the performance measures used in Kirby’s incentive bonus plan. Adjusted EBITDA is also used by rating agencies in determining Kirby’s credit rating and by analysts publishing research reports on Kirby, as well as by investors and investment bankers generally in valuing companies. A quantitative reconciliation of Adjusted EBITDA to net earnings (loss) attributable to Kirby for the 2021 and 2020 first quarters is included in the press release. Adjusted EBITDA is not a calculation based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with, Kirby’s GAAP financial information.

The press release also includes non-GAAP financial measures which exclude certain one-time items, including earnings before taxes on income (excluding one-time items), net earnings attributable to Kirby (excluding one-time items), and diluted earnings per share (excluding one-time items). A reconciliation of these measures with GAAP is included in the press release. Management believes that the exclusion of certain one-time items from these financial measures enables it and investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of Kirby’s normal operating results. The press release also includes free cash flow, a non-GAAP financial measure, which Kirby defines as net cash provided by operating activities less capital expenditures. A reconciliation of free cash flow with GAAP is included in the press release. Kirby uses free cash flow to assess and forecast cash flow and to provide additional disclosures on the Company’s liquidity as a result of uncertainty surrounding the COVID-19 pandemic on global and regional market conditions. Free cash flow does not imply the amount of residual cash flow available for discretionary expenditures as it excludes mandatory debt service requirements and other non-discretionary expenditures. These non-GAAP financial measures are not calculations based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with Kirby’s GAAP financial information.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

As described below in Item 5.07 of this Current Report on Form 8-K, on April 27, 2021, at the Annual Meeting of Stockholders (the “Annual Meeting”), the stockholders approved amendments to the 2005 Stock and Incentive Plan. On March 1, 2021, subject to stockholder approval at the Annual Meeting, Kirby’s Board of Directors approved the amendments to the 2005 Stock and Incentive Plan (as so amended and restated, the “2005 Plan”).

*Summary of Amendments:*

- Increase the number of shares of common stock that may be issued under the 2005 Plan from 5,000,000 to 6,400,000 shares;
  - Extend the term of the 2005 Plan from April 23, 2022 to April 27, 2027;
  - Provide that no incentive options, nonincentive options, restricted stock, restricted stock units, or share-based performance awards granted on or after April 27, 2021, may vest, in whole or in part, prior to the one-year anniversary of the date of grant of the relevant award (subject to limited exceptions);
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- Provide that awards granted under the 2005 Plan are subject to the Company's clawback policy;
- Provide that shares covered by an award under the plan that are withheld by the Company to pay applicable withholding taxes or withheld in payment of the exercise price of a stock option will not be available for future issuance under the 2005 Plan; and
- Make certain other clarifying and administrative changes.

*Summary of Key Terms of 2005 Plan:*

- *Term:* No awards shall be made under the 2005 Plan after April 27, 2027. The Board may suspend, discontinue or terminate the 2005 Plan at any time.
- *Types of Awards:* The 2005 Plan provides for the granting of incentive options, nonincentive options, restricted stock, restricted stock units, and performance-based compensation payable in stock, cash, or a combination of stock and cash.
- *Eligibility.* Employees of the Company, including its named executive officers and other officers, are eligible to participate in the 2005 Plan. At December 31, 2020, the Company had approximately 5,400 employees, and the Compensation Committee of the Board of Directors determines recipients of awards under the 2005 Plan. No grants of any equity compensation awards have been made from the 1,400,000 incremental shares that were added to the 2005 Plan by the amendments approved by the stockholders at the Annual Meeting. The amounts of future awards that may be made to officers, including its named executive officers, of the Company under the 2005 Plan are not determinable at this time, since any such awards are made in the discretion of the Compensation Committee. Nonemployee directors are not eligible for awards under the 2005 Plan.
- *Shares Reserved for Issuance:* A total of 6,400,000 shares of common stock (subject to adjustment as discussed below) may be issued under the 2005 Plan. There were 2,225,447 shares of common stock available for future issuance under the 2005 Plan after approval of the amendments by stockholders at the Annual Meeting on April 27, 2021. Shares equal in number to the shares withheld in payment of the exercise price of a stock option and shares that are withheld in order to satisfy federal, state or local tax liability, will count against the above limit and shall cease to be available for grants under the 2005 Plan.

A description of the material terms of the 2005 Plan and the amendments thereto are set forth in Proposal 4 contained in Kirby's Definitive Proxy Statement for the Annual Meeting filed with the Securities and Exchange Commission ("SEC") on March 3, 2021, as supplemented by the proxy supplement filed on March 31, 2021. The above description of certain terms of the 2005 Plan and the amendments thereto are qualified in all respects by the full text of the 2005 Plan, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

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**Item 5.07. Submission of Matters to a Vote of Security Holders.**

Kirby's stockholders voted on the following matters at the Annual Meeting:

1. Tanya S. Beder, Barry E. Davis, and Joseph H. Pyne were elected Class II directors of Kirby to serve until the 2024 Annual Meeting of Stockholders by the following vote:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
Tanya S. Beder	51,647,363	2,061,647	16,247	3,141,177
Barry E. Davis	51,542,557	2,165,058	17,642	3,141,177
Joseph H. Pyne	45,985,577	7,723,740	15,940	3,141,177

2. The Audit Committee's selection of KPMG LLP as Kirby's independent registered public accounting firm for 2021 was ratified by the following vote:

For	56,111,257
Against	733,549
Abstain	21,628
Broker non-votes	0

3. The compensation of Kirby's named executive officers was approved on a non-binding advisory basis by the following vote:

For	50,743,608
Against	2,800,185
Abstain	181,464
Broker non-votes	3,141,177

4. Amendment of the 2005 Stock and Incentive Plan as described above in Item 5.02 was approved by the following vote:

For	43,393,483
Against	10,298,655
Abstain	33,119
Broker non-votes	3,141,177

5. Amendment of the 2000 Nonemployee Director Stock Plan was approved by the following vote:

For	52,919,231
Against	784,430
Abstain	21,596
Broker non-votes	3,141,177

A copy of the 2000 Nonemployee Director Stock Plan as so amended and restated is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

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**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits:

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
<a href="#">10.1†</a>	2005 Stock and Incentive Plan
<a href="#">10.2†</a>	2000 Nonemployee Director Stock Plan
<a href="#">99.1</a>	Press release dated April 29, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

† Management contract, compensatory plan or arrangement.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**KIRBY CORPORATION**

By: /s/ William G. Harvey

William G. Harvey  
Executive Vice President  
and Chief Financial Officer

Date: April 29, 2021

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## KIRBY CORPORATION

## 2005 STOCK AND INCENTIVE PLAN

ARTICLE I  
GENERAL

Section 1.1. *Purpose.* The purpose of this Plan is to advance the interests of Kirby Corporation, a Nevada corporation (the “Company”), by providing an additional incentive to attract and retain qualified and competent employees for the Company and its Subsidiaries, upon whose efforts and judgment the success of the Company is largely dependent, through the award of (i) Options to purchase shares of Common Stock (which Options may be Incentive Stock Options or Nonincentive Stock Options); (ii) shares of Restricted Stock; (iii) Restricted Stock Units and (iv) Performance Awards.

Section 1.2. *Definitions.* As used herein, the following terms shall have the meaning indicated:

- (a) “Award” means a grant under this Plan in the form of Options, Restricted Stock, Restricted Stock Units, Performance Awards or any combination of the foregoing.
  - (b) “Board” means the Board of Directors of the Company.
  - (c) “Cause” means, with respect to any Participant:
    - (i) conviction of, or plea of nolo contendere to, any felony or any crime or offense involving theft, fraud, embezzlement, moral turpitude or similar conduct;
    - (ii) malfeasance in the performance of the Participant’s duties, which shall mean (A) intentional misuse or diversion of Company assets, (B) theft or embezzlement or (C) fraudulent or willful and material misrepresentations or omissions in any reports or information submitted to the Company or a Subsidiary or any government agency or regulatory authority;
    - (iii) material failure to perform the duties of the Participant’s employment (other than as a result of the Participant’s Disability) or material failure to follow or comply with reasonable directives from any other employee of the Company who has direct or indirect supervisory authority over the Participant;
    - (iv) a material violation of the Company’s Business Ethics Guidelines or any other written policies of the Company applicable to the Participant; or
    - (v) a material violation of any federal, state or local laws or regulations.
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(d) "Change in Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes the beneficial owner, directly or indirectly, of voting securities representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding voting securities;

(ii) The Board ceases to consist of a majority of Continuing Directors, with the term "Continuing Director" meaning a Director who (A) is a Director on the Effective Date or (B) is nominated or appointed to serve as a Director by a majority of the then Continuing Directors;

(iii) (A) Any consolidation or merger of the Company or any Subsidiary that results in the holders of the Company's voting securities immediately prior to the consolidation or merger having (directly or indirectly) less than a majority ownership interest in the outstanding voting securities of the surviving entity immediately after the consolidation or merger, (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company or (C) the liquidation or dissolution of the Company; or

(iv) The stockholders of the Company accept a share exchange, with the result that stockholders of the Company immediately before such share exchange do not own, immediately following such share exchange, at least a majority of the voting securities of the entity resulting from such share exchange in substantially the same proportion as their ownership of the voting securities outstanding immediately before such share exchange.

For purposes of this definition, the term "voting securities" means equity securities, or securities that are convertible or exchangeable into equity securities, that have the right to vote generally in the election of Directors.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Committee" means the Compensation Committee, if any, appointed by the Board.

(g) "Date of Grant" means the date on which the Committee takes formal action to grant an Award to an Eligible Person or such later date as may be specified by the Committee when approving the Award.

(h) "Director" means a member of the Board.

(i) "Disability" means mental or physical disability as determined by a medical doctor satisfactory to the Committee.

(j) "Effective Date" has the meaning give in Section 6.15.

(k) "Eligible Person" means an employee of the Company or a Subsidiary.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

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(m) "Existing Plan" means the 2005 Stock and Incentive Plan as approved by the stockholders of the Company on April 26, 2005 and as amended and restated through April 27, 2021.

(n) "Fair Market Value" of a Share means the closing price on the New York Stock Exchange on the day of reference. If the Shares are not listed for trading on the New York Stock Exchange, the Fair Market Value on the date of reference shall be determined by any fair and reasonable means prescribed by the Committee.

(o) "Good Reason" means, with respect to any Participant:

(i) a material adverse change in the Participant's duties and responsibilities at the Company or a Subsidiary or successor as in effect immediately prior to the Change in Control;

(ii) a material reduction in the Participant's base salary or bonus opportunity compared to the base salary and bonus opportunity in effect immediately prior to the Change in Control; or

(iii) relocation of the Participant's primary place of work by more than 35 miles from his or her primary place of work immediately prior to the Change in Control.

(p) "Incentive Stock Option" means an option that is an incentive stock option as defined in Section 422 of the Code.

(q) "Nonincentive Stock Option" means an option that is not an Incentive Stock Option.

(r) "Option" means any option granted under this Plan.

(s) "Optionee" means a person to whom a stock option is granted under this Plan or any successor to the rights of such person under this Plan by reason of the death of such person.

(t) "Participant" means a person to whom an Award is granted under the Plan.

