

PANGAEA LOGISTICS SOLUTIONS, LTD.

ANTI-CORRUPTION COMPLIANCE POLICY

I. INTRODUCTION

It is the policy of Pangaea Logistics Solutions, Ltd. and its subsidiaries (collectively, the “*Company*”) to ensure that all Company activities comport fully with the highest standards of business integrity and all applicable anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act (the “*FCPA*”). This Anti-Corruption Compliance Policy (this “*Policy*”) is intended to ensure, to the greatest extent possible:

- the Company’s compliance with applicable anti-corruption laws;
- prevention of improper payments and other improper transfers by the Company;
- detection of any Company noncompliance with this Policy; and
- appropriate Company action to address noncompliance with this Policy if and when it occurs.

Violations of this Policy can result in serious adverse repercussions for the Company and Company employees, officers or directors (collectively, “*Team Members*”) involved in the violations. Government authorities impose punishment for violations of applicable laws through severe criminal and civil penalties, including in certain cases, for individuals, imprisonment.

All Team Members are obligated to comply with all aspects of this Policy, regardless of where those Team Members are located. Compliance with this Policy will be an important factor in evaluating the job performance of Team Members. Insensitivity to or disregard for this Policy will be grounds for appropriate disciplinary actions, up to and including termination of employment or other service.

The General Counsel is responsible for administration, implementation and enforcement of this Policy. As regards this Policy, the General Counsel shall, among other things:

- seek to maintain compliance with this policy among Team Members;
- seek to ensure that this Policy remains up-to-date and consistent with applicable laws and regulations; and
- at the direction of Company management, appropriately address violations of this Policy if and when they occur.

If you are ever uncertain about the meaning or application of this Policy, you should seek guidance from the Legal Department.

II. DEFINITIONS

Bribe:	Anything of value given in an attempt to affect a person's actions or decisions in order to gain or retain a business advantage. Anything of value includes cash entertainment or other gifts or courtesies.
Corruption:	The misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
International Business Partner:	An agent, sales representative, consultant, contractor or subcontractor, distributor, joint venturer or other party that plays a role in the Company's supply of services, directly or indirectly, to persons outside the United States.
Public Official:	A government officer or employee; an officer, director or employee of a government-owned or controlled entity; a political party official; a candidate for political office; or an officer or employee of an international organization.
Red Flag	Circumstances indicating an unusually high risk of an improper payment or other improper transfer.

III. POLICY REQUIREMENTS

A. Prohibition on Bribes and Corrupt Activity

This Policy forbids Team Members to offer, promise, authorize or make a payment or other transfer, such as a gift, to anyone to try improperly to gain an advantage. Team Members are also required to seek to ensure that others acting on the Company's behalf do not engage in this type of corrupt activity. Action is improper if it is inconsistent with the legal or other duties of the actor. Forbidden payments include payments to anyone – including otherwise legitimate payments, such as compensation to third party agents – if there is any reason to believe that the recipient of the payment will use it for corrupt activity.

This prohibition on bribes and corrupt activity applies regardless of whether the recipient of a payment or other transfer is a Public Official. However, it is particularly important for Company employees to avoid improper payments and other improper transfers to Public Officials.

B. Prohibition on Payments to Public Officials

This Policy forbids Team Members to make payments, including "facilitating payments," to Public Officials. Team Members should consult with the General Counsel if they believe that an exception should be made to permit a payment to a Public Official. The General Counsel

shall make such an exception and permit a payment to a Public Official only in writing and only on the basis of written analysis establishing that the payment is legal and otherwise proper. Any such permitted payment to a Public Official must be properly and accurately recorded in the Company's books and records.

Notwithstanding the general prohibition on payments to Public Official, and in contrast to that prohibition, payments to governments or government-controlled entities generally are permitted. Payments to governments or government-controlled entities generally are permitted even when the payment is compensation for the government or government-controlled entity having one of its employees (a Public Official) perform a service for the Company. However, in every instance in which a payment is made for a service rendered by a Public Official, Team Members must ensure both that the payment is to the employer of the Public Official – not to the Public Official – and that the payment is otherwise appropriate.

