

Horizon Lines, Inc.

Corporate Governance Guidelines

These Corporate Governance Guidelines are hereby adopted by the Board of Directors (the “Board” or the “Board of Directors”) of Horizon Lines, Inc. (the “Corporation”) effective as of this 22nd day of October, 2009.

1. Director Qualifications and Board Composition.

A. Independence. The Board of Directors will consist of a majority of non-employee directors who meet the criteria for “independent director” status contained in the applicable provisions of the Listed Company Manual, as amended from time to time (the “NYSE Listed Company Manual”), of the New York Stock Exchange (the “NYSE”). The Nominating and Corporate Governance Committee of the Board (the “Nominating Committee”) will monitor the compliance of the Board with this majority requirement on an ongoing basis. Each director determined by the Board to be such an independent director shall notify the Board and the Chairperson of the Nominating Committee, as soon as practicable, in the event that his or her circumstances change in a manner that may affect the Board’s evaluation of his or her independence.

B. Director Qualifications. The Nominating Committee has established Board Candidate Guidelines that set forth criteria that are to be considered in evaluating the candidacy of an individual for membership on the Board. The Board Candidate Guidelines are attached to these Corporate Governance Guidelines as Exhibit A. The Nominating Committee will periodically review the Board Candidate Guidelines and modify them as appropriate. The Nominating Committee is responsible for identifying, screening and recommending to the Board director candidates for membership on or re-election to the Board as may be appropriate. Final approval of any candidate shall be determined by the Board.

C. Board Size. The size of the Board is determined by the need to achieve an effective working group that may vary in number from time to time depending upon the needs of the Corporation. The Nominating Committee will assess the size of the Board from time to time to determine whether its size continues to be appropriate and make recommendations to the Board where appropriate.

D. Term Limits. The Board does not believe it is advisable to establish term limits for its members as such limits may deprive the Corporation and its stockholders of the contribution of directors who have been able to develop, over time, valuable insights about the Corporation, its operations and its future. As part of its responsibilities, the Nominating Committee will consider each director’s continuation on the Board at the expiration of his or her term and recommend to the Board whether such director should be considered for re-election.

E. Other Directorships. To ensure that directors have sufficient time to properly discharge their duties, directors are expected to seek the approval of the Nominating Committee prior to joining the boards of any public companies. To promote compliance with the independent director standards of the Corporation, directors are also requested to notify the General Counsel of the Corporation prior to joining the boards of any private companies or

charitable institutions. Where applicable, directors who serve on the Corporation's Audit Committee must also meet NYSE requirements regarding service on multiple audit committees.

F. Change in Director's Present Job Responsibilities. In the event of a material adverse change in a director's qualifications or status, such director shall be required to so notify the Board and the General Counsel. The Nominating Committee will review the desirability of the director's continued service on the Board in light of the changed responsibilities or circumstances and will make a recommendation to the Board as to whether or not to ask for said director's resignation.

2. Director Responsibilities.

A. Board's Role. The business and affairs of the Corporation are managed under the direction of the Board, which represents and is accountable to the stockholders of the Corporation. The Board focuses its activities on the key requirements of the Corporation, such as corporate strategy, evaluation of the performance of the Chief Executive Officer, succession planning and business practices. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interest of the Corporation and its stockholders. In discharging that obligation directors, in exercising their business judgment, are entitled to rely on the Corporation's management and outside advisors and auditors. The Corporation has purchased and seeks to maintain reasonable directors' and officers' liability insurance on their behalf. In addition, the directors receive the benefits of indemnification to the fullest extent permitted by the applicable laws of the State of Delaware and pursuant to contract.

B. Board Meetings. The Board currently holds regularly scheduled meetings and calls for special meetings as necessary. Any meeting of the Board may be held telephonically. Directors are expected to make every effort to attend, in person, all regularly scheduled Board meetings and meetings of committees of the Board on which they serve, other than special purpose meetings that are organized as telephonic meetings. They are also expected to devote the necessary time, including participation in special meetings, to properly discharge their duties. Directors are also encouraged to attend annual meetings of stockholders of the Corporation. It is understood that special circumstances may occasionally prevent a director from attending a meeting.