(u) "Performance Award" means an Award granted pursuant to Article V.

(v) "Performance Objectives" means the objectives established by the Committee pursuant to Section 5.1(b).

(w) "Performance Period" means the period over which the performance of a holder of a Performance Award is measured.

(x) "Plan" means this Kirby Corporation 2005 Stock and Incentive Plan as amended and restated as of the Effective Date.

(y) "Restricted Stock" means Shares granted under this Plan that are subject to restrictions imposed by the Committee pursuant to Article III.

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- (z) "Restricted Stock Award" means an award of Restricted Stock under this Plan.
- (aa) "Restricted Stock Unit" means a restricted stock unit credited to a Participant's ledger account maintained by the Company pursuant to Article IV.
- (bb) "Restricted Stock Unit Award" means an award of Restricted Stock Units under this Plan.
- (cc) "Section 162(m) Participant" means each Participant who would be a "covered employee" under Section 162(m) of the Code as in effect prior to its amendment on December 22, 2017.
- (dd) "Share" means a share of the common stock, par value ten cents (\$0.10) per share, of the Company.
- (ee) "Subsidiary" means any corporation (other than the Company) in any unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

Section 1.3. *Total Shares and Limitations.*

- (a) The maximum number of Shares that may be issued under the Plan shall be Six Million Four Hundred Thousand (6,400,000) Shares, which may be from Shares held in the Company's treasury or from authorized and unissued Shares. If any Award granted under the Plan shall terminate, expire or be cancelled or surrendered as to any Shares, or the Award is paid in cash in lieu of Shares, the Shares that were subject to such Award shall not count against the above limit and shall again be available for grants under the Plan. Shares equal in number to the Shares withheld in payment of the option price of an Option and Shares that are withheld in order to satisfy federal, state or local tax liability, shall count against the above limit and shall cease to be available for grants under the Plan.
  - (b) The maximum number of Shares with respect to which Incentive Stock Options may be granted to a Participant during a calendar year is 500,000. All shares reserved for issuance under the Plan may be issued pursuant to awards of Incentive Stock Options.
  - (c) The maximum number of Shares with respect to which Options may be granted to a Participant during a calendar year is 500,000.
  - (d) The maximum number of Shares that may be issued to any Participant pursuant to any Performance Award during the term of the Plan shall be 400,000.
  - (e) The maximum amount of cash that may be paid to any Participant pursuant to any Performance Award during any calendar year shall be \$5,000,000.
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(a) Only Eligible Persons may receive awards under the Plan. Awards to Eligible Persons may be in the form of (i) Options; (ii) shares of Restricted Stock; (iii) Performance Awards; or (iv) any combination of the foregoing. No Award shall confer on any person any right to continue as an employee of the Company or any Subsidiary.

(b) Each Award may be evidenced by an agreement containing any terms deemed necessary or desirable by the Committee that are not inconsistent with the Plan or applicable law.

## ARTICLE II STOCK OPTIONS

Section 2.1. *Grant of Options.* The Committee may from time to time grant Options to Eligible Persons. Options may be Incentive Stock Options or Nonincentive Stock Options as designated by the Committee on or before the Date of Grant. If no such designation is made by the Committee for an Option, the Option shall be a Nonincentive Stock Option. The aggregate Fair Market Value (determined as of the Date of Grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by an Optionee during any calendar year under the Plan and all such plans of the Company and any parent or Subsidiary of the Company (as defined in Section 424 of the Code) shall not exceed \$100,000.

Section 2.2. *Exercise Price.* The exercise price per Share for any Option shall be determined by the Committee, but shall not be less than the Fair Market Value on the Date of Grant and shall not be less than 110% of the Fair Market Value on the Date of Grant for any Incentive Stock Option if the Optionee is a person who owns directly or indirectly (within the meaning of Section 422(b)(6) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company.

Section 2.3. *Term of Option.* The term of an Option shall be determined by the Committee, provided that, in the case of an Incentive Stock Option, if the grant is to a person who owns directly or indirectly (within the meaning of Section 422(b)(6) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, the term of the Option shall not exceed five years from the Date of Grant. Notwithstanding any other provision of this Plan, no Option shall be exercised after the expiration of its term.

Section 2.4. *Vesting.* Options shall become exercisable (or “vest”) as provided in Section 2.6, if applicable, or otherwise at such times and subject to such terms and conditions as the Committee shall specify. The Committee shall have discretion at any time to accelerate such times and otherwise waive or amend any conditions in respect of all or any portion of any Options. Notwithstanding the other provisions of this Section 2.4 and unless otherwise provided in the Option Award, in the event that an Optionee’s employment is terminated without Cause by the Company, a Subsidiary or successor entity, or is terminated by the Optionee for Good Reason, in either case in connection with or within 18 months after a Change in Control, all Options held by the Optionee immediately prior to such termination shall become immediately exercisable.

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Section 2.5. *Termination of Options.*

(a) Except as otherwise provided in the Plan or the Option Award, the portion of an Option that is exercisable shall automatically and without notice terminate upon the earliest to occur of the following:

- (i) thirty (30) days after the date on which the Optionee ceases to be an Employee for any reason other than (x) death, (y) Disability or (z) termination for Cause;
- (ii) one (1) year after the date on which the Optionee ceases to be an Employee as a result of a Disability;
- (iii) either (y) one (1) year after the death of the Optionee or (z) six (6) months after the death of the Optionee if the Optionee dies during the 30-day period described in Section 2.5(a)(i) or the one-year period described in Section 2.5(a)(ii);
- (iv) the date on which the Optionee ceases to be an Employee as a result of a termination for Cause; and
- (v) the tenth anniversary of the Date of Grant of the Option.

(b) Except as provided in Section 2.4 or Section 2.6, the portion of an Option that is not exercisable shall automatically and without notice terminate on the date on which the Optionee ceases to be an Employee for any reason.

(c) The Committee shall have discretion at any time to extend the term of any Nonincentive Stock Option to any date that is not later than the date described in Section 2.5(a)(v).

Section 2.6. *Retirement Credits.* Unless otherwise provided in an Option Award, if an Optionee retires as an employee of the Company or a Subsidiary with 80 or more Retirement Credits, unvested Options held by the Optionee that were granted after February 19, 2018 shall continue to vest after retirement on the schedule specified in the Option Award and all vested but unexercised Options held by the Optionee and all Options that vest after retirement pursuant to this Section 2.6 will terminate upon the earlier of (a) the expiration of the term specified in the Option Award or (b) the tenth anniversary of the Date of Grant; provided that, if the Optionee takes any action or engages in any activity that is detrimental to the Company, all vested but unexercised Options and all unvested Options held by the Optionee will automatically terminate and the Optionee shall cease to have any rights with respect to such Options. The number of Retirement Credits the Optionee has shall equal the sum of (i) the Optionee's age in whole years plus (ii) the Optionee's whole years of employment with the Company or a Subsidiary, in both cases determined as of the date of retirement. In the event of the death of the Optionee after retirement, any unvested portion of an Option that is subject to vesting pursuant to this Section 2.6 shall continue to vest on the schedule specified in the Option Award and will terminate upon the earlier of (x) the expiration of the term specified in the Option Award or (y) the tenth anniversary of the Date of Grant.

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Section 2.7. *Exercise of Options.* An Option may be exercised in whole or in part to the extent exercisable in accordance with the Plan. An Option shall be deemed exercised when (i) the Company has received written notice of such exercise signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any person or persons other than the Optionee, accompanied by proof, satisfactory to the Company, of the right of such person or persons to exercise the Option and (ii) full payment of the aggregate exercise price of the Shares as to which the Option is exercised has been made. Unless further limited by the Committee for any Option, the exercise price of any Shares purchased shall be paid solely in cash, by certified or cashier's check, by money order, by personal check, by withholding Shares from an Award or with Shares owned by the Optionee for at least six months, or by a combination of the foregoing. If the exercise price is paid in whole or in part with Shares, the value of the Shares withheld shall be their Fair Market Value on the date received by the Company. An Optionee may elect to have Shares withheld to satisfy federal or state income tax withholding requirements applicable upon the exercise of an Option.

Section 2.8. *Restrictions on Exercise.*

(i) An Option may not be exercised if the issuance of the Shares upon such exercise would constitute a violation of any applicable federal or state securities or other law or valid regulation. As a condition to the exercise of the Option, the Company may require the person exercising the Option to make any agreements and undertakings that may be required by any applicable law or regulation.

(ii) Shares issued upon the exercise of an Option without registration of such Shares under the Securities Act of 1933, as amended (the "Act"), shall be restricted securities subject to the terms of Rule 144 under the Act. The certificates representing any such Shares shall bear an appropriate legend restricting transfer and the transfer agent of the Company shall be given stop transfer instructions with respect to such Shares.

Section 2.9. *Nontransferability of Option.* An Option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution and so long as the Optionee lives, only the Optionee or the Optionee's guardian or legal representative shall have the right to exercise the Option. The terms of an Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

Section 2.10. *Corporate Transactions.*

(a) In the event of a merger, consolidation or other reorganization of the Company in which the Company is not the surviving entity, the Board or the Committee may provide for payment in cash or in securities of the Company or the surviving entity in lieu of and in complete satisfaction of Options.

(b) Except as otherwise expressly provided herein, the issuance by the Company of shares of its capital stock of any class, or securities convertible into shares of capital stock of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of or exercise price of Shares then subject to outstanding Options granted under the Plan.

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(c) Without limiting the generality of the foregoing, the existence of outstanding Options granted under the Plan shall not affect in any manner the right or power of the Company to make, authorize or consummate (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger or consolidation of the Company; (iii) any issue by the Company of debt securities, or preferred or preference stock that would rank above the Shares subject to outstanding Options; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the assets or business of the Company; or (vi) any other corporate act or proceeding, whether of a similar character or otherwise.

Section 2.11. *Option Repricing.* Except as provided in Section 6.3, the Committee shall not modify an outstanding Option so as to specify a lower exercise price (and will not cancel an Option and substitute for it an Option with a lower exercise price), without the approval of the Company's stockholders. In addition, except as provided in Section 6.3, the Committee may not cancel an outstanding Option whose exercise price is equal to or greater than the current Fair Market Value of a Share in exchange for cash or substitute for it another Award without the prior approval of the Company's stockholders.

Section 2.12. *Issuance of Shares.* No person shall be, or have any of the rights or privileges of, a stockholder of the Company with respect to any of the Shares subject to any Option (including, without limitation, the right to receive dividends and distributions on Shares subject to any Option) unless and until such Shares (whether represented by certificates or in book-entry or other electronic form) shall have been issued and delivered to such person.

### ARTICLE III RESTRICTED STOCK

Section 3.1. *Grant of Restricted Stock Awards.* The Committee may from time to time grant Restricted Stock Awards to Eligible Persons.

