

**CHARTER OF THE
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF
HORIZON LINES, INC.**

I. FORMATION OF THE COMMITTEE.

The Board of Directors (the "*Board*") of Horizon Lines, Inc., a Delaware corporation (the "*Corporation*"), has established the Nominating and Corporate Governance Committee of the Board (the "*Committee*") pursuant to Section 141 of the Delaware General Corporation Law and the Bylaws of the Corporation.

II. ADOPTION OF THIS CHARTER; EFFECTIVE TIME.

This Charter (this "*Charter*") is hereby adopted as the charter of the Committee, and shall become effective as of the listing for trading of shares of any class or series of the Corporation's capital stock on The New York Stock Exchange, Inc. ("*NYSE*"). Upon the effectiveness of this Charter, any charter of the Committee heretofore in effect is hereby superseded and replaced in its entirety by this Charter.

III. PURPOSES OF THE COMMITTEE.

The purposes of the Committee shall be to (a) identify and recommend individuals who are qualified to serve as members of the Board, (b) recommend individuals for nomination as directors of the Corporation, (c) recommend directors for service on committees of Board, (d) advise the Board with respect to the size and composition of the Board and its committees and various related matters, and (e) perform certain additional functions and duties with respect to nominating and corporate governance matters as more fully set forth herein.

IV. COMPOSITION OF THE COMMITTEE.

1. The size of the Committee shall be three directors, or such greater number as may be determined from time to time by the Board, based on the recommendations of the Committee.

2. In order to qualify for election as a member of the Committee (and to qualify to continue to serve as a member of the Committee), a director of the Corporation shall (a) satisfy the applicable requirements therefor as shall be specified in the listed company requirements of the NYSE from time to time, and (b) satisfy any additional requirements therefor that the Board shall deem appropriate.

3. Subject to the limitations set forth in Section 2 hereof, the Board shall elect the members of the Committee and may designate one or more directors as alternate members of the Committee to replace any absent or disqualified member at any meeting of the Committee.

4. Each director who is elected to the Committee shall hold office as a member of the Committee until the next annual meeting of the Board and until such director's successor in such office shall be elected and qualified, until the first to occur of (a) such director's death,

resignation, retirement, disqualification or removal from such office or (b) such director's prior resignation, retirement, disqualification, or removal as a member of the Board.

5. Any vacancy on the Committee shall be filled by majority vote of the Board, subject to the limitations set forth in Section 2, and no member of the Committee shall be removed except by majority vote of the Board, in each case based on the recommendation of the Committee.

6. A director who is a member of the Committee shall promptly notify the Chairperson of the Board (if any), the Chairperson of the Committee (if any), and the Secretary of the Corporation (if any) in the event that such director should cease to satisfy the requirements referred to in this Article IV for service on the Committee.

V. MEETINGS AND PROCEDURES OF THE COMMITTEE.

1. The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than two times annually. The Committee may establish its own meeting schedule, which it will provide to the Board in advance to the extent practicable.

2. In order to carry out its duties and responsibilities, the Committee may request, in its discretion, any director (who is not a member of the Committee), officer or employee of the Corporation or such other person as it deems appropriate to (a) attend a meeting of the Committee, (b) meet with any members of the Committee, or any legal counsel or outside advisers to the Committee, or any consultants or experts retained by the Committee, or (c) provide pertinent information as necessary.

3. The Chairperson of the Committee shall be designated by the Board; *provided*, that if the Board does not so designate a Chairperson, the members of the Committee, by a majority vote of the members of the Committee present at a meeting of the Committee at which a quorum is present, may designate a Chairperson; and *provided, further*, that the Chairperson of the Committee and a majority of the members of the Committee in office shall be United States citizens. Meetings of the Committee may be called by either (i) the Chairperson of the Committee or (ii) any two or more members of the Committee. The Chairperson of the Committee shall be responsible for establishing the agendas for meetings of the Committee, and supervising the conduct of such meetings.

4. A majority of all of the members of the Committee then in office shall constitute a quorum of the Committee for the transaction of business, provided that no more than a minority of the number of members of the Committee necessary to constitute a quorum shall be other than citizens of the United States. The vote of a majority of all the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

5. Unless otherwise restricted by the Certificate of Incorporation or Bylaws of the Corporation, members of the Committee may participate in a meeting of the Committee by means of conference telephone or other communications equipment by which all persons

participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

6. Unless otherwise restricted by applicable law, the Certificate of Incorporation or Bylaws of the Corporation, or this Charter, any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting, if all members of the Committee consent thereto in writing. Such one or more writings shall be filed with the minutes of the meetings of the Committee.

7. Failure to satisfy any pre-meeting notification or agenda requirements shall not invalidate an otherwise duly held meeting of the Committee.

8. The Committee shall have the authority to establish its own rules and procedures consistent with the Corporation's Certificate of Incorporation and Bylaws for notice and conduct of its meetings (and the conduct of any of its other activities), should the Committee, in its discretion, deem it desirable to do so.

9. The Committee shall keep regular minutes of its meetings which it shall distribute to each member of the Committee, members of the Board who are not members of the Committee, and the Secretary of the Corporation.

10. The Committee shall report to the Board whenever it shall be requested, or required, by the Board to do so.

VI. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE.

The Committee shall have the authority to undertake the specific duties and responsibilities described hereinafter and the authority to undertake such other duties and responsibilities as are assigned to the Committee by applicable law, by the Corporation's Certificate of Incorporation or Bylaws, or by the Board.

