

TBS INTERNATIONAL LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS

1. Introduction

TBS International Limited, together with its subsidiaries, (the "Company"), is committed to the highest standards of legal and ethical conduct. In furtherance of this commitment, the Company has adopted this Code of Business Conduct and Ethics (this "Code"). This Code applies to all employees of the Company and its subsidiaries, members of the Company's Board of Directors and other agents when they are representing or acting on behalf of the Company. This Code is intended to deter wrongdoing and to promote the conduct of all Company business in accordance with high standards of integrity and in compliance with all applicable laws and regulations.

2. Raising Questions and Reporting

No code or policy can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, this Code is intended to highlight areas of ethical risk, provide guidance in recognizing and dealing with ethical issues and establish mechanisms to report unethical conduct. Each of us is responsible for adhering to the standards in this Code, for raising questions if we are in doubt about the best course of action and for reporting possible misconduct promptly after it comes to our attention.

It is important that the Company be made aware of circumstances that may indicate possible violations of law or this Code. The Company, and applicable law, prohibit any form of retaliation for raising concerns or reporting possible misconduct in good faith or for assisting in the investigation of possible misconduct.

Raising questions

Unless a particular provision of this Code directs otherwise, if you have questions about this Code, you can contact any of the following:

Compliance Officer:	Tara DeMakes (914) 233-1178 tcd@nyc.tbsship.com
Chief Financial Officer:	Ferdinand Lepere (914) 961-1123 fvl@nyc.tbsship.com
Senior Executive Vice President:	Lawrence Blatte (914) 233-1176 lblatte@msn.com
Chief Executive Officer:	Joseph Royce

Reporting

You should report concerns or possible misconduct (including complaints or concerns about accounting, internal accounting controls or auditing matters) by contacting the Compliance Officer or by:

- completing the Confidential Ethics Web Form on the Investor Relations section of Company's website (<http://www.tbsship.com>); or
- calling the Company's toll-free hotline at 1-800-951-1197.

You can make a report anonymously when using the Company's hotline, although you are encouraged to provide your name to facilitate investigation and follow-up. All reports will be kept confidential to the extent practical, except where disclosure is required to investigate a report or by applicable law or legal process.

Members of the Board should report concerns or possible misconduct to the Company's Chief Executive Officer or the chair of the Nominating and Governance Committee.

3. Honest and Ethical Conduct and Fair Dealing

Directors, officers and employees should endeavor to deal honestly, ethically and fairly with the Company's suppliers, customers, competitors and employees. Statements regarding the Company's services must not be untrue, misleading, deceptive or fraudulent. There cannot be unfair advantage taken of anyone through manipulation, concealment, abuse of privileged information, misrepresentation (or omission) of material facts or any other unfair or unethical practice.

4. Compliance with Laws

It is the Company's policy to conduct its business in accordance with all applicable laws. The Company expects directors, officers and employees to use good judgment and common sense in carrying out responsibilities on behalf of the Company in accordance with the law and to refrain from illegal conduct.

In particular, directors, officers and employees of the Company, including the Chief Executive Officer, Chief Financial Officer, and Controller, must adhere to and advocate the following principles:

- the full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission and in other public communications made by the Company;

- compliance with both the spirit and letter of all applicable governmental laws, rules and regulations;
- compliance with the Company's system of internal accounting controls;
- prompt internal reporting of any suspected or known violations of this Code or any applicable law in accordance with the rules set forth in this Code; and
- the understanding that failure to comply with this Code is cause for disciplinary measures, including termination of employment.

No individual is expected to know the details of all applicable laws and specific rules and regulations that may apply to particular kinds of work or to individuals who work in particular areas. Individuals who have questions about whether particular circumstances may involve illegal conduct, or about specific laws that may apply to their activities, should consult the Compliance Officer who may seek and contact counsel, as needed.

5. Insider Trading

The U.S. federal securities laws prohibit insider trading—that is, buying or selling a company's securities at a time when a person has "material nonpublic information" about the company or the market for the company's securities. "Material nonpublic information" includes information that is not available to the public at large that could affect the market price of a company's securities and that a reasonable investor would consider important in deciding whether to buy, sell or hold the securities. Insider trading is a crime punishable by civil penalties of up to three times the profit gained or losses avoided on a transaction, criminal fines of up to \$5 million, and up to 20 years in prison. Companies may also face civil penalties, up to the greater of \$1.275 million, or three times the profit gained or losses avoided, for insider trading violations by their employees and other agents.