Section 3.2. *Terms and Conditions of Restricted Stock Awards.* Each Restricted Stock Award shall specify the number of shares of Restricted Stock awarded, the price, if any, to be paid by the Participant receiving the Restricted Stock Award, the date or dates on which the Restricted Stock will vest and any other terms and conditions that the Committee may determine. The vesting and number of shares of Restricted Stock may be conditioned upon the completion of a specified period of service with the Company or its Subsidiaries or upon the attainment of any performance goals established by the Committee, including without limitation goals related to the performance of the Company or any Subsidiary, division, department or other unit of the Company, the performance of the Company's common stock or other securities, the performance of the recipient of the Restricted Stock Award or any combination of the foregoing. A Participant may elect to have Shares withheld from a Restricted Stock Award to satisfy federal or state income tax withholding requirements applicable upon the vesting of Restricted Stock.

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Section 3.3. *Restrictions on Transfer.* Unless otherwise provided in the grant relating to a Restricted Stock Award, the Restricted Stock granted to a Participant (whether represented by certificates or in book-entry or other electronic form) shall be registered in the Participant's name or, at the option of the Committee, not issued until such time as the Restricted Stock shall become vested or as otherwise determined by the Committee. If certificates are issued prior to the shares of Restricted Stock becoming vested, such certificates shall either be held by the Company on behalf of the Participant, or delivered to the Participant bearing a legend to restrict transfer of the certificate until the Restricted Stock has vested, as determined by the Committee. The Committee shall determine whether the Participant shall have the right to vote and/or receive dividends on the Restricted Stock before it has vested. Except as may otherwise be expressly permitted by the Committee, no share of Restricted Stock may be sold, transferred, assigned or pledged by the Participant until such share has vested in accordance with the terms of the Restricted Stock Award. Except as provided in Section 3.4 or unless the Restricted Stock Award specifies otherwise, in the event that a Participant ceases to be an Employee before all the Participant's Restricted Stock has vested, or in the event other conditions to the vesting of Restricted Stock have not been satisfied prior to any deadline for the satisfaction of such conditions set forth in the Award, the shares of Restricted Stock that have not vested shall be forfeited and any purchase price paid by the Participant for the forfeited Shares shall be returned to the Participant. At the time Restricted Stock vests (and, if the Participant has been issued legended certificates for Restricted Stock, upon the return of such certificates to the Company), such vested shares shall be issued to the Participant (or the beneficiary designated by the Participant in the event of death), in certificated or book entry or other electronic form, free of all restrictions.

Section 3.4. *Accelerated Vesting.* Notwithstanding the vesting conditions set forth in a Restricted Stock Award, unless the Restricted Stock Award specifies otherwise:

(a) the Committee may in its discretion at any time accelerate the vesting of Restricted Stock or otherwise waive or amend any conditions of a grant of a Restricted Stock Award, and

(b) in the event that a Participant's employment is terminated without Cause by the Company, a Subsidiary or successor, or is terminated by the Participant for Good Reason, in either case in connection with or within 18 months after a Change in Control, all shares of Restricted Stock held by the Participant immediately prior to such termination shall immediately become vested.

Section 3.5. *Section 83(b) Election.* If a Participant receives Restricted Stock that is subject to a "substantial risk of forfeiture," such Participant may elect under Section 83(b) of the Code to include in his or her gross income, for the taxable year in which the Restricted Stock is received, the excess of the Fair Market Value of such Restricted Stock on the Date of Grant (determined without regard to any restriction other than one which by its terms will never lapse), over the amount paid for the Restricted Stock. If the Participant makes the Section 83(b) election, the Participant shall (a) make such election in a manner that is satisfactory to the Committee, (b) provide the Company with a copy of such election, (c) agree to notify the Company promptly if any Internal Revenue Service or state tax agent, on audit or otherwise, questions the validity or correctness of such election or of the amount of income reportable on account of such election and (d) agree to such federal and state income tax withholding as the Committee may reasonably require in its sole discretion.

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ARTICLE IV  
RESTRICTED STOCK UNITS

Section 4.1. *Grant of Restricted Stock Unit Awards.* The Committee may from time to time grant Restricted Stock Unit Awards to Eligible Persons.

Section 4.2. *Restricted Stock Units.* A Restricted Stock Unit represents the Company's unsecured and unfunded promise to deliver Shares (or cash equal to the Fair Market Value of the Shares) to a Participant in the future, subject to the satisfaction of applicable vesting conditions and the other terms and conditions of the Plan and the Award.

Section 4.3. *Terms and Conditions of Restricted Stock Unit Awards.* Each Restricted Stock Unit Award shall specify the number of Restricted Stock Units awarded, the price, if any, to be paid by the Participant receiving the Restricted Stock Unit Award, the date or dates on which the Restricted Stock Units will vest and any other terms and conditions that the Committee may determine. The vesting and number of Restricted Stock Units may be conditioned upon the completion of a specified period of service with the Company or its Subsidiaries or upon the attainment of any performance goals established by the Committee, including without limitation goals related to the performance of the Company or any Subsidiary, division, department or other unit of the Company, the performance of the Company's common stock or other securities, the performance of the recipient of the Restricted Stock Unit Award or any combination of the foregoing. Except as provided in Section 4.6 or Section 4.7 or unless the Award specifies otherwise, in the event that a Participant ceases to be an employee of the Company or a Subsidiary before all the Participant's Restricted Stock Units have vested, or in the event other conditions to the vesting of Restricted Stock Units have not been satisfied prior to any deadline for the satisfaction of such conditions set forth in the Award, the Restricted Stock Units that have not vested shall be forfeited and any purchase price paid by the Participant for the forfeited Restricted Stock Units shall be refunded to the Participant.

Section 4.4. *Rights as Stockholder.* A recipient of a Restricted Stock Unit Award shall not have any rights as a stockholder with respect to Shares covered by a Restricted Stock Unit Award until the date, if any, such Shares are issued by the Company; and, except as otherwise provided in Section 4.5, no adjustment for dividends, or otherwise, shall be made if the record date therefor is prior to the date of issuance of such Shares.

Section 4.5. *Dividends.* Dividends and distributions (whether cash, stock or otherwise) on Shares underlying unvested Restricted Stock Units held by a Participant shall not be paid to the Participant, but the value thereof shall be credited by the Company for the benefit of the Participant. At such time as such Restricted Stock Units are settled, all accumulated credits for the value of dividends and distributions attributable to such vested Restricted Stock Units shall be paid to the recipient. Interest shall not be paid on any such credits for dividends or distributions made by the Company for the benefit of a Participant. The Company shall have the option of paying such credits for accumulated dividends or distributions in Shares or cash. If payment is made in Shares, the conversion to Shares shall be at the Fair Market Value on the date of payment. Credits for the value of dividends and distributions made by the Company on unvested Restricted Stock Units shall be forfeited in the same manner and at the same time as the respective Restricted Stock Units to which they are attributable are forfeited.

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Section 4.6. *Accelerated Vesting.* Notwithstanding the vesting conditions set forth in a Restricted Stock Unit Award, unless the Restricted Stock Unit Award specifies otherwise:

(a) the Committee may in its discretion at any time accelerate the vesting of Restricted Stock Units or otherwise waive or amend any conditions of a grant of a Restricted Stock Unit Award, and

(b) in the event that a Participant's employment is terminated without Cause by the Company, a Subsidiary or successor, or is terminated by the Participant for Good Reason, in either case in connection with or within 18 months after a Change in Control, all Restricted Stock Units held by the Participant immediately prior to such termination shall immediately become vested and payable.

Section 4.7. *Retirement Credits.* Unless otherwise provided in a Restricted Stock Unit Award, if a Participant retires as an employee of the Company or a Subsidiary with 80 or more Retirement Credits, the Restricted Stock Units held by the Participant will continue to vest after retirement on the schedule specified in the Restricted Stock Unit Award; provided that, if the Participant takes any action or engages in any activity that is detrimental to the Company, all unvested Restricted Stock Units held by the Participant will automatically be forfeited and the Participant shall cease to have any rights with respect to such Restricted Stock Units. The number of Retirement Credits a Participant has shall equal the sum of (i) the Participant's age in whole years plus (ii) the Participant's whole years of employment with the Company or a Subsidiary, in both cases determined as of the date of retirement. In the event of the death of the Participant after retirement, any unvested Restricted Stock Units that are subject to vesting pursuant to this Section 4.7 shall continue to vest on the schedule specified in the Restricted Stock Unit Award.

Section 4.8. *Settlement of Restricted Stock Units.*

(a) Subject to the satisfaction of any withholding requirements, on the date on which a Restricted Stock Unit becomes vested in accordance with the terms of the Plan, the Participant shall be entitled to one Share or cash equal to the Fair Market Value of one Share, which shall be delivered, transferred or paid as soon as administratively practicable thereafter in exchange for such vested Restricted Stock Unit, after which the Participant shall have no further rights with respect to such Restricted Stock Unit.

(b) The Company shall have the sole discretion to determine whether any settlement of a Restricted Stock Unit will be effected in cash or Shares. If the settlement is effected in Shares, the Company shall cause to be delivered or transferred to the Participant (or the Participant's legal representative or heir) a stock certificate representing the Shares issued in exchange for Restricted Stock Units or shall cause the Shares to be registered on the stock transfer records of the Company in the Participant's name. For any Restricted Stock Units settled in Shares, a Participant may elect to have Shares withheld to satisfy federal or state income tax withholding requirements applicable upon the vesting of the Restricted Stock Units.

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(c) (i) Except as provided in Section 4.8(c)(ii) and (iii), in no event shall any delivery of Shares or payment following a Participant's entitlement to such delivery or payment be made later than the March 15th following the end of the calendar year in which the Participant becomes entitled to such delivery or payment.

(ii) Subject to Section 4.8(c)(iii), with respect to Restricted Stock Units granted to a Participant who could reach 80 Retirement Credits prior to the final vesting date for such Restricted Stock Units, in no event shall any delivery of Shares or payment following such Participant's entitlement to such delivery or payment be made later than December 31 of the year in which the vesting date for such Restricted Stock Units occurs.

(iii) Notwithstanding any other provision of the Plan or any Award, if the Participant is a specified employee (within the meaning of Section 409A of the Code), and the Company determines that a payment hereunder is not permitted under Section 409A of the Code at the time set forth herein, no payments shall be made to the Participant due to a separation from service for any reason before the date that is six months after the date on which the Participant incurs a separation from service or, if earlier, the date of death of the Participant.

#### ARTICLE V PERFORMANCE AWARDS

Section 5.1. *Terms and Conditions of Performance Awards.* The Committee may from time to time grant Awards that are intended to be "performance-based compensation," which are payable in stock, cash or a combination thereof, at the discretion of the Committee.

(a) *Performance Period.* The Committee shall establish a Performance Period for each Performance Award at the time such Performance Award is granted. A Performance Period may overlap with Performance Periods relating to other Performance Awards granted hereunder to the same Participant. Unless the Committee determines otherwise, the Committee shall not grant Performance Awards after the date on which the satisfaction of the Performance Objectives becomes substantially certain.

(b) *Performance Objectives.* The Committee shall establish written performance objectives for the Participant at the time of the grant of each Performance Award. Each Performance Award shall be contingent upon the achievement of the Performance Objectives established by the Committee. Performance Objectives shall be based on earnings, cash flow, economic value added, total stockholder return, return on equity, return on capital, return on assets, revenues, operating profit, EBITDA, net profit, earnings per share, stock price, cost reduction goals, debt to capital ratio, financial return ratios, profit or operating margins, working capital or any combination of the foregoing, for the Company on a consolidated basis or, if applicable, for one or more Subsidiaries, divisions, departments or other units of the Company or one or more of its Subsidiaries.