C. Agendas. The Board shall designate from time to time the member of the Board or other individual, such as the Chief Executive Officer or Secretary of the Corporation, who shall be responsible for establishing the agenda for Board meetings. While the agenda is planned carefully, it shall be flexible enough so that unexpected developments can be discussed at Board meetings. Any director may request that an item be included on the agenda. Throughout each year, the Board reviews the Corporation's short-term and long-term strategic and operating plans and related business plans of each principal business group. The Board also reviews the annual capital budget from the Corporation, and approves the Corporation's Annual Report (Form 10-K) and Proxy material.

D. Advance Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting shall, to the extent practical, be distributed to the directors sufficiently in advance of the meeting and directors should review these materials prior to the meetings. The Board acknowledges that

certain materials are of an extremely sensitive nature and that distribution of materials on these matters prior to Board meetings may not be appropriate.

E. Executive Sessions. The non-employee directors will meet without employee directors at regularly scheduled executive sessions not less than four times per fiscal year of the Corporation and at such other times as the directors deem appropriate. Executive sessions will be attended only by non-employee directors and will be led by a non-employee “Lead Independent Director”.

F. Stock Ownership By Directors. Members of the Board are required to own stock, stock units or other equity-linked instruments of the Corporation and a portion of their compensation for services as a director will be payable in these instruments.

G. Confidentiality. Except as required by applicable law, no director shall disclose any material non-public information concerning the Corporation. In the event that a director discloses information that may be material and non-public, the director should immediately so advise the General Counsel. All Directors are considered “*affiliates*” for insider trading and Section 16 purposes.

H. Board Interaction with Institutional Investors, Press, Customers, etc. The Board believes that, under ordinary circumstances, the Corporation’s management speaks for the Corporation and the Chairperson of the Board, if any, or such other person who has been designated by the Board as its spokesperson, speaks for the Board. Individual Board members may, from time to time, meet with or communicate with various constituencies that are involved with the Corporation. It is expected that Board members would only engage in such activities with the knowledge of management and, in most instances, in coordination with management.

3. Board Committees.

A. Committees. The Board currently has three standing committees (each, a “*Committee*”): (i) the Audit Committee, (ii) the Compensation Committee, and (iii) the Nominating Committee. The Board may also establish other Committees, or disband existing ones, as it deems appropriate consistent with the Corporation’s Certificate of Incorporation and Bylaws, applicable law and the applicable requirements of the NYSE Listed Company Manual. Each Committee shall have those duties and responsibilities set forth in the Corporation’s Certificate of Incorporation and Bylaws, in any applicable resolutions of the Board, and in that Committee’s Charter which shall have been approved by the Board.

B. Appointment. The Board, upon the recommendation of the Nominating Committee, shall appoint the members of the Committees. All of the members of the Committees will satisfy the applicable criteria set forth in their charters and as required by the Corporation’s Certificate of Incorporation and Bylaws, the applicable resolutions of the Board, the applicable provisions of the NYSE Listed Company Manual, and applicable law.

C. Charters. The Board has adopted charters, effective as of this date that set forth the purposes and duties and responsibilities of each of the Audit Committee, the Compensation Committee, and the Nominating Committee. The Nominating Committee will periodically review the charters of each of these Committees and propose modifications to the applicable Committee for consideration as appropriate.

4. Access to Outside Advisors.

The Board and its Committees may retain independent legal counsel, or outside consultants, advisers or experts, with respect to any issue without consulting or obtaining the approval of any officer of the Corporation in advance. Further, as set forth in their respective charters, and without limitation:

- (i) The Audit Committee shall have the sole authority (subject to any required stockholder approvals or ratifications) for the appointment, compensation, retention, oversight of the work, termination, or replacement, of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report, or performing other audit, review or attestation services, for the Corporation.
- (ii) The Compensation Committee shall have the sole authority to retain or terminate any compensation consulting firm used to assist the Committee in the evaluation of compensation of the directors of the Corporation or the Chief Executive Officer or other executive officers of the Corporations.
- (iii) The Nominating Committee shall have the sole authority to retain or terminate any search firm to be used to identify director candidates.