If, during the course of your work for the Company, you come into possession of material nonpublic information about the Company or another company with which the Company either has or is contemplating a relationship, you may not buy or sell the securities of that company. In addition, you may not convey material nonpublic information about the Company to others. You also may not suggest that anyone purchase or sell a company's securities while you are aware of material nonpublic information about that company. This practice, known as "tipping," also violates the U.S. securities laws and can result in the same civil and criminal penalties that apply if you engage in insider trading directly, even if you do not receive any money or derive any benefit from trades made by persons to whom you passed material nonpublic information.

If you are uncertain about the constraints on your purchase or sale of any Company securities or the securities of any other company that you are familiar

with by virtue of your relationship with the Company, you should consult with the Compliance Officer or Senior Executive Vice President before making any such purchase or sale. See the Company's Policy Prohibiting Insider Trading for more information.

6. Conflicts of Interest

You should avoid business and personal situations that may give rise to a conflict of interest. A "conflict of interest" occurs when an individual's own interests, including the interests of a family member or organizations with which an individual has a significant relationship, interfere or appear to interfere with the interests of the Company and thereby prevent him or her from performing his or her Company duties and responsibilities honestly, objectively and effectively. Because conflicts of interest may not always be clear-cut, you are encouraged to raise questions about particular situations. You should consult the Compliance Officer, Chief Financial Officer or Senior Executive Vice President for guidance. Members of the Board should contact the chair of the Compensation Committee.

Circumstances that may create a conflict of interest include:

- Working for, or serving as a director of, one of the Company's competitors, customers or business partners while you are employed at the Company. You should not serve on the board of directors of a competitor of the Company. Employees may serve as a director of a customer or other business partner with the prior approval of the Compliance Officer, Chief Financial Officer or Senior Executive Vice President.
- Having a direct or indirect interest in a competitor, current or potential customer or business partner of the Company, other than an interest of less than 1% of the outstanding securities of a public company.
- Working in the same department as a family member or having a supervisor/subordinate or other reporting relationship with a family member.

Addressing conflicts of interest

A conflict of interest or potential conflict of interest may be resolved or avoided if it is appropriately disclosed and approved. In some instances, disclosure may not be sufficient and the Company may require that the conduct in question be stopped or that actions taken be reversed where possible. You should disclose any situation, transaction or relationship that may give rise to an actual or potential conflict of interest to the Compliance Officer, who will consult counsel as appropriate. Executive officers and members of the Board of Directors should report actual or potential conflicts to the chair of the Compensation Committee.

Personal benefits

Receiving personal benefits as a result of your position with the Company also may create a conflict of interest. The acceptance of gifts from individuals or organizations that do business or are seeking to do business with the Company is discussed below under "Gifts and Gratuities."

Business opportunities

You should not take for yourself a potential business opportunity in which you reasonably can anticipate that the Company may have an interest or that is discovered through the use of Company property or information or through your position with the Company.

7. Protecting Sensitive Information

Company information

The Company's confidential information is a valuable asset that should be protected. You are expected to protect the confidentiality of the Company's information, to use the Company's confidential information only for business purposes, and to limit dissemination of the Company's confidential information, both inside and outside the Company, to people who need to know the information for business purposes.

Confidential information should be exchanged between the Company business units only for business purposes. Confidential information received from another business unit should be disseminated only to those within the business unit who need to know the information for business purposes, and should be used only for the specific purposes for which it was disclosed to the business unit and, if the information came from a third party, in accordance with any agreements the Company has with that party.

Before sharing any of the Company's confidential information with a third party, an appropriate written nondisclosure agreement should be signed. You should not sign a third party's nondisclosure agreement or accept changes to the Company's standard nondisclosure agreements without review and approval by the Chief Financial Officer or Senior Executive Vice President.

Confidential information that belongs to other companies

You are expected to protect the confidentiality of information that comes to you, from whatever source, in the course of performing your responsibilities for the Company. This includes information received from, or relating to, third parties with which the Company has, or is contemplating, a relationship. Care should be taken to handle third-party information responsibly and in accordance with any agreements the Company has with these parties. Third-party information should be used only for the specific purposes for which it was disclosed, and

dissemination of third-party information should be limited to those within the Company who need to know the information.

You should not attempt to obtain a third party's confidential information by improper means. Although the Company, from time to time, may hire former employees of our competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

8. Protection and Proper Use of Assets

The Company's assets are valuable resources that should be used for the Company's business purposes. Incidental personal use of assets such as computers and other equipment, telephones and supplies is permitted. Theft, carelessness and waste have a direct impact on the Company's financial performance. You should care for and use the Company's assets responsibly and protect them from theft, misuse and destruction.

9. Maintaining Books and Records; Public Reporting

Employees are expected to maintain books and records in appropriate detail to reflect the Company's transactions accurately, fairly and completely. The Company's policy of accurate, fair and complete recordkeeping applies to all Company records.