(c) *Amount; Frequency.* The Committee shall determine at the time of grant of Performance Awards the target and maximum values of Performance Awards and the date or dates when Performance Awards are earned.

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(d) Payment. Following the end of each Performance Period, the holder of each Performance Award will be entitled to receive payment of an amount, not exceeding the maximum value of the Performance Award, based on the achievement of the Performance Objectives for such Performance Period, as determined in writing by the Committee. Unless otherwise provided in the Performance Award, if the Participant exceeds the specified minimum level of acceptable achievement but does not attain the Performance Objectives, the Participant shall be deemed to have partly earned the Performance Award, and shall become entitled to receive a portion of the total award, as determined by the Committee. Unless otherwise provided in the Performance Award, if a Performance Award is granted after the start of a Performance Period, the Performance Award shall be reduced to reflect the portion of the Performance Period during which the Performance Award was in effect.

(e) Termination of Employment. Unless otherwise provided in the Performance Award, a Participant who receives a Performance Award and who ceases to be an Employee as a result of death, Disability or retirement before the end of the applicable Performance Period shall be entitled to receive, to the extent earned as a result of the full or partial achievement of the Performance Objectives during the Performance Period, a portion of the Performance Award that is proportional to the portion of the Performance Period during which the Participant was employed, with payment to be made following the end of the Performance Period. Unless otherwise provided in the Performance Award, a Participant who receives a Performance Award who ceases to be an Employee for any reason other than death, Disability or retirement shall not be entitled to any part of the Performance Award.

(f) Accelerated Vesting. Notwithstanding the vesting conditions set forth in a Performance Award, unless the Performance Award specifies otherwise (i) the Committee may in its discretion at any time accelerate the time at which the Performance Award is considered to have been earned or otherwise waive or amend any conditions (including but not limited to Performance Objectives) in respect of a Performance Award, and (ii) all Performance Awards shall be considered earned upon a Change in Control of the Company. In addition, upon a Change in Control of the Company, unless a Performance Award specifies otherwise, each Participant shall receive the target Performance Award such Participant could have earned for the proportionate part of the Performance Period prior to the Change in Control, and shall retain the right to earn any additional portion of his or her Performance Award if such Participant remains in the Company's employ through the end of the Performance Period.

(g) Stockholder Rights. The holder of a Performance Award shall, as such, have none of the rights of a stockholder of the Company.

(h) Annual Incentive Plan. Cash awards based on the attainment of the performance objectives established under the Company's Annual Incentive Plan may, in the Committee's discretion, be considered Performance Awards granted under the Plan, provided that such awards are subject to the terms and conditions of this Article V.

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ARTICLE VI  
ADDITIONAL PROVISIONS

Section 6.1.            *Administration of the Plan.*

(a)            The Plan shall be administered by the Committee. The Committee shall have the authority to interpret the provisions of the Plan, to adopt such rules and regulations for carrying out the Plan as it may deem advisable, to decide conclusively all questions arising with respect to the Plan, to establish performance criteria in respect of Awards under the Plan, to determine whether Plan requirements have been met for any Participant in the Plan and to make all other determinations and take all other actions necessary or desirable for the administration of the Plan. All decisions and acts of the Committee shall be final and binding upon all affected Participants. To the extent permitted by applicable law, the Committee may delegate authority to administer the Plan to members of the Committee, one or more subcommittees or other committees of the Board. If there is no Committee, the Board shall administer the Plan and in such case all references to the Committee shall be deemed to be references to the Board.

(b)            Without limiting the generality of Section 6.1(a), for purposes of Section 2.6 and Section 4.7:

(i)            The Committee shall determine in its sole discretion whether an action or activity is detrimental to the Company. Without limiting the immediately preceding sentence, actions or activities detrimental to the Company may include (A) a material breach of any contract between the holder of an Award and the Company or a Subsidiary, (B) any direct or indirect competition with the Company or a Subsidiary or solicitation of employees of the Company or a Subsidiary or (C) performance or acceptance by the holder of an Award of duties to a third party under circumstances that create a material conflict of interest or the appearance of a material conflict of interest, which may include being employed or otherwise engaged by an entity that regulates, engages in transactions with or competes with the Company or a Subsidiary.

(ii)           The Committee shall determine in its sole discretion whether a termination of employment constitutes “retirement” for purposes of vesting of any Options or Restricted Stock Units.

(iii)           The Committee shall determine in its sole discretion whether prior employment by an acquired company or prior noncontinuous employment by the Company or a Subsidiary shall be counted in calculating the Retirement Credits of the holder of an Award.

Section 6.2.            *Minimum Vesting Requirements.* Notwithstanding anything herein to the contrary, no Options, Restricted Stock, Restricted Stock Units or Shares granted under a Performance Award on or after the Effective Date may vest, in whole or in part, prior to the one-year anniversary of the date of grant of the relevant Award, and the Committee may not accelerate vesting of such Award such that it would vest prior to the one-year anniversary of the date of grant except as otherwise expressly permitted hereby in connection with death or Disability or the Participant or a Change in Control.

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Section 6.3. *Adjustments for Changes in Capitalization.* In the event of any (a) stock dividends, stock splits, recapitalizations, combinations, exchanges of shares, mergers, consolidations, liquidations, split-ups, split-offs, spin-offs or other similar changes in capitalization, (b) distributions to stockholders, including a rights offering, other than regular cash dividends, (c) changes in the outstanding stock of the Company by reason of any increase or decrease in the number of issued Shares resulting from a split-up or consolidation of Shares or any similar capital adjustment or the payment of any stock dividend, (d) Share repurchase at a price in excess of the market price of the Shares at the time such repurchase is announced or (e) other similar increase or decrease in the number of the Shares, the Committee, in its sole discretion, shall make appropriate adjustment in the number and kind of shares authorized by the Plan in the number, price or kind of shares or units covered by the Awards and in any outstanding Awards under the Plan. In addition, upon the occurrence of any event described in this Section 6.3, the Committee, in its sole discretion, shall make appropriate adjustment in the limits specified in Section 1.3(b), (c) and (d) so that the effect of such limits is, as nearly as practicable, equivalent to the effect of such limits prior to the event in question, provided that any such adjustment complies with applicable laws and does not cause an award that is intended to satisfy the performance-based compensation exception under Section 162(m) of the Code in effect prior to December 22, 2017 to fail to satisfy the exception. In the event of any adjustment in the number of Shares covered by any Award, any fractional Shares resulting from such adjustment shall be disregarded and each such Award shall cover only the number of full Shares resulting from such adjustment.

Section 6.4. *Compliance With Section 409A.* Awards shall be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and each Award under the Plan are intended to meet the requirements of Section 409A of the Code and shall be construed and interpreted in accordance with such intent. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award shall be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the grant, payment, settlement or deferral shall not be subject to the additional tax or interest applicable under Section 409A. In addition, to the extent an Award is subject to Section 409A of the Code, payments under such an Award shall be made at such time as is specified in the Plan and the Award. The payment will be made (1) by a date that is no later than the date that is two and one-half (2 1/2) months after the end of the fiscal year in which the Award payment is no longer subject to a substantial risk of forfeiture or (2) at a time that is permissible under Section 409A of the Code such that the payment shall not be subject to the additional tax or interest applicable under Section 409A of the Code.

Section 6.5. *Amendment.*

(a) The Board may amend or modify the Plan in any respect at any time, subject to stockholder approval if required by applicable law or regulation or by applicable stock exchange rules. Such action shall not impair any of the rights of any Participant with respect to any Award outstanding on the date of the amendment or modification without the Participant's written consent.

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(b) The Committee shall have the authority to amend any Award to include any provision which, at the time of such amendment, is authorized under the terms of the Plan; however, no outstanding Award may be revoked or altered in a manner unfavorable to the Participant without the written consent of the Participant.

Section 6.6. *Transferability of Awards.* An Award shall not be transferable by the Participant otherwise than by will or the laws of descent and distribution. So long as a Participant lives, only such Participant or his or her guardian or legal representative shall have the right to exercise such Award.

Section 6.7. *Beneficiary.* A Participant may file with the Company a written designation of beneficiary, on such form as may be prescribed by the Committee, to receive any Shares, Awards or payments that become deliverable to the Participant pursuant to the Plan after the Participant's death. A Participant may, from time to time, amend or revoke a designation of beneficiary. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary.

Section 6.8. *Non-uniform Determinations.* Determinations by the Committee under the Plan (including, without limitation, determinations of the Eligible Persons to receive Awards, the form, amount and timing of Awards, the terms and provisions of Awards and any agreements evidencing Awards and provisions with respect to termination of employment) need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

Section 6.9. *Duration and Termination.* No awards shall be made under the Plan after April 27, 2027. The Board may suspend, discontinue or terminate the Plan at any time. The suspension, discontinuance or termination of the Plan shall not impair any of the rights of any holder of any Award outstanding on the date of the Plan's suspension, discontinuance or termination without the holder's written consent.

Section 6.10. *Withholding.* Prior to the issuance of any Shares under the Plan, arrangements satisfactory to the Committee in its sole discretion shall have been made for the Participant's payment to the Company of the amount, if any, that the Committee determines to be necessary for the Company or Subsidiary employing the Participant to withhold in accordance with applicable federal or state income tax withholding requirements. If Shares are withheld from an Award to satisfy withholding requirements, the Fair Market Value of the Shares withheld shall not exceed an amount determined based on the maximum statutory tax rate in the applicable jurisdictions. When payments under the Plan are made in cash, such payments shall be net of an amount sufficient to satisfy such withholding requirements.

Section 6.11. *Agreements and Undertakings.* As a condition of any issuance or transfer of Shares, the Committee may obtain such agreements or undertakings, if any, as it may deem necessary or advisable to assure compliance with any provision of the Plan, any agreement or any law or regulation including, but not limited to, the following:

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(a) a representation, warranty or agreement by the Participant to the Company that the Participant is acquiring the Shares for investment and not with a view to, or for sale in connection with, the distribution of any such Shares; and

(b) a representation, warranty or agreement to be bound by any restrictions that are, in the opinion of the Committee, necessary or appropriate to comply with the provisions of any securities law deemed by the Committee to be applicable to the issuance of the Shares.

Section 6.12. *Uncertificated Shares.* In lieu of issuing stock certificates for Shares acquired pursuant to the Plan, the Company may issue such Shares in book-entry or other electronic or uncertificated form, unless prohibited by applicable law or regulation or by applicable stock exchange rules.

Section 6.13. *Governing Law.* The Plan shall be governed by the laws of the State of Texas except to the extent that federal law or Nevada corporate law is controlling.

Section 6.14. *Clawback/Recovery.* All Awards granted under the Plan will be subject to recoupment in accordance with the Company's clawback policy. In addition, the Committee may impose such other clawback, recovery or recoupment provisions on an Award as the Committee determines necessary or appropriate in view of applicable laws, governance requirements or best practices, including, but not limited to, a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of cause (as determined by the Committee).

