

INTERNATIONAL SHIPHOLDING CORPORATION
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER

Purpose

The primary purposes of the Compensation Committee shall be to discharge the Board's responsibilities relating to the compensation of the Company's CEO and to produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

Committee Membership

The Compensation Committee shall be composed of no fewer than three members. The members of the Compensation Committee shall meet the independence requirements of the New York Stock Exchange and all legal requirements, including but not limited to (i) the requirements specified in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, to qualify as a member of a committee of the board of directors able to approve the transactions described therein and (ii) the requirements specified in Internal Revenue Code §162(m) and the regulations promulgated thereunder relating to members of compensation committees. The members of the Compensation Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee. Compensation Committee members may be replaced by the Board.

Meetings

The Compensation Committee shall meet as often as it determines, but at least annually.

Committee Authority and Responsibilities

The Compensation Committee shall have the following authority and responsibilities:

1. Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's base compensation and incentive compensation based on this evaluation.
2. Make recommendations to the Board with respect to non-CEO executive officer compensation, incentive-compensation plans and equity-based plans.
3. Retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO, or senior executive compensation, including the sole authority to select the consultant and to approve its fees and other retention terms.
4. In consultation with the Nominating and Governance Committee, undertake an annual evaluation of its own performance.
5. Evaluate no less than annually and report to the full Board the status of the Company's director compensation practices in relation to other companies of comparable size and within the industry; recommend to the full Board for its approval no less than annually a compensation policy for the Company's non-employee directors.
6. Grant options and make awards of shares in accordance with the terms of the Company's stock incentive plans.
7. Review the Committee's Charter annually and recommend proposed changes to the Board if necessary or advisable.