5. Access to Management and Employees.

A. Access to Management and Employees. Directors have full and unrestricted access to the management and employees of the Corporation. In addition, at the request of the Board, members of senior management may be invited to attend meetings of the Board from time to time, to present information about the business and operations of the business within their areas of responsibility.

B. Internal Reporting. The Board has established procedures for the submission and confidential treatment of complaints and concerns of employees regarding accounting and auditing matters and alleged violations of the Corporation's Code of Business Conduct and Ethics.

C. Whistleblower Protection. As set forth in the Corporation's Code of Business Conduct and Ethics, any employee who, in good faith, reports a violation or possible violation of the Corporation's Code of Business Conduct and Ethics is protected against retaliatory behavior. The Corporation is not permitted to fire, demote, suspend, harass or discriminate against any employee who lawfully provides information to, or otherwise assists or participates in, any investigation or proceeding by a U.S. regulatory or law enforcement agency, any member of the U.S. Congress or a Congressional committee or the employee's manager, relating to what the employee reasonably believes is a violation of the Corporation's Code of Business Conduct and Ethics. No officer or employee of the Corporation is permitted to take any such retaliatory action.

6. Director Compensation.

The compensation of directors shall be reviewed periodically by the Compensation Committee. In this regard, the Compensation Committee may request that the management of the Corporation report to that Committee periodically on the status of the Board's compensation in relation to the Corporation's competitors and other similarly situated companies.

Any change to director compensation must be recommended by the Compensation Committee for approval by the Board.

7. Director Orientation and Education.

All new directors must be provided with these Corporation Governance Guidelines and the Corporation's Code of Business Conduct and Ethics and must participate in any orientation initiatives provided by the Corporation for new directors.

The Board will periodically receive presentations at Board meetings and periodic strategy sessions relating to the Corporation's business and operations, its strategic plans, its significant financial, account, litigation and risk management issues, and its compliance programs. Periodic presentation shall also be made to the Board on corporate governance, the fiduciary duties and responsibilities of directors, legal and regulatory developments, as well as any other matters of significance to the Board.

8. Succession Planning.

A. Succession Planning. The Board shall be responsible for the succession planning for the position of Chief Executive Officer, with the assistance of the Compensation Committee. This Committee shall review plans for succession with input from the Chief Executive Officer and the Corporation's Human Resource Department, and shall be provided with an annual report on succession planning and any development recommendations for key individuals.

B. Chairperson and Chief Executive Officer Positions. A Chairperson of the Board may be, but is not required to be, appointed. The offices of Chairperson of the Board and Chief Executive may at times be combined or be separated. The Board shall exercise discretion in combining or separating the two positions, in light of prevailing circumstances.

9. Annual Evaluations.

A. Board Self-Evaluation. The Nominating Committee will lead the Board in an annual self-evaluation process to determine whether the Board and its committees are functioning effectively. The Nominating Committee is responsible for receiving comments from the Board, reviewing them and reporting annually to the Board an assessment of the Board's performance. The Board will discuss the evaluation report annually. The assessment will focus on the Board's contribution to the Corporation and emphasize those areas in which the Board believes a better contribution could be made. The Nominating Committee will establish the criteria to be used in such evaluations.

B. Review of Board's Core Competencies and Composition. The Nominating Committee shall also be responsible for reviewing with the Board, on an annual basis, the skills and characteristics of the Board and the composition of the Board as a whole. This assessment should include an analysis of the Board's core competencies, including understanding of the laws and regulations affecting the corporation's business, financial and operating expertise, integrity, wisdom, judgment, commitment to excellence, business experience and acumen, skills diverse perspectives and availability. As a result of this assessment, the Nominating Committee will determine whether consideration should be given to any change in the Board's membership.

C. Committee Self-Evaluation. Each of the Audit Committee, the Compensation Committee and the Nominating Committee will perform an annual review of such Committee's performance, including a review of such Committee's compliance with its charter. Each such Committee shall conduct such evaluation and review in such manner as it deems appropriate and report the results of the evaluation to the Board.

