

TBS INTERNATIONAL LIMITED COMPENSATION COMMITTEE CHARTER

1. Members. The Board of Directors (the "Board") of TBS International Limited (the "Company") shall appoint a Compensation Committee (the "Committee") of at least two members and designate one member as chairperson. Following completion of the Company's initial public offering ("IPO"), the Committee shall consist of at least three members and, within the required time periods applicable to the Company following completion of its IPO, shall meet the requirements of the NASDAQ Stock Market and the rules of the Securities and Exchange Commission for director independence, as determined in the business judgment of the Board. Additionally, members of the Compensation Committee must at all times qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code.

2. Purpose, Duties, and Responsibilities. The purpose of the Compensation Committee is to discharge the responsibilities of the Board relating to compensation of the Company's officers and directors, to approve the terms of certain related party transactions and produce the annual report on executive officer compensation for inclusion in the Company's proxy statement. The duties and responsibilities of the Compensation Committee are to:

- (a) Oversee the Company's overall compensation structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and employees.
- (b) Administer and make recommendations to the Board with respect to the Company's incentive-compensation and equity-based compensation plans that are subject to Board approval.
- (c) Review and approve corporate goals and objectives as they relate to the compensation of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, each Senior Executive Vice President and any other senior executive officer (each a "Senior Executive Officer" and, collectively, the "Senior Executive Officers"); evaluate the performance of each Senior Executive Officer in light of the goals and objectives specific to his or her position; and set the Senior Executive Officers' compensation levels based on their respective evaluations.
- (d) Review and consult with the Chief Executive Officer on the selection of officers and evaluation of executive performance and other related matters.
- (e) Set the compensation of other officers based upon the recommendation of the Chief Executive Officer.

- (f) Approve share option and other share incentive awards for officers.
- (g) Review and approve the design of other benefit plans pertaining to officers.
- (h) Review and approve at inception, upon any amendment and on no less than an annual basis, all the terms and conditions of each transaction between the Company and any affiliated service company, any officer or director or any entity owned or controlled by an officer or director.
- (i) Review and recommend employment agreements and severance arrangements for officers, including change-in-control provisions, plans or agreements.
- (j) Approve, amend or modify the terms of any compensation or benefit plan that does not require shareholder approval.
- (k) Review the compensation of directors for service on the Board and its committees and recommend changes in compensation to the Board.
- (l) Review periodically succession plans relating to positions held by officers, and make recommendations to the Board regarding the selection of individuals to fill these positions.
- (m) Annually evaluate the performance of the Compensation Committee and the adequacy of the Committee's charter.
- (n) Perform such other duties and responsibilities as are consistent with the purpose of the Compensation Committee and as the Board or the Committee deems appropriate.

3. Subcommittees. The Compensation Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Compensation Committee consisting of not less than two members of the Committee.

4. Outside advisors. The Compensation Committee will have the authority to retain at the expense of the Company such outside counsel, experts, and other advisors as it determines appropriate to assist it in the full performance of its functions, including sole authority to retain and terminate any compensation consultant used to assist the Committee in the evaluation of director, Chief Executive Officer or other officer compensation, and to approve the consultant's fees and other retention terms.

5. Meetings. The Compensation Committee will meet as often as may be deemed necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Compensation Committee determines. The majority of the members of the Compensation Committee constitutes a quorum. The Compensation Committee will keep such

records of its meetings as it deems appropriate and shall make regular reports to the full Board with respect to its activities. Minutes of each meeting will be compiled by the Company's Corporate Secretary who shall act as Secretary to the Committee, or in the absence of the Corporate Secretary, by an Assistant Corporate Secretary of the Company or any other person designated by the Committee.