Section 6.15. *Effective Date.* The Plan amends and restates the Existing Plan in its entirety, effective April 27, 2021 (the "Effective Date"), subject to the approval of the Company's stockholders at the Company's 2021 annual meeting of stockholders.

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## KIRBY CORPORATION

## 2000 NONEMPLOYEE DIRECTOR STOCK PLAN

ARTICLE I  
GENERAL

Section 1.1. *Purpose.* The purpose of this Plan is to advance the interests of Kirby Corporation, a Nevada corporation (the “Company”), by providing an additional incentive to attract and retain qualified and competent directors, upon whose efforts and judgment the success of the Company is largely dependent, through the encouragement of stock ownership in the Company by such persons.

Section 1.2. *Definitions.* As used herein, the following terms shall have the meaning indicated:

- (a) “Award” means a grant under this Plan in the form of an Option or Restricted Stock.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Change in Control” means the occurrence of any of the following events:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes the beneficial owner, directly or indirectly, of voting securities representing thirty percent (30%) or more of the combined voting power of the Company’s then outstanding voting securities or, if a person is the beneficial owner, directly or indirectly, of voting securities representing thirty percent (30%) or more of the combined voting power of the Company’s outstanding voting securities as of the date a particular Award is granted, such person becomes the beneficial owner, directly or indirectly, of additional voting securities representing ten percent (10%) or more of the combined voting power of the Company’s then outstanding voting securities;

(ii) During any period of twelve (12) months, individuals who at the beginning of such period constitute the Board cease for any reason to constitute a majority of the Directors unless the election, or the nomination for election by the Company’s stockholders, of each new Director was approved by a vote of at least a majority of the Directors then still in office who were Directors at the beginning of the period;

(iii) (A) Any consolidation or merger of the Company or any Subsidiary that results in the holders of the Company’s voting securities immediately prior to the consolidation or merger having (directly or indirectly) less than a majority ownership interest in the outstanding voting securities of the surviving entity immediately after the consolidation or merger, (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company or (C) the liquidation or dissolution of the Company; or

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(iv) The stockholders of the Company accept a share exchange, with the result that stockholders of the Company immediately before such share exchange do not own, immediately following such share exchange, at least a majority of the voting securities of the entity resulting from such share exchange in substantially the same proportion as their ownership of the voting securities outstanding immediately before such share exchange.

For purposes of this definition, the term “voting securities” means equity securities, or securities that are convertible or exchangeable into equity securities, that have the right to vote generally in the election of Directors.

(d) “Code” means the Internal Revenue Code of 1986, as amended.

(e) “Committee” means the Compensation Committee, if any, appointed by the Board.

(f) “Compensation Plan” means the written plan or program in effect from time to time, as approved by the Board, which sets forth the compensation to be paid to Eligible Directors.

(g) “Date of Grant” means the date on which an Option or Restricted Stock is deemed granted to an Eligible Director as specified in this Plan.

(h) “Director” means a member of the Board.

(i) “Eligible Director” means a Director who is not an employee of the Company or a Subsidiary.

(j) “Existing Plan” means the 2000 Nonemployee Director Stock Option Plan as adopted by the Board on September 22, 2000 and as amended and restated through April 27, 2021.

(k) “Fair Market Value” of a Share means the closing price on the New York Stock Exchange on the day of reference. If the Shares are not listed for trading on the New York Stock Exchange, the Fair Market Value on the date of reference shall be determined by any fair and reasonable means prescribed by the Committee.

(l) “Nonincentive Stock Option” means an option that is not an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended.

(m) “Option” means any option granted under this Plan.

(n) “Optionee” means a person to whom a stock option is granted under this Plan or any successor to the rights of such person under this Plan by reason of the death of such person.

- (o) "Payment Date" means the last day of a calendar quarter.
- (p) "Plan" means this 2000 Nonemployee Director Stock Plan for Kirby Corporation.
- (q) "Restricted Stock" means Shares granted under this Plan that are subject to restrictions described in Article III and the Compensation Plan.
- (r) "Share" means a share of the common stock, par value ten cents (\$0.10) per share, of the Company.
- (s) "Subsidiary" means any corporation (other than the Company) in any unbroken chain of corporations beginning with the Company if, at the time of the granting of the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Section 1.3. *Total Shares and Limitations.*

(a) The maximum number of Shares that may be issued under this Plan shall be One Million Five Hundred Thousand (1,500,000) Shares, which may be from Shares held in the Company's treasury or from authorized and unissued Shares. If any Award granted under the Plan shall terminate, expire or be cancelled or surrendered as to any Shares, new Options may thereafter be granted covering such Shares or such Shares may thereafter be issued as Restricted Stock.

(b) The maximum aggregate number of Shares that may be issued upon the exercise of Options granted pursuant to Section 2.3 or as Restricted Stock pursuant to Section 3.3 shall be Ten Thousand (10,000) Shares.

(c) Notwithstanding any provision to the contrary in the Plan, the sum of the grant date fair value of Awards (determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto)) and the amount of any cash-based awards or other fees granted or paid to an Eligible Director during any calendar year shall not exceed \$500,000, in respect of the Eligible Director's service as a member of the Board during such year. The Board may make exceptions to this limit for individual Eligible Directors in extraordinary circumstances (including, without limitation, in connection with service for the initial fiscal year of service for an Eligible Director or advisory or other services of an Eligible Director that exceed those typically provided by a member of a board of directors), as the Board may determine in its discretion, provided that the Eligible Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving Eligible Directors.

ARTICLE II  
STOCK OPTIONS

Section 2.1. *Grant of Options.* Options shall be granted to Eligible Directors as provided in Section 2.2 and may be granted in the discretion of the Committee as provided in Section 2.3. All Options shall be Nonincentive Stock Options. Each Option shall be evidenced by an option agreement containing such terms deemed necessary or desirable by the Committee that are not inconsistent with the Plan or any applicable law. Neither the Plan nor any Option shall confer upon any person any right to continue to serve as a Director.

Section 2.2. *Election to Receive Options.* If the Compensation Plan permits Eligible Directors to elect to receive an Option in lieu of all or part of Director fees otherwise payable in cash, each Eligible Director who has properly and timely made such election as provided in the Compensation Plan shall be granted an Option for a number of Shares equal to (i) the amount of the fee such Eligible Director elects to receive in the form of an Option divided by (ii) the Fair Market Value of a Share on the Date of Grant multiplied by (iii) 3, with the result rounded to the nearest whole Share.

Section 2.3. *Discretionary Grant of Options.* The Committee may in its discretion grant Options to Eligible Directors in addition to the Options granted pursuant to Section 2.2.

Section 2.4. *Option Price.* The option price per Share for any Option shall be the Fair Market Value on the Date of Grant.

Section 2.5. *Date of Grant.*

(a) The Date of Grant of an Option granted under Section 2.2 shall be the second business day after the Company's first quarter earnings conference call following the election by the Eligible Director pursuant to the Compensation Plan to receive the Option in lieu of cash fees, except that, for a newly elected Eligible Director, the Date of Grant shall be the date of his or her election to receive an Option in lieu of cash fees.

(b) The Date of Grant of an Option granted under Section 2.3 shall be the date on which the Committee takes formal action to grant the Option or such later date as may be specified by the Committee when granting the Option.

Section 2.6. *Vesting.*

(a) An Option granted under Section 2.2 shall become exercisable on the Payment Date(s) following the Date of Grant as provided in this Section 2.6(a). The number of Shares as to which an Option granted under Section 2.2 will become exercisable on each Payment Date after the Date of Grant shall equal the number of Shares subject to the Option divided by the number of Payment Dates occurring after the Date of Grant and before the first anniversary of the most recent annual meeting of stockholders of the Company.

(b) An Option granted under Section 2.3 shall become exercisable six months after the Date of Grant.

(c) Notwithstanding the other provisions of this Section 2.6, (i) an Option shall only become exercisable as provided in this Section 2.6 if the Optionee is a Director at the time the Option would otherwise become exercisable and (ii) upon the occurrence of a Change in Control, all Options outstanding at the time of the Change in Control shall become immediately exercisable.

Section 2.7. *Term of Options.* The portion of an Option that is exercisable shall automatically and without notice terminate upon the earlier of (a) one (1) year after the Optionee ceases to be a Director for any reason or (b) ten (10) years after the Date of Grant of the Option. The portion of an Option that is not exercisable shall automatically and without notice terminate at the time the Optionee ceases to be a Director for any reason.

Section 2.8. *Exercise of Options.* Any Option may be exercised in whole or in part to the extent exercisable in accordance with Section 2.6. An Option shall be deemed exercised when (i) the Company has received written notice of such exercise in accordance with the terms of the Option and (ii) full payment of the aggregate option price of the Shares as to which the Option is exercised has been made. Unless further limited by the Committee in any Option, the option price of any Shares purchased shall be paid solely in cash, by certified or cashier's check, by money order, by personal check, by withholding Shares otherwise deliverable upon exercise of the Option or with Shares owned by the Optionee for at least six months, or by a combination of the foregoing. If the option price is paid in whole or in part with Shares, the value of the Shares withheld or delivered shall be their Fair Market Value on the date received by the Company.

Section 2.9. *Adjustment of Shares.*

(a) If at any time while the Plan is in effect or unexercised Options are outstanding, there shall be any increase or decrease in the number of issued and outstanding Shares through the declaration of a stock dividend or through any recapitalization resulting in a stock split, combination or exchange of Shares, then and in such event:

(i) appropriate adjustment shall be made in the maximum number of Shares then subject to being optioned under the Plan, and the numbers of Options to be granted under Sections 2.2 and 2.3, so that the same proportion of the Company's issued and outstanding Shares shall continue to be subject to being so optioned, and

(ii) appropriate adjustment shall be made in the number of Shares and the exercise price per Share thereof then subject to any outstanding Option, so that the same proportion of the Company's issued and outstanding Shares shall remain subject to purchase at the same aggregate exercise price.

(b) In the event of a merger, consolidation or other reorganization of the Company in which the Company is not the surviving entity, the Board or the Committee may provide for any or all of the following alternatives: (i) for Options to become immediately exercisable, (ii) for exercisable Options to be cancelled immediately prior to such transaction, (iii) for the assumption by the surviving entity of the Plan and the Options, with appropriate adjustments in the number and kind of shares and exercise prices or (iv) for payment in cash or stock in lieu of and in complete satisfaction of Options.

(c) Any fractional shares resulting from any adjustment under this Section 2.9 shall be disregarded and each Option shall cover only the number of full shares resulting from such adjustment.

(d) Except as otherwise expressly provided herein, the issuance by the Company of shares of its capital stock of any class, or securities convertible into shares of capital stock of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of or exercise price of Shares then subject to outstanding Options granted under the Plan.

(e) Without limiting the generality of the foregoing, the existence of outstanding Options granted under the Plan shall not affect in any manner the right or power of the Company to make, authorize or consummate (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger or consolidation of the Company; (iii) any issue by the Company of debt securities, or preferred or preference stock that would rank above the Shares subject to outstanding Options; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the assets or business of the Company; or (vi) any other corporate act or proceeding, whether of a similar character or otherwise.