C. Prohibition on Gifts to Public Officials

This Policy forbids Team Members to make gifts to Public Officials. Team Members should consult with the General Counsel if they believe that an exception should be made to permit a gift to a Public Official. The General Counsel shall make such an exception only in writing and on the basis of written analysis establishing that the gift is legal and otherwise proper. The expense of any such exempted gift to a Public Official must be properly and accurately recorded in the Company's books and records.

D. Limits on Business Hospitality, Entertainment and Travel Expenditures Involving Public Officials

Under this Policy, business hospitality, entertainment and travel expenditures involving Public Officials are permitted only if there is clearly no expectation that that the hospitality, entertainment or travel will lead to a Public Official improperly using his or her position to help the Company or anyone else. Expenditures of \$250 or more on hospitality, entertainment or travel require written approval of the General Counsel.

In general, when a Public Official is involved, spending money in connection with reasonable and bona fide business hospitality, entertainment and travel for official business trips, demonstrating a Company asset or service, and performing a valid contractual obligation, is permitted. All such expenditures should avoid even the appearance of impropriety and must unequivocally be reasonable, commensurate with local custom and practice, and accurately recorded in the Company's books and records.

E. Limits on Donations to Governmental Entities

Under this Policy, Team Members may provide donations to governmental entities only when approval for such donations is provided in writing by the General Counsel.

F. Rules Regarding Retention of International Business Partners

Under this Policy, retention of any International Business Partner to perform services for the Company must be approved in writing by the General Counsel before the International

Business Partner provides any services for or on behalf of the Company. Such approval shall be based on, among other things, the International Business Partner's written, contractual commitment to comply with the requirements of this Policy.

Apart from a commitment to abide by the requirements of this Policy, all engagement agreements with International Business Partners must contain, at a minimum, a thorough description of the activities to be performed by the International Business Partner, explicit representations and warranties regarding corrupt activity, Company rights to audit the International Business Partner and its books and records both regularly and unannounced, and termination rights for a breach or reasonably suspected breach of the agreement's anti-corruption terms.

The following rules apply to the retention of International Business Partners:

- The Company shall not retain an individual as an International Business Partner if the individual or any member of the individual's family is a Public Official.
- The Company shall not retain an entity as an International Business Partner if the entity is controlled by a foreign government.
- The Company shall not retain an entity as an International Business Partner if any of the following is a Public Official: a principal, officer, senior employee or owner of more than 20% of the entity, or any member of the immediate family of one of the foregoing.
- Prior to retaining any individual or entity as an International Business Partner, the General Counsel shall conduct due diligence on the individual or entity to ensure that no Red Flags exist with respect to the individual or entity. If the General Counsel discovers any Red Flag with respect to an individual or entity, then the Company shall not retain that individual or entity as an International Business Partner unless the General Counsel determines in writing that the Red Flag(s) associated with the individual or entity are or will be sufficiently mitigated.

G. Accounting Controls

Under this Policy, Company books, records and accounts shall be kept accurately and fairly reflect all transactions and dispositions of Company assets.

Compliance with the accounting and internal control procedures of the Company is mandatory. All accounting records, expenditures, expense reports, invoices, vouchers, gifts, business entertainment and any other business records must be accurately and reliably reported and recorded. False or misleading entries will result in immediate disciplinary action. See the Company's Code of Ethics for more information on this topic.

Any and all payments by or on behalf of the Company may only be made on the basis of appropriate supporting documentation and for the purposes specified in the documentation. Such purposes shall be recorded in accordance with Company procedures. Undisclosed or unrecorded

payments or assets are strictly prohibited. Failure to adhere to these principles and procedures will result in immediate disciplinary action.

IV. COMPLIANCE TRAINING

The Legal Department shall design and administer a program of training Team Members with regard to adherence to this Policy. Training activities shall be appropriate in light of personnel's responsibilities with the Company and related circumstances.

V. GUIDANCE AND ASSISTANCE

Team Members shall direct questions regarding this Policy to the Legal Department.

Approved: October 31, 2014