

**CHARTER OF THE NOMINATING/CORPORATE GOVERNANCE COMMITTEE**  
**of**  
**TODD SHIPYARDS CORPORATION**

This Nominating/Corporate Governance Committee Charter (“Charter”) was adopted by the Board of Directors (“Board”) of Todd Shipyards Corporation (“Company”) on May 21, 2004.

**I. Purpose**

The Nominating/Corporate Governance Committee (“Committee”) primary objective and role of the Committee is to assist the Board in fulfilling its responsibilities by (i) identifying individuals qualified to become board members; (ii) selecting, or recommending selection of the director nominees for the next annual meeting of shareholders or for election to fill vacancies on the Board; (iii) identifying orientation and continuing education programs suitable for new board members and long-term members; (iv) evaluating the effectiveness of the entire Board on an ongoing basis; (v) overseeing the Company’s succession planning process; and (vi) taking a leadership role in shaping the corporate governance of the Company.

**II. Membership**

The Committee shall consist of at least two members of the Board of Directors appointed annually by the full Board of Directors following its first meeting subsequent to its election at the Annual Meeting of Shareholders of the corporation. Each person appointed to membership on the Committee shall be independent of management of the corporation in accordance with criteria established by the principal market for the corporation’s Common Stock. The full Board of Directors may remove any member from the Committee during the period of appointment. The Committee shall select from its members a Chairman.

**III. Meetings and Procedures**

The Chairman shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s certificate of incorporation or bylaws that are applicable to the Committee.

The Committee shall meet at least once per year and more frequently as the Committee deems necessary.

The Committee shall have the sole authority to retain and/or replace, as needed, any independent counsel, experts or advisors as the Committee deems necessary. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm’s fees and other retention terms.

The Chairman of the Committee shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

#### **IV. Duties and Responsibilities**

The Committee shall:

- identify and affirmatively determine that a director nominee has the qualification and experience to perform in a leadership role and serve with competence as a Committee member;
- review, assess and advise the Board as to which members of the Board qualify as independent directors and which of such independent directors fulfill additional requirements for eligibility to serve on the Audit Committee of the Board;
- confirm that all Board members are aware of their basic duties and responsibilities including their attendance at Board and committee meetings and their affirmative obligation to prepare themselves for all meetings by reviewing all material presented to the members prior to the meetings;
- review the effectiveness of the entire Board on an ongoing basis;
- implement a process for the Board and each standing committees to assess and evaluate its respective activities;
- review and evaluate changes to the codes of conduct and ethics applicable to employees, management and members of the Board;
- have responsibility for the resolution of all ethical and governance issues that fall outside the direct scope of financial reporting and disclosure issues assigned to the Audit Committee;
- oversee the Company's succession planning process; and
- report to the Board of Directors on its activities annually.

#### **V. Ratification, Amendments and Disclosure**

This Charter has been adopted by the Members of the Committee and confirmed by the Board of Directors of the Company. No amendment to the Charter or action of the Board of Directors which would limit or restrict the duties, responsibilities, powers and rights of the Committee or which would alter the qualifications for membership on the Committee shall be effective without the consent of a majority of the members of the Committee. The full Board of Directors may remove any member from the committee during the period of appointment.

This Charter shall be made available on the Company's web site at [www.toddpacific.com](http://www.toddpacific.com) and to any shareholder who otherwise requests a copy. The Company's Annual Report to Shareholders shall state the foregoing.