Section 2.10. *Transferability of Options.* Each Option shall provide that such Option shall not be transferable by the Optionee otherwise than by will or the laws of descent and distribution and that so long as an Optionee lives, only such Optionee or his guardian or legal representative shall have the right to exercise such Option.

Section 2.11. *Issuance of Shares.* No person shall be, or have any of the rights or privileges of, a stockholder of the Company with respect to any of the Shares subject to any Option unless and until such Shares (whether in certificated or in book entry or other electronic form) shall have been issued and delivered to such person. As a condition of any transfer of Shares, the Committee may obtain such agreements or undertakings, if any, as it may deem necessary or advisable to assure compliance with any provision of the Plan, any agreement or any law or regulation including, but not limited to, the following:

(a) a representation, warranty or agreement by the Optionee to the Company, at the time any Option is exercised, that the Optionee is acquiring the Shares for investment and not with a view to, or for sale in connection with, the distribution of any such Shares; and

(b) a representation, warranty or agreement to be bound by any restrictions that are, in the opinion of the Committee, necessary or appropriate to comply with the provisions of any securities law deemed by the Committee to be applicable to the issuance of the Shares.

Section 2.12. *Option repricing.* Except as provided in Section 4.2, the Committee shall not modify an outstanding Option so as to specify a lower exercise price (and will not cancel an Option and substitute for it an Option with a lower exercise price), without the approval of the Company's stockholders. In addition, except as provided in Section 6.2, the Committee may not cancel an outstanding Option whose exercise price is equal to or greater than the current Fair Market Value of a Share in exchange for cash or substitute for it another Award without the prior approval of the Company's stockholders.

### ARTICLE III RESTRICTED STOCK

Section 3.1. *Grants of Restricted Stock.* Restricted Stock shall be granted to Eligible Directors as provided in Sections 3.2 and 3.3 and may be granted in the discretion of the Committee as provided in Section 3.4. Each Restricted Stock grant shall be evidenced by an agreement containing such terms deemed necessary or desirable by the Committee that are not inconsistent with the Plan or any applicable law. No grant of Restricted Stock shall confer upon any person any right to continue to serve as a Director.

Section 3.2. *Automatic Annual Grants.* Following each annual meeting of stockholders of the Company, each Eligible Director shall automatically be granted \$167,500 in value of Restricted Stock, except that an Eligible Director elected between annual stockholder meetings shall be granted a prorated dollar value of restricted stock for the year in which he or she is first elected. The number of shares of Restricted Stock granted will be equal to (a) the dollar value divided by (b) the Fair Market Value on the Date of Grant multiplied by (c) 1.2, with the result then rounded to the nearest whole share.

Section 3.3. *Election to Receive Restricted Stock.* If the Compensation Plan permits Eligible Directors to elect to receive Restricted Stock in lieu of all or part of Director fees otherwise payable in cash, each Eligible Director who has properly and timely made such election as provided in the Compensation Plan shall automatically be granted a number of Shares of Restricted Stock equal to (i) the amount of the fee such Eligible Director elects to receive in the form of Restricted Stock divided by (ii) the Fair Market Value of a Share on the Date of Grant multiplied by (iii) 1.2, with the result rounded to the nearest whole Share.

Section 3.4. *Discretionary Grant of Restricted Stock.* The Committee may in its discretion grant Restricted Stock to Eligible Directors in addition to Restricted Stock granted pursuant to Sections 3.2 and 3.3.

Section 3.5. *Date of Grant.*

(a) The Date of Grant of Restricted Stock granted under Section 3.2 shall be the second business day after the Company's first quarter earnings conference call, except that for an Eligible Director elected between annual stockholder meetings, the Date of Grant shall be determined as follows:

(i) If the Eligible Director is elected at a regular quarterly meeting of the Board, the Date of Grant shall be the second business day after the Company's earnings conference call for the immediately preceding quarter.

(ii) If the Eligible Director is elected at any other time, the Date of Grant shall be the date of his or her election.

(b) The Date of Grant of Restricted Stock granted under Section 3.3 shall be the second business day after the Company's first quarter earnings conference call following the election by the Eligible Director pursuant to the Compensation Plan to receive the Restricted Stock in lieu of cash fees, except that, for a newly elected Eligible Director, the Date of Grant shall be the date of his or her election to receive Restricted Stock in lieu of cash fees.

(c) The Date of Grant of Restricted Stock granted under Section 3.4 shall be the date on which the Committee takes formal action to grant the Restricted Stock.

Section 3.6. *Vesting.*

(a) Restricted Stock granted under Section 3.2 shall vest six months after the Date of Grant.

(b) Restricted Stock granted under Section 3.3 shall vest on the Payment Date(s) following the Date of Grant as provided in this Section 3.6(b). The number of Shares of Restricted Stock granted under Section 3.3 that will vest on each Payment Date after the Date of Grant shall equal the number of Shares of Restricted Stock granted divided by the number of Payment Dates occurring after the Date of Grant and before the first anniversary of the most recent annual meeting of stockholders of the Company.

(c) Restricted Stock granted under Section 3.4 shall vest six months after the Date of Grant.

(d) Notwithstanding the other provisions of this Section 3.6, (i) Restricted Stock shall only vest as provided in this Section 3.6 if the holder is a Director at the time the Restricted Stock would otherwise vest and (ii) upon the occurrence of a Change in Control, all Restricted Stock issued under the Plan that is outstanding at the time of the Change in Control shall immediately vest.

(e) Notwithstanding the vesting conditions set forth in the Plan or the Compensation Plan, the Committee may in its discretion at any time accelerate the vesting of Restricted Stock or otherwise waive or amend any conditions of a grant of Restricted Stock under the Plan.

Section 3.7. *Restrictions on Transfer.* Restricted Stock granted to an Eligible Director under the Plan (whether represented by stock certificates or in book entry or other electronic form) shall be registered in the Director's name or, at the option of the Committee, not issued until such time as the Restricted Stock shall become vested or as otherwise determined by the Committee. If certificates are issued prior to the Shares of Restricted Stock becoming vested, such certificates shall either be held by the Company on behalf of the Director, or delivered to the Director bearing a legend to restrict transfer of the certificate until the Restricted Stock has vested, as determined by the Committee. The Director shall have the right to vote and receive dividends on the Restricted Stock before it has vested. Except as may otherwise be expressly permitted by the Committee, no Share of Restricted Stock may be sold, transferred, assigned or pledged by the Director until such Share has vested. In the event that a Director ceases to be a Director before all the Director's Restricted Stock has vested, the Shares of Restricted Stock that have not vested shall be forfeited. At the time Restricted Stock vests (and, if the Director has been issued legended certificates for Restricted Stock, upon the return of such certificates to the Company), such vested Shares shall be issued to the Director, in certificated or book entry or other electronic form, free of restrictions.

Section 3.8. *Issuance of Shares.* As a condition of the issuance of any Shares of Restricted Stock, the Committee may obtain such agreements or undertakings, if any, as it may deem necessary or advisable to assure compliance with any provision of the Plan, any agreement or any law or regulation including, but not limited to, the following:

(a) a representation, warranty or agreement by the Eligible Director to the Company that the Eligible Director is acquiring the Shares for investment and not with a view to, or for sale in connection with, the distribution of any such Shares; and

(b) a representation, warranty or agreement to be bound by any restrictions that are, in the opinion of the Committee, necessary or appropriate to comply with the provisions of any securities law deemed by the Committee to be applicable to the issuance of the Shares.

Section 3.9. *Section 83(b) Election.* If a Director receives Restricted Stock that is subject to a “substantial risk of forfeiture,” the Director may elect under Section 83(b) of the Code to include in his or her gross income, for the taxable year in which the Restricted Stock is received, the Fair Market Value of such Restricted Stock on the Date of Grant. If the Director makes the Section 83(b) election, the Director shall (a) make such election in a manner that is satisfactory to the Committee, (b) provide the Company with a copy of such election and (c) agree to promptly notify the Company if any Internal Revenue Service or state tax agent, on audit or otherwise, questions the validity or correctness of such election or of the amount of income reportable on account of such election.

#### ARTICLE IV ADDITIONAL PROVISIONS

Section 4.1. *Administration of the Plan.* The Plan shall be administered by the Committee. The Committee shall have the authority to interpret the provisions of the Plan, to adopt such rules and regulations for carrying out the Plan as it may deem advisable, to decide conclusively all questions arising with respect to the Plan and to make all other determinations and take all other actions necessary or desirable for the administration of the Plan. All decisions and acts of the Committee shall be final and binding upon all affected Optionees and holders of Restricted Stock. If there is no Committee, the Board shall administer the Plan and in such case all references to the Committee shall be deemed to be references to the Board.

Section 4.2. *Adjustment of Shares.* If at any time while the Plan is in effect, there shall be any increase or decrease in the number of issued and outstanding Shares through the declaration of a stock dividend or through any recapitalization resulting in a stock split, combination or exchange of Shares, the Committee shall make an appropriate adjustment in the number and kind of Shares then subject to being issued under the Plan, so that the same proportion of the Company’s issued and outstanding Shares shall continue to be subject to issuance under the Plan upon the exercise of Options or as Restricted Stock.

Section 4.3. *Amendment.* The Board may amend or modify the Plan in any respect at any time, subject to stockholder approval if required by applicable law or regulation or by applicable stock exchange rules.

Section 4.4. *Duration and Termination.* No Awards shall be made under the Plan after April 27, 2027. The Board may suspend, discontinue or terminate the Plan at any time. The suspension, discontinuance or termination of the Plan shall not impair any of the rights of any holder of any Option or Restricted Stock outstanding on the date of the Plan's suspension, discontinuance or termination without the holder's written consent.

Section 4.5. *Effective Date.* The Plan amends and restates the Existing Plan in its entirety, effective April 27, 2021, subject to the approval of the Company's stockholders at the Company's 2021 annual meeting of stockholders.



KIRBY CORPORATION

Contact: Eric Holcomb

713-435-1545

FOR IMMEDIATE RELEASE**KIRBY CORPORATION ANNOUNCES 2021 FIRST QUARTER RESULTS**

- **First quarter 2021 loss per share of (\$0.06) including approximately (\$0.09) per share impact related to Winter Storm Uri**
- **Inland marine business adversely impacted by low pricing, reduced volumes related to Winter Storm Uri, and poor operating conditions**
- **Inland marine barge utilization recently recovered to the low to mid-80% range with expectations for continued improvement, particularly in the second half of the year**
- **Distribution and services segment had sequential revenue growth and positive operating margin with expectations for continued improvement in the second quarter**
- **Projected free cash flow estimated between \$230 to \$310 million in 2021**

**Houston, Texas (April 29, 2021)** – Kirby Corporation (“Kirby” or the “Company”) (NYSE: KEX) today announced a net loss attributable to Kirby for the first quarter ended March 31, 2021 of (\$3.4) million, or (\$0.06) per share, compared with a loss of (\$347.2) million or (\$5.80) per share for the 2020 first quarter. Excluding one-time items in the 2020 first quarter, net earnings attributable to Kirby were \$35.3 million or \$0.59 per share. Consolidated revenues for the 2021 first quarter were \$496.9 million compared with \$643.9 million reported for the 2020 first quarter.

