

KIRBY CORP
Form DEFA14A
March 17, 2016

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

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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Kirby Corporation

(Name of Registrant as Specified in its Charter)

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KIRBY CORPORATION

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March 17, 2016

Dear Stockholder:

We have circulated proxy materials for Kirby Corporation's 2016 Annual Meeting of Stockholders to be held on April 26, 2016. ISS Proxy Advisory Services has concluded that one of the nominees for election as a director, William M. Waterman, is not independent because he was the CEO of an unrelated company Kirby acquired in 2012 (Penn Maritime Inc.) and, since he serves on Kirby's Governance Committee, has recommended voting against Mr. Waterman's reelection as a director. Our Board of Directors disagrees with the ISS position and strongly reaffirms its recommendation that stockholders vote FOR Mr. Waterman's election as a director for the following reasons.

1. Mr. Waterman and his family sold their entire interest in Penn Maritime and affiliated companies to Kirby in 2012 and Mr. Waterman resigned from all director and officer positions he held with Penn Maritime and affiliated companies contemporaneously with the acquisition by Kirby. Since then, Penn Maritime has been a wholly owned subsidiary of Kirby and the only interest of any kind that Mr. Waterman has in Penn Maritime is as a director and substantial stockholder of Kirby, which fully aligns his interests with those of Kirby's stockholders and presents no actual or potential conflict of interest that could affect his independent judgment.
2. The New York Stock Exchange, not ISS, establishes the independence requirements and standards for Kirby's Board of Directors. Mr. Waterman satisfies the NYSE independence standards, which differ from ISS guidelines and, unlike the ISS guidelines, do not disqualify a former executive officer of an acquired company from being considered independent.
3. Glass Lewis, another leading proxy advisory firm, has recommended voting FOR Mr. Waterman, finding no issues for concern about any of Kirby's director nominees. ISS has not articulated any rationale or logic for its conclusion that all former executives of acquired companies are not independent.
4. Historically Kirby's principal business has been inland marine transportation, but we have expanded into coastal or offshore marine transportation in the last five years with several acquisitions, including Penn Maritime. Following his long and successful career in the coastal marine transportation business, Mr. Waterman brings to the Kirby Board valuable industry expertise in a relatively new and growing part of Kirby's operations.

Bill Waterman has no conflict of interest because of his prior position with Penn Maritime, he is independent under applicable NYSE rules and he adds valuable industry experience to the Kirby Board. We disagree with the ISS voting recommendation and encourage you to vote FOR Bill Waterman.

Thank you for your support of Kirby.

JOSEPH H. PYNE

Chairman of the Board