1. Board Candidates and Nominees.

The Committee shall have the following duties and responsibilities with respect to Board candidates and nominees:

(a) To establish, periodically review, and submit to the Board for its approval, criteria for the selection and recommendation of new directors to serve on the Board.

(b) To identify, recruit, and, if appropriate, interview candidates, including persons recommended by stockholders or others, for directorships to be filled by the Board or by the stockholders.

(c) To review, and conduct all necessary and appropriate inquiries into, the background and qualifications of all individuals being considered as director candidates.

(d) To select and recommend to the Board the director nominees for election by the stockholders or the Board (whether as a result of a vacancy on the Board, a newly

created directorship or otherwise), as the case may be, pursuant to the Corporation's Certificate of Incorporation and Bylaws, which recommendations shall be consistent with, and take into account, the criteria for selecting directors approved by the Board from time to time.

(e) To review the suitability of each member of the Board for continued service as a director when such member's term expires and to recommend whether or not such member should be re-nominated.

2. Board Composition, Functioning and Procedures.

The Committee shall have the following duties and responsibilities with respect to the composition, functioning and procedures of the Board as a whole:

(a) To review annually the size of the Board and to recommend to the Board any appropriate changes.

(b) To review annually with the Board the skills and characteristics of the Board and the composition of the Board as a whole, and to recommend to the Board, if necessary, measures to be taken so that the Board (i) reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and (ii) complies with the applicable listed company requirements of the NYSE.

(c) To lead the Board annually in a self-evaluation process to determine whether the Board is functioning effectively and, in connection therewith, to receive comments from the Board, review them and prepare and provide to the Board an assessment of the Board's performance.

(d) To make recommendations concerning any aspect of the procedures of the Board that the Committee considers appropriate, including, but not limited to, procedures with respect to the waiver by the Board of any rule, guideline, procedure or corporate governance principle of the Corporation.

3. Board Committees.

The Committee shall have the following duties and responsibilities with respect to the committee structure of the Board:

(a) To review annually the size of the Committee and the other committees of the Board and to recommend to the Board any appropriate changes.

(b) To review annually the composition of the Committee and the other committees of the Board, and to recommend to the Board (i) any appropriate changes to the composition of the Committee or any such other committee or (ii) any individual directors to fill any vacancies on the Committee or any such other committee.

(c) To review annually the charter of each committee of the Board and propose modifications to such charter.

(d) To monitor the functioning of the committees of the Board and to make recommendations for any changes, including the creation and elimination of committees.

(e) To review annually committee assignments, and to report any recommendations to the Board.

(f) To recommend to the Board that the Board establish such committees as may be desirable or necessary in order to address ethical, legal or other matters that may arise (provided, that the Committee's power to make such a recommendation under this Charter shall be without prejudice to the right of (i) any other committee of the Board, or any individual director, to make such a recommendation at any time and (ii) the Board to create any committee of the Board at any time).

4. Corporate Governance.

The Committee shall have the following functions, powers and duties with respect to corporate governance:

(a) To review, at least annually, the corporate governance guidelines and code of ethics that have been adopted by the Board for compliance with applicable laws and the applicable listed company requirements of the NYSE, and to recommend any necessary or desirable changes thereto to the Board.

(b) To develop, review periodically, and recommend to the Board policies regarding director tenure, retirement, removal and succession.

(c) To consider whether it is in the best interest of the Corporation to limit the number of boards of directors or audit committees of public companies (as defined below) on which a non-CH director (as defined below) may serve.

(d) To determine whether a non-CH director may join the board of directors of a public company, upon written notice from such director that such director proposes to do so.

(e) To review the desirability of the continued service of a member of the Board as a director in the event of a material adverse change in the qualifications or status of such member and to make a recommendation to the Board as to whether the Company should accept any offer of resignation made by any such member, which resignation shall become effective only upon the acceptance of such offer of resignation by the Board.

(f) To consider questions of possible conflicts of interest of the directors, as such questions arise; and to review the institutional and other affiliations of directors and nominees for any potential conflict of interest problems.

(g) To consider any other corporate governance issues that arise from time to time and to develop appropriate recommendations for the Board.

For purposes of this Section 4, the term "*public company*" means an issuer of equity securities that (x) are registered under Section 12 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, in each case amended or supplemented from time to time (collectively, the "*Exchange Act*"), or (y) subject such issuer to reporting under Section 15(d) of the Exchange Act; and the term "*non-CH director*" means a director of the Corporation who is not an employee of Castle Harlan, Inc.

VII. EVALUATION OF THE COMMITTEE AND THIS CHARTER.

1. The Committee shall, on at least an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: (a) the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, (b) the manner in which such recommendations were discussed or debated, and (c) whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

2. The Committee shall deliver to the Board a report, which may be oral, setting the results of each such evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures.

3. The Board shall have the authority to amend this Charter from time to time provided that at all times this Charter, as amended, shall satisfy the requirements of applicable law as well as the Certificate of Incorporation and Bylaws of the Corporation.

VIII. INVESTIGATIONS AND STUDIES; RESOURCES; OUTSIDE ADVISORS.

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and shall have the authority to retain, at the Corporation's expense, and without further approval from the Board, such independent legal counsel, or outside consultants, advisers or experts, as it deems necessary. The Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms, such fees to be borne by the Corporation. Any oral or written communications between the Committee and its legal counsel that occur in the course of such counsel providing legal advice or representation to the Committee will be considered privileged, and the Committee will take all necessary steps to preserve the privileged nature of such communications.

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Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.