David Grzebinski, Kirby’s President and Chief Executive Officer, commented, “As anticipated, Kirby’s first quarter results were greatly affected by the continuing effects of the COVID-19 pandemic, particularly in marine transportation where volumes and pricing have significantly declined. The quarter was also materially impacted by Winter Storm Uri which resulted in prolonged shutdowns at many of our marine transportation customers’ operations starting in mid-February. These disruptions resulted in a significant decline in liquids production and volumes for the quarter and in some cases extending into April. Distribution and services was also impacted by the storm with reduced activity levels and many of our locations across the South closed for several days. Overall, we estimate that the winter storm reduced our first quarter earnings by approximately \$0.09 per share.

“In marine transportation, during the first half of the quarter, our inland business experienced steady improvement in demand which resulted in our barge utilization improving to near 80% by mid-February. However, as Winter Storm Uri impacted Texas and Louisiana, our customers were forced to close their refineries and chemical plants, many of which did not fully resume operations until late in the quarter. During this time, refinery utilization along the Gulf Coast plummeted to near 40%, and as much as 80% of the Gulf Coast petrochemical complex was taken offline. Overall, these disruptions significantly reduced our volumes and operating efficiencies during the quarter. When combined with the impact of lower pricing, seasonal winter weather, and high-water conditions on the Mississippi River, inland operating margins sharply declined.

“In distribution and services, overall activity levels continued to improve during the first quarter resulting in a sequential increase in revenue and operating income. In oil and gas, increased U.S. frac activity contributed to higher demand and new orders for transmissions, parts, and service when compared to the 2020 fourth quarter. Also, our manufacturing business sequentially increased its sales of new environmentally friendly and remanufactured pressure pumping equipment. In commercial and industrial, we benefited from continued improvements in economic activity which resulted in increased activity in our on-highway, power generation, and marine repair businesses. However, reduced deliveries of Thermo King refrigeration equipment as a result of supply chain issues, and lower new marine engine sales resulted in a sequential reduction in commercial and industrial revenues during the quarter.” Mr. Grzebinski concluded.

#### **First Quarter 2021 Segment Results – Marine Transportation**

Marine transportation revenues for the 2021 first quarter were \$301.0 million compared with \$403.3 million for the 2020 first quarter. Operating income for the 2021 first quarter was \$1.9 million compared with \$50.7 million for the 2020 first quarter. Operating margin for the 2021 first quarter was 0.6% compared with 12.6% for the 2020 first quarter.

In the inland market, average barge utilization was in the mid-70% range during the quarter. Inland operations experienced materially reduced customer activity and increased delays as a result of Winter Storm Uri. Operating conditions were also negatively impacted by seasonal wind and fog along the Gulf Coast, flooding on the Mississippi River, ice on the Illinois River, and various lock closures along the Gulf Intracoastal Waterway. Spot market pricing remained under pressure during the first quarter, but started to recover late in the quarter. Overall, average spot rates declined in the mid-single digit range sequentially. Compared to the 2020 first quarter, spot market rates were down approximately 25% to 30%. Average term contract pricing on expiring contracts declined in the high single digits. Revenues in the inland market declined 30% compared to the 2020 first quarter due to the impact of lower pricing and barge utilization, reduced fuel rebills, and the impact of the winter storm. These reductions were partially offset by the Savage Inland Marine asset acquisition which closed on April 1, 2020. During the first quarter, the inland market represented 75% of segment revenues. Inland’s operating margin was in the low to mid-single digits and was significantly impacted by lower pricing, delays, and reduced customer activity associated with the winter storm. Increased maintenance and repair, horsepower, and employee costs also impacted the quarter’s results as operations began to ramp-up in anticipation of increased activity levels.

In the coastal market, low demand for refined products and black oil contributed to limited spot market activity and barge utilization in the mid-70% range. Pricing on spot and term contracts was generally stable during the quarter. Revenues in the coastal market declined 10% compared to the 2020 first quarter as a result of reduced barge utilization, lower fuel rebills, and retirements of three large capacity vessels during the 2020 second and third quarters. The coastal market represented 25% of segment revenues and had a negative operating margin in the mid-single digits during the quarter.

#### **First Quarter 2021 Segment Results – Distribution and Services**

Distribution and services revenues for the 2021 first quarter were \$195.9 million compared with \$240.7 million for the 2020 first quarter. Operating income for the 2021 first quarter was \$2.9 million compared with \$3.7 million for the 2020 first quarter. Operating margin was 1.5% for both the 2021 and 2020 first quarters.

In the commercial and industrial market, revenues declined compared to the 2020 first quarter, primarily due to reduced economic activity as a result of the COVID-19 pandemic resulting in lower business levels in the on-highway and power generation businesses. The marine repair business was also down year-on-year due to reduced major engine overhaul activity. Commercial and industrial was also impacted by the winter storm with reduced activity levels at many locations across the Southern U.S. During the quarter, the commercial and industrial market represented approximately 68% of segment revenues and had an operating margin in the mid-single digits.

In the oil and gas market, revenues and operating income declined compared to the 2020 first quarter due to reduced oilfield activity which resulted in lower customer demand for new and overhauled engines, transmissions, parts, and service. The manufacturing business also experienced reduced year-on-year deliveries of new and remanufactured pressure pumping equipment. The oil and gas businesses were also impacted by the winter storm with reduced activity levels at many locations across Texas and Oklahoma. During the quarter, the oil and gas market represented approximately 32% of segment revenues and had a negative operating margin in the mid-single digits.

## Cash Generation

For the 2021 first quarter, EBITDA of \$61.6 million compares with \$101.8 million for the 2020 first quarter. During the quarter, net cash provided by operating activities was \$102.6 million and included the receipt of a significant 2019 U.S. tax refund of \$117 million related to net operating loss carrybacks under provisions of the U.S. Coronavirus Aid, Relief, and Economic Security Act. Capital expenditures were \$14.1 million, and free cash flow was \$88.5 million. As of March 31, 2021, the Company had \$52.3 million of cash and cash equivalents on the balance sheet and \$776.0 million of cash and liquidity available. Total debt was \$1,349 million, reflecting a \$119.2 million reduction compared to December 31, 2020, and the debt-to-capitalization ratio was 30.4%.

## 2021 Outlook

Commenting on the 2021 full year outlook, Mr. Grzebinski said, “The first quarter’s financial results were impacted by continued pandemic headwinds, low pricing in marine transportation, and the impact of Winter Storm Uri. However, most of Kirby’s businesses are starting to experience higher activity levels and improving market conditions. We believe the second quarter will show a modest improvement as activity continues to build, and we are optimistic there will be a meaningful improvement in pricing and utilization levels in the second half of the year. In the second quarter, we expect market conditions and barge utilization in inland marine will improve which should help to boost spot market pricing in the coming months. In distribution and services, we anticipate increased activity across much of the segment, yielding higher revenues and improved operating margins. Overall, we anticipate a return to profitability during the second quarter.”

In inland marine, Kirby’s barge utilization in April has improved to over 80% and is expected to increase further as the economy recovers and refineries and chemical plants return to full operations following the winter storm. In the second half of 2021, Kirby anticipates its barge utilization will improve into the high 80% to low 90% range. This improvement in utilization should lead to a more positive pricing environment in the coming months. In the second quarter, inland revenues and operating margin are expected to sequentially improve primarily due to increasing barge utilization and more favorable weather conditions. However, certain costs, including maintenance, horsepower, and labor are expected to increase in the second quarter as operations ramp-up to meet demand. During the balance of 2021 and into 2022, term contracts that renewed lower during 2020 and the first quarter will gradually reset. Anticipated improvements in the spot market, which currently represents approximately 35% of inland revenue, will contribute to more meaningful increases in revenues and operating margins in the second half of the year.

In coastal, weak market conditions and limited spot demand are expected to continue in the second quarter. Kirby expects coastal barge utilization to remain in the mid-70% range with revenues and operating margin similar to the 2021 first quarter. In the second half of the year, coastal barge utilization and operating results are expected to improve as demand for refined products grows and potential infrastructure spending increases demand for asphalt.

In distribution and services, an improving economy and increased activity in the oilfield are expected to further improve Kirby’s markets during the remainder of the year, contributing to sequential improvement in revenue and operating income in the second quarter and continuing for the balance of the year. In commercial and industrial, revenues are expected to benefit from improving economic conditions, as well as from growth in the on-highway market, in part due to Kirby’s new online parts sales platform which was launched in 2020. However, these gains are expected to be partially offset by lower sales of new marine engines which had remained strong throughout 2020. In the oil and gas market, higher commodity prices and increasing well completions activity are expected to contribute to improved demand for new transmissions, service and parts. Additionally, a heightened focus on sustainability across the energy sector and industrial complex remains and is expected to result in additional deliveries of Kirby’s portfolio of environmentally friendly equipment throughout the remainder of the year. Overall, full year segment revenues are expected to significantly increase with positive operating margins in the low to mid-single digits.

Kirby expects 2021 capital spending to range between \$125 to \$145 million, with the midpoint representing a year-on-year reduction near 10%. Approximately \$15 million is associated with the construction of new inland towboats, and approximately \$95 to \$110 million is associated with capital upgrades and improvements to existing inland and coastal marine equipment and facility improvements. The balance of approximately \$15 to \$20 million largely relates to new machinery and equipment, facility improvements, and information technology projects in distribution and services and corporate. Overall, Kirby expects to generate net cash provided by operating activities of \$375 million to \$435 million, with free cash flow of \$230 million to \$310 million in 2021.

### **Conference Call**

A conference call is scheduled for 7:30 a.m. Central Standard Time today, Thursday, April 29, 2021, to discuss the 2021 first quarter performance as well as the outlook for the remainder of 2021. To listen to the webcast, please visit the Investor Relations section of Kirby's website at [www.kirbycorp.com](http://www.kirbycorp.com). A slide presentation for this conference call will be posted on Kirby's website approximately 15 minutes before the start of the webcast. For listeners who wish to participate in the question and answer session of the conference call webcast, you may access the call by dialing (866) 691-5839 within the U.S. and Canada or +1 (409) 216-0840 internationally. The conference ID for the call is 2088194. A replay of the webcast will be available for a period of one year by visiting the News & Events page in the Investor Relations section of Kirby's website.

### **GAAP to Non-GAAP Financial Measures**

The financial and other information to be discussed in the conference call is available in this press release and in a Form 8-K filed with the Securities and Exchange Commission. This press release and the Form 8-K includes a non-GAAP financial measure, Adjusted EBITDA, which Kirby defines as net earnings (loss) attributable to Kirby before interest expense, taxes on income, depreciation and amortization, impairment of long-lived assets, and impairment of goodwill. A reconciliation of Adjusted EBITDA with GAAP net earnings (loss) attributable to Kirby is included in this press release. This press release also includes non-GAAP financial measures which exclude certain one-time items, including earnings before taxes on income (excluding one-time items), net earnings attributable to Kirby (excluding one-time items), and diluted earnings per share (excluding one-time items). A reconciliation of these measures with GAAP is included in this press release. Management believes the exclusion of certain one-time items from these financial measures enables it and investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of Kirby's normal operating results. This press release also includes a non-GAAP financial measure, free cash flow, which Kirby defines as net cash provided by operating activities less capital expenditures. A reconciliation of free cash flow with GAAP is included in this press release. Kirby uses free cash flow to assess and forecast cash flow and to provide additional disclosures on the Company's liquidity as a result of uncertainty surrounding the impact of the COVID-19 pandemic on global and regional market conditions. Free cash flow does not imply the amount of residual cash flow available for discretionary expenditures as it excludes mandatory debt service requirements and other non-discretionary expenditures. This press release also includes marine transportation performance measures, consisting of ton miles, revenue per ton mile, towboats operated and delay days. Comparable marine transportation performance measures for the 2020 year and quarters are available in the Investor Relations section of Kirby's website, [www.kirbycorp.com](http://www.kirbycorp.com), under Financials.