Documentation relating to a transaction should fully and accurately describe the nature of the transaction. You should report the existence of any side letter to the Compliance Officer and Chief Financial Officer.

As a public company, the Company files financial statements and other information with the U.S. Securities and Exchange Commission. Employees are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification to senior management of financial and non-financial information that may be material to the Company.

Directors, officers and employees will cooperate fully with and answer all inquiries of the Company's independent accountants and internal auditors. Directors, officers and employees must never take any action to fraudulently influence, coerce, manipulate, or mislead any external accountant or internal auditor engaged to perform an audit of the Company's records, financial statements and internal controls.

The consolidated financial statements of the Company shall conform to U.S. generally accepted-accounting principles and the Company's accounting policies. Local or statutory books and financial statements shall conform with local regulatory statutes. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the

Company's books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation and authorization.

10. Relationships with Customers

If your work for the Company puts you in contact with the Company's customers or potential customers, it is critical for you to remember that you represent the Company in your dealings with them. You are expected to deal fairly with customers and to act in a manner that creates value for customers and helps build a relationship based upon trust. The Company has built up significant goodwill through many years of providing services, and you should act to preserve and enhance the Company's reputation.

11. Antitrust and Competition

Antitrust and competition laws are designed to encourage and protect free and fair competition. These laws exist in the United States and in other countries where the Company does business and apply to the Company's relationships with competitors and customers. Antitrust and competition laws generally prohibit practices that include:

- agreements or arrangements between competitors that eliminate or restrict their competition with each other, such as price fixing, bid rigging, allocations of customers or territories, or agreements not to deal with third parties;
- other practices, such as exclusive dealing, price discrimination, "tying" (conditioning the sale of a product on the purchase or sale of another product), or resale price maintenance (conditioning the sale of a product on a buyer's agreement to obtain a minimum price upon resale), in circumstances where these practices have an unreasonable impact on competition; and
- disparaging or misrepresenting competitors' products, and stealing trade secrets.

The Company competes vigorously in the marketplace, but is committed to doing so in a manner that is fair, honest, ethical and legal. Employees are expected to conduct their activities on behalf of the Company in a manner consistent with applicable antitrust and competition laws. Contacts with competitors should be limited and discussion with competitors of subjects such as prices or other terms and conditions of sale, customers and suppliers should be avoided.

Individuals involved in any dealings with competitors are expected to have a basic knowledge of the antitrust and competition laws that apply to their activities.

Questions about particular circumstances should be brought to the attention of the Compliance Officer, Chief Financial Officer or Senior Executive Vice President.

12. Anti-corruption

The Company prohibits bribery of any sort. No one acting on behalf of the Company may use bribes, kickbacks or other corrupt practices in conducting the Company's business. You must comply with the Foreign Corrupt Practices Act ("FCPA") and all local laws relating to payments to government officials whether you are located in the United States or abroad.

The FCPA is a U.S. law that prohibits corruptly giving, offering or promising anything of value, directly or indirectly, to a foreign official or agent (including but not limited to employees of state-owned or state-controlled businesses or other entities), or to a foreign political party, candidate or official for the purpose of influencing any act or decision of such foreign official in his official capacity or to gain an improper advantage in order to obtain or retain business or direct business to anyone. This includes making a payment to any person with the knowledge that any part of the payment will be given or offered, directly or indirectly, to a foreign official or agent, or a foreign political party candidate or official, in violation of the FCPA. "Knowledge" may be inferred from "red flags," meaning you are aware of a high probability that the recipient of a payment intends to engage in or is engaging in conduct that violates the FCPA.

In some countries it may be customary at times to pay government employees for performing their required duties. These payments are also governed by the FCPA. Facilitating payments, as they are known, are small sums paid to facilitate or expedite routine, non-discretionary government actions and may or may not be appropriate under the laws of the foreign country. Understanding the difference between a bribe, kickback or other corrupt practice and a facilitating payment is critically important, and is discussed in more detail in the Company's Foreign Corrupt Practices Policy. Questions about whether particular payments are appropriate should be directed to the Compliance Officer.

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The FCPA also contains provisions requiring companies to keep accurate books and records and to maintain reasonably effective internal controls. The FCPA prohibits the direct or indirect falsification of any record, account or financial statement. This provision applies to all records, accounts, and financial statements of the Company.

For more details, review the Company's Foreign Corrupt Practices Policy.

13. Gifts and Gratuities

Actions taken on behalf of the Company should be free from any suggestion that favorable treatment was sought by, received from or given to individuals or organizations that do business or seek to do business with the Company. You may not solicit or accept, or permit any member of your immediate family to solicit or accept, gifts, money, services or anything else of value when doing so may influence, or be perceived as influencing, a decision or action. Similarly, you may not offer or give gifts, money, services or anything else of value when doing so may influence, or be perceived as influencing, a decision or action.