10. Code of Business Conduct and Ethics.

The Board of Directors has adopted a Code of Business Conduct and Ethics, as required by the applicable provisions of the NYSE Listed Company Manual. The Nominating Committee will periodically review the Code of Business Conduct and Ethics and propose modifications to the Board for consideration as appropriate in consultation with the Corporation's management.

11. Revisions to these Corporate Governance Guidelines.

The Nominating Committee will review these Corporate Governance Guidelines periodically and will recommend to the Board such revisions, as it deems necessary or appropriate for the Board to discharge its responsibilities more effectively.

* * * * *

EXHIBIT A

HORIZON LINES, INC

BOARD OF DIRECTORS

BOARD CANDIDATE GUIDELINES

The Board of Directors of the Corporation (the “Board”) should be composed of individuals who have demonstrated notable or significant achievements in business, education, or public service. In addition, each director candidate should possess the requisite intelligence, education and experience to make a significant contribution to the membership of the Board and bring a range of skills, diverse perspectives and backgrounds to the deliberations of the Board. Importantly, each director candidate must have the highest ethical standards, a strong sense of professionalism and dedication to serving the interests of all the stockholders and be able to make himself or herself available to the Board in the fulfillment of his or her duties. For each director candidate (if any) who is also an employee of the Corporation, the director candidate should be a member of the senior management of the Corporation who has been or is in a position to have a broad base of information about the Corporation and its business.

The overall ability and experience of each director candidate should determine his or her suitability. However, the following attributes and qualifications should be considered in evaluating the candidacy of an individual for election or appointment as a director:

Management and Leadership Experience – Each director candidate must have extensive experience in business, education, or public service,

The experience of candidates from the different fields of business, education, or public service should be measured as follows:

Candidates from the Field of Business. The director candidate is or has been the Chief Executive Officer, Chief Operating Officer or Chief Financial Officer of, or holds or has held a senior managerial position in, a major public corporation, recognized privately held entity or recognized shipping or transportation company or maritime-related services company.

Candidates from the Field of Education. The director candidate holds or has held either a significant position at a prominent educational institution comparable to the position of university or college president and/or dean of a school within the university or college or a senior faculty position in an area of study important or relevant to the Corporation.

Candidates from the Field of Public Service. The director candidate has held one or more elected or appointed senior positions in the U.S. federal government or agency, any U.S. state government or agency or any non- U.S. governmental entity or holds or has held one or more elected or appointed senior positions in a highly visible nonprofit organization.

Skilled and Diverse Background – The director candidate must bring a desired range of skills, diverse perspectives and experience to the Board.

The following attributes should be considered in assessing the contribution that the director candidate would make as a member of the Board of Directors.

Financial Literacy. The director candidate's understanding of financial reporting and internal control principles or financial management experience so as to bring desirable knowledge and skills to the Board.

Knowledge of the Duties of Director. The director candidate's aptitude and/or experience to understand fully the legal responsibilities of a director and governance processes of a public company (which is an essential factor).

No Interlocking Directorships. The director candidate should not have any interlocking relationships that are prohibited by applicable law or would otherwise create a conflict of interest.

Integrity and Professionalism. The director candidate must have the highest ethical standards, a strong sense of professionalism, and be prepared to serve the interests of all the stockholders.

Personal Experience. The director candidate should be of the highest moral and ethical character. The candidate must exhibit independence, objectivity and willingness to serve as a representative of the Corporation's stockholders.

Individual Characteristics. The director candidate should have the personal qualities to be able to make a substantial active contribution to Board deliberations. These qualities include intelligence, self-assuredness, high ethical standards, inter-personal skills, independence, courage, a willingness to ask difficult questions, communication skills and commitment.

Availability. The director candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board membership.

Compatibility. The director candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Corporation.

United States Citizenship – A majority of the Board of the Corporation must be United States citizens. Therefore, the United States citizenship of a director candidate will be a relevant factor in determining his or her suitability for service.

rev.09.17.09