

TBS INTERNATIONAL LIMITED CORPORATE GOVERNANCE GUIDELINES

Adopted by the Board of Directors on November 5, 2008

The Board of Directors of TBS International Limited (the “Company”) has adopted the corporate governance guidelines set forth below as a framework for the governance of the Company. The Nominating and Corporate Governance Committee reviews the Guidelines periodically and recommends changes to the Board of Directors as appropriate.

1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

Role of the Board

The Board of Directors, which is elected by the Company’s shareholders, oversees the management of the Company and its business. The Board selects the senior management team, which is responsible for operating the Company’s business, and monitors the performance of senior management.

Size, Composition and Membership Criteria

A majority of the Board is made up of independent directors. An “independent” director is a director who meets the independence requirements of the NASDAQ Stock Market (“NASDAQ”), as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding the structure, composition and functioning of the Board. The Nominating and Corporate Governance Committee also is responsible for establishing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Board’s criteria include the ability to represent the interests of a broad range of shareholders; leadership ability; experience that suggests the highest ethical standards and integrity; familiarity with the ocean transport services industry and knowledge of and experience with the markets served by the Company; and experience with public company management, accounting rules and practices and corporate governance best practices. The Committee considers these criteria in the context of the perceived needs of the Company as whole.

The Nominating and Corporate Governance Committee reviews the qualifications of director candidates in light of criteria approved by the Board and recommends candidates to the Board for election by the Company’s shareholders at the Annual General Meeting. The Committee also considers candidates that are recommended by Company shareholders who submit candidates in accordance with the procedures set forth in the Company’s Bye-Laws.

Board Leadership; Lead Independent Director

The Board presently believes that it is in the best interests of the Company for a single person to serve as Chairman of the Board and Chief Executive Officer (“CEO”). The Board may in its discretion separate the roles if it deems it advisable and in the Company’s best interests to do so.

The Board has elected an independent director to serve as the lead independent director. The lead independent director presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, and has the authority to call meetings of the independent directors.

Service on Other Boards

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. Directors should also advise the chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another corporate board.

2. FUNCTIONING OF THE BOARD

Agendas

The Chairman and CEO, establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

Distribution and Review of Board Materials

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

Executive Sessions of Independent Directors

The independent directors meet in executive session without management present at every regularly scheduled Board meeting. The lead independent director presides at executive sessions.

Strategic Planning

The Board reviews the Company’s long-term strategic plan and business unit initiatives at least annually.

3. STRUCTURE AND FUNCTIONING OF COMMITTEES

Number, Structure and Independence of Committees

The Board has three standing committees: Audit, Nominating and Corporate Governance, and Compensation. The committees consist solely of independent directors. In addition, directors who serve on the Audit Committee must be “independent” within the meaning of the NASDAQ criteria for audit committee members. The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

Assignment of Committee Members

The Nominating and Corporate Governance Committee considers and makes recommendations to the Board regarding committee structure, composition and functioning. Committee members and chairs are recommended to the Board by the Nominating and Corporate Governance Committee and appointed by the full Board.

Responsibilities

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

Meetings and Agendas

The chair of each committee, and the Chairman and CEO, determines the frequency, length and agenda of the committee’s meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISORS

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating and Corporate Governance, and Compensation Committees has similar authority to retain outside advisors as it determines appropriate to assist it in the performance of its functions.

5. DIRECTOR COMPENSATION; STOCK OWNERSHIP GUIDELINES

The Compensation Committee reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee. Non-employee directors receive a combination of cash and equity compensation for service on the Board.

Directors are expected to own stock in the Company in an amount that is appropriate for them.

6. SUCCESSION PLANNING

The Compensation Committee assists the Board in planning for succession to the position of Chairman and CEO as well as certain other senior management positions. The CEO reports to the Board periodically on succession planning and management development. The Chairman and CEO also makes available to the Board, on a continuing basis, recommendations regarding who should assume the position of Chairman and CEO in the event that he or she becomes unable or unwilling to perform the duties of this position.

7. FORMAL EVALUATION OF THE CEO

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals, and setting the CEO's compensation based on the results of the evaluation.

8. 8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Company has an orientation process for Board members that is designed to familiarize new directors with the Company's business, operations, finances, and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

9. ANNUAL PERFORMANCE EVALUATIONS

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating and Corporate Governance, and Compensation Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the renomination process. The Nominating and Corporate Governance Committee is responsible for developing, administering and overseeing processes for conducting evaluations.