

HOLLYWOOD ENTERTAINMENT CORPORATION
GOVERNANCE COMMITTEE CHARTER

Role

The Governance Committee's role is to review, evaluate, and recommend changes to the Company's Corporate Governance Guidelines.

Membership

The membership of the Committee consists of at least two directors, each of whom is to be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment. Applicable laws, regulations, and listing standards will be followed in evaluating a member's independence. The Board appoints the chairperson.

Operations

The Committee meets at least twice a year. Additional meetings may occur as the Committee or its chair deems advisable. The Committee will cause to be kept minutes of all its proceedings and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Governance Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of this charter, (b) any provision of the Bylaws of the Company, or (c) the laws of the state of Oregon.

Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Responsibilities

Subject to the provisions of the Corporate Governance Guidelines, the principal responsibilities and functions of the Governance Committee are as follows:

Annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of the Company's shareholders.

Annually review the composition of each committee and present recommendations for committee memberships to the Board as needed.

Periodically review the compensation paid to non-employee directors for annual retainers (including Board and committee Chairs) and meeting fees, if any, and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as directors.

Regularly review and make recommendations about changes to this charter.

Regularly review and make recommendations about changes to the charters of other Board committees after consultation with the respective committee chairs.

In addition, the Chair of the Committee will be responsible for leading the Board's annual review of the Chief Executive Officer's performance.