### **Forward-Looking Statements**

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S. maritime policy and practice, fuel costs, interest rates, weather conditions and timing, magnitude and number of acquisitions made by Kirby, and the impact of the COVID-19 pandemic and the related response of governments on global and regional market conditions. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2020.

**About Kirby Corporation**

Kirby Corporation, based in Houston, Texas, is the nation's largest domestic tank barge operator transporting bulk liquid products throughout the Mississippi River System, on the Gulf Intracoastal Waterway, coastwise along all three United States coasts, and in Alaska and Hawaii. Kirby transports petrochemicals, black oil, refined petroleum products and agricultural chemicals by tank barge. In addition, Kirby participates in the transportation of dry-bulk commodities in United States coastwise trade. Through the distribution and services segment, Kirby provides after-market service and parts for engines, transmissions, reduction gears, and related equipment used in oilfield services, marine, power generation, on-highway, and other industrial applications. Kirby also rents equipment including generators, industrial compressors, railcar movers, and high capacity lift trucks for use in a variety of industrial markets, and manufactures and remanufactures oilfield service equipment, including pressure pumping units, for land-based oilfield service customers.

**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

	<b>First Quarter</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited, \$ in thousands, except per share amounts)</b>	
Revenues:		
Marine transportation	\$ 300,951	\$ 403,257
Distribution and services	195,899	240,669
Total revenues	<u>496,850</u>	<u>643,926</u>
Costs and expenses:		
Costs of sales and operating expenses	363,040	453,568
Selling, general and administrative	69,629	72,080
Taxes, other than on income	8,260	11,406
Depreciation and amortization	54,890	55,786
Impairments and other charges	—	561,274
Gain on disposition of assets	(2,133)	(492)
Total costs and expenses	<u>493,686</u>	<u>1,153,622</u>
Operating income (loss)	3,164	(509,696)
Other income	3,791	2,723
Interest expense	(10,966)	(12,799)
Loss before taxes on income	(4,011)	(519,772)
Benefit for taxes on income	891	172,809
Net loss	(3,120)	(346,963)
Less: Net earnings attributable to noncontrolling interests	(255)	(278)
Net loss attributable to Kirby	<u>\$ (3,375)</u>	<u>\$ (347,241)</u>
Net loss per share attributable to Kirby common stockholders:		
Basic	\$ (0.06)	\$ (5.80)
Diluted	\$ (0.06)	\$ (5.80)
Common stock outstanding (in thousands):		
Basic	60,016	59,883
Diluted	60,016	59,883

**CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

	<b>First Quarter</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited, \$ in thousands)</b>	
Adjusted EBITDA: <sup>(1)</sup>		
Net loss attributable to Kirby	\$ (3,375)	\$ (347,241)
Interest expense	10,966	12,799
Benefit for taxes on income	(891)	(172,809)
Impairment of long-lived assets	—	165,304
Impairment of goodwill	—	387,970
Depreciation and amortization	54,890	55,786
	<u>\$ 61,590</u>	<u>\$ 101,809</u>
Capital expenditures	\$ 14,052	\$ 49,225
Acquisitions of businesses and marine equipment	\$ —	\$ 60,422
	<b>March 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
	<b>(unaudited, \$ in thousands)</b>	
Cash and cash equivalents	\$ 52,333	\$ 80,338
Long-term debt, including current portion	\$ 1,349,338	\$ 1,468,586
Total equity	\$ 3,088,744	\$ 3,087,553
Debt to capitalization ratio	30.4%	32.2%

**MARINE TRANSPORTATION STATEMENTS OF EARNINGS**

	<b>First Quarter</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited, \$ in thousands)</b>	
Marine transportation revenues	\$ 300,951	\$ 403,257
Costs and expenses:		
Costs of sales and operating expenses	214,125	265,895
Selling, general and administrative	30,578	31,924
Taxes, other than on income	6,729	9,423
Depreciation and amortization	47,579	45,299
Total costs and expenses	<u>299,011</u>	<u>352,541</u>
Operating income	<u>\$ 1,940</u>	<u>\$ 50,716</u>
Operating margin	<u>0.6%</u>	<u>12.6%</u>

**DISTRIBUTION AND SERVICES STATEMENTS OF EARNINGS**

	<b>First Quarter</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited, \$ in thousands)</b>	
Distribution and services revenues	\$ 195,899	\$ 240,669
Costs and expenses:		
Costs of sales and operating expenses	149,127	187,673
Selling, general and administrative	36,488	37,972
Taxes, other than on income	1,492	1,970
Depreciation and amortization	5,881	9,336
Total costs and expenses	<u>192,988</u>	<u>236,951</u>
Operating income	<u>\$ 2,911</u>	<u>\$ 3,718</u>
Operating margin	<u>1.5%</u>	<u>1.5%</u>

**OTHER COSTS AND EXPENSES**

	<b>First Quarter</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited, \$ in thousands)</b>	
General corporate expenses	<u>\$ 3,820</u>	<u>\$ 3,348</u>
Impairment of long-lived assets	<u>—</u>	<u>165,304</u>
Impairment of goodwill	<u>—</u>	<u>387,970</u>
Inventory write-downs	<u>—</u>	<u>8,000</u>
Gain on disposition of assets	<u>\$ 2,133</u>	<u>\$ 492</u>

## ONE TIME CHARGES AND BENEFITS

The 2020 first quarter GAAP results include certain one-time charges. The following is a reconciliation of GAAP loss to non-GAAP earnings, excluding the one-time items for loss before tax (pre-tax), net loss attributable to Kirby (after-tax), and diluted loss per share (per share):

	<u>First Quarter 2020</u>		
	<u>Pre-Tax</u>	<u>After-Tax</u>	<u>Per Share</u>
	<u>(unaudited, \$ in millions except per share amounts)</u>		
GAAP loss	\$ (519.8)	\$ (347.2)	\$ (5.80)
Impairments and other charges	561.3	433.3	7.24
Income tax benefit on 2018 and 2019 net operating loss carrybacks	—	(50.8)	(0.85)
Earnings, excluding one-time items <sup>(2)</sup>	<u>\$ 41.5</u>	<u>\$ 35.3</u>	<u>\$ 0.59</u>

## RECONCILIATION OF FREE CASH FLOW

The following is a reconciliation of GAAP net cash provided by operating activities to non-GAAP free cash flow<sup>(2)</sup>:

	<u>First Quarter</u>	
	<u>2021</u>	<u>2020<sup>(3)</sup></u>
	<u>(unaudited, \$ in millions)</u>	
Net cash provided by operating activities	102.6	71.5
Less: Capital expenditures	(14.1)	(49.2)
Free cash flow <sup>(2)</sup>	<u>\$ 88.5</u>	<u>\$ 22.3</u>

	<u>FY 2021 Projection</u>		<u>FY 2020<sup>(3)</sup></u>
	<u>Low</u>	<u>High</u>	<u>Actual</u>
	<u>(unaudited, \$ in millions)</u>		
Net cash provided by operating activities	\$ 375.0	\$ 435.0	\$ 444.9
Less: Capital expenditures	(145.0)	(125.0)	(148.2)
Free cash flow <sup>(2)</sup>	<u>\$ 230.0</u>	<u>\$ 310.0</u>	<u>\$ 296.7</u>

## MARINE TRANSPORTATION PERFORMANCE MEASUREMENTS

	<u>First Quarter</u>	
	<u>2021</u>	<u>2020</u>
Inland Performance Measurements:		
Ton Miles (in millions) <sup>(4)</sup>	2,981	3,619
Revenue/Ton Mile (cents/tm) <sup>(5)</sup>	7.5	8.8
Towboats operated (average) <sup>(6)</sup>	241	311
Delay Days <sup>(7)</sup>	2,854	4,490
Average cost per gallon of fuel consumed	\$ 1.65	\$ 2.00
Barges (active):		
Inland tank barges	1,057	1,065
Coastal tank barges	44	49
Offshore dry-cargo barges	4	4
Barrel capacities (in millions):		
Inland tank barges	23.7	23.7
Coastal tank barges	4.2	4.7

- (1) Kirby has historically evaluated its operating performance using numerous measures, one of which is Adjusted EBITDA, a non-GAAP financial measure. Kirby defines Adjusted EBITDA as net earnings attributable to Kirby before interest expense, taxes on income, depreciation and amortization, impairment of long-lived assets, and impairment of goodwill. Adjusted EBITDA is presented because of its wide acceptance as a financial indicator. Adjusted EBITDA is one of the performance measures used in Kirby's incentive bonus plan. Adjusted EBITDA is also used by rating agencies in determining Kirby's credit rating and by analysts publishing research reports on Kirby, as well as by investors and investment bankers generally in valuing companies. Adjusted EBITDA is not a calculation based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with, Kirby's GAAP financial information.
- (2) Kirby uses certain non-GAAP financial measures to review performance excluding certain one-time items including: earnings before taxes on income, excluding one-time items; net earnings attributable to Kirby, excluding one-time items; and diluted earnings per share, excluding one-time items. Management believes that the exclusion of certain one-time items from these financial measures enables it and investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the company's normal operating results. Kirby also uses free cash flow, which is defined as net cash provided by operating activities less capital expenditures, to assess and forecast cash flow and to provide additional disclosures on the Company's liquidity as a result of uncertainty surrounding the impact of the COVID-19 pandemic on global and regional market conditions. Free cash flow does not imply the amount of residual cash flow available for discretionary expenditures as it excludes mandatory debt service requirements and other non-discretionary expenditures. These non-GAAP financial measures are not calculations based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with Kirby's GAAP financial information.
- (3) See Kirby's 2020 10-K and 2020 first quarter 10-Q/A for amounts provided by (used in) investing and financing activities.
- (4) Ton miles indicate fleet productivity by measuring the distance (in miles) a loaded tank barge is moved. Example: A typical 30,000 barrel tank barge loaded with 3,300 tons of liquid cargo is moved 100 miles, thus generating 330,000 ton miles.
- (5) Inland marine transportation revenues divided by ton miles. Example: First quarter 2021 inland marine transportation revenues of \$224,451,000 divided by 2,981,000,000 inland marine transportation ton miles = 7.5 cents.
- (6) Towboats operated are the average number of owned and chartered towboats operated during the period.
- (7) Delay days measures the lost time incurred by a tow (towboat and one or more tank barges) during transit. The measure includes transit delays caused by weather, lock congestion and other navigational factors.