Gifts of nominal value (generally under \$50 or the local equivalent), business meals, celebratory events and entertainment are permitted, provided that they are not frequent or excessive. Common-sense determinations as to what is "excessive" should be made consistent with reasonable marketplace practices. In recognition of the fact that customs may differ internationally, gifts or gratuities may be permitted consistent with local customs upon review and approval by the Compliance Officer.

Questions about whether particular gifts or gratuities are consistent with this Code should be directed to the Compliance Officer.

14. Political Contributions and Activities

The Company's funds and other assets may be used for, or contributed to, political campaigns only in accordance with applicable laws governing political contributions and with the prior written approval of the Chief Financial Officer or Senior Executive Vice President. Under U.S. law, the Company may not contribute corporate funds or assets to candidates for federal offices. State and local laws also govern political contributions and activities, and similar laws exist in other countries.

You are free to participate in the political process, but you may not do so in a manner that interferes with your responsibilities to the Company, creates the impression that you are speaking or acting for the Company or implies the Company's endorsement of your activities.

15. Use of Information Technology

At all times, directors, officers and employees should use good judgment and common sense, conduct themselves ethically, lawfully and professionally and follow applicable Company security and use policies and procedures while accessing and using Company-provided information technology, its contents and email.

16. Investigating and Addressing Possible Misconduct

Reports of possible misconduct will be taken seriously and investigated promptly and thoroughly. Where a violation of this Code is determined to exist, appropriate disciplinary action will be taken, including termination of employment.

17. Waivers

Waivers of this Code will be granted only in exceptional circumstances. Waivers of a Code provision for directors and executive officers must be approved in writing by the Board of Directors and promptly disclosed in accordance with applicable law. Waivers for other individuals must be approved in writing by the Chief Financial Officer or Senior Executive Vice President.

18. Compliance Procedures

If the Compliance Officer, the Chief Financial Officer and Senior Executive Vice President or other appropriate party receives information regarding an alleged violation of this Code, he or she shall, as appropriate: (a) evaluate such information; (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive Officer and Audit Committee of the alleged violation; (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation; and (d) in the case of significant misconduct involving an employee, or an alleged violation involving an executive officer or a director, report the results of any such inquiry or investigation to the Audit Committee. Directors, officers and employees are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

In the event that an alleged violation of this Code involves an employee, other than an executive officer or director, the Chief Financial Officer and Senior Executive Vice President shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such employee. In the event that the alleged violation involves an executive officer or a director, the Audit Committee shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

Failure to comply with the standards outlined in this Code will result in disciplinary action that may include reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, termination of employment and restitution. Certain violations of this Code may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any employee who directs

or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary action, including termination of employment.

19. Dissemination and Amendment

This Code shall be distributed to each new director, officer and employee of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed at least annually to each director, officer and employee. Each director, officer and employee shall acknowledge and certify that he or she has received, read and understands the Code and has complied with its terms.

In addition to following this Code, senior managers, through their actions, must demonstrate the importance of compliance. Leading by example is critical, as is being available for employees who have ethical questions or wish to report possible violations. Senior managers also must see that this Code is enforced through appropriate disciplinary measures.

The Company reserves the right to amend, alter or terminate this Code at any time for any reason. The most current version of this Code can be found on the Company's website. Any amendments, alterations or terminations of this Code will be promptly and publicly disclosed.

This document is not an employment contract between the Company and any of its directors, officers or employees and does not alter the Company's current employment or other relationship with any director, officer or employee.

ACKNOWLEDGMENT AND CERTIFICATION

I, _____ do hereby certify that:

(Print Name Above)

1. I have received and carefully read the Code of Business Conduct and Ethics of TBS International Limited. If I am a senior manager, I understand that I shall be responsible for the enforcement of and compliance with this policy, including necessary distribution to ensure employee knowledge and compliance under my charge.
2. I understand the Code of Business Conduct and Ethics.
3. I have complied, and will continue to comply, with the terms of the Code of Business Conduct and Ethics.

Date: _____

(Signature)

Location/Business Unit/Country: _____

EACH DIRECTOR, OFFICER AND EMPLOYEE AS WELL AS EACH NEW EMPLOYEE IS REQUIRED TO SIGN, DATE AND RETURN THIS CERTIFICATION TO THE COMPLIANCE OFFICER. FAILURE TO DO SO MAY RESULT IN DISCIPLINARY ACTION, UP TO AND INCLUDING DISCHARGE.