

SOURCE INTERLINK COMPANIES, INC.

Nominating and Corporate Governance Committee of the Board

CHARTER

Adopted February 28, 2005

I. Purpose

The Board of Directors (the "**Board**") of Source Interlink Companies, Inc., a Delaware corporation (the "**Company**") has, by resolution duly made and adopted, established and constituted a committee of its members to be designated the Nominating and Corporate Governance Committee (the "**Committee**"). The Committee shall: (1) identify and recommend qualified individuals to the Board for nomination as members of the Board, consistent with criteria approved by the Board; (2) develop and recommend to the Board a set of corporate governance principles; (3) lead the Board in its annual review of the Board's performance and oversee the evaluation of management; (4) recommend to the Board director nominees for the next annual meeting of stockholders; (5) recommend to the Board director nominees for each of its standing committees; and (6) undertake such other duties as may be delegated to it from time to time.

II. Structure

2.1 Number of Members. The number of directors constituting the Committee shall be not less than three as fixed from time to time by vote of the entire Board.

2.2 Appointment; Qualifications. Each member of the Committee shall be appointed by vote of the Board from those of its number. Each member of the Committee will be a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director. All members of the Committee shall be independent, including being free of disallowed compensation agreements, under all applicable laws, rules and regulations, including those promulgated by the U.S. Securities and Exchange Commission ("**SEC**") and by the principal national securities exchange or national securities association on which the Company's securities are listed.

Committee members shall hold office until the next Annual Meeting of the Board, or until their successors shall have been duly appointed and qualified. Notwithstanding any other provision herein, any member of the Committee may be removed at any time upon the vote of the Board.

2.3 Meetings. The Committee shall hold meetings in accordance with the Company's Bylaws. The Committee shall meet at such times as it determines to be necessary or appropriate, but not less than two times each year, and shall report to the Board at the next Board meeting following each such Committee meeting. The Committee may invite the Chairman of the Board, the chief executive officer or others to attend all or a portion of the committee meetings. Management should, however, be absent from any discussion or review where the performance of such persons is determined. The Committee shall have the opportunity at each regularly scheduled meeting to meet in executive session without the presence of management.

III. Authority and Responsibilities

3.1 Board and Executive Oversight.

(a) The Committee shall evaluate, review and provide an annual assessment of the Board regarding the overall effectiveness of the organization of the Board (including with regard to the appropriate size, functions and needs of the Board), the performance of the Board and its committees, the conduct of its business and the relationship between the Board and management. The annual assessment shall be discussed with the full Board following the end of each fiscal year.

(b) The Committee shall oversee and assist the Board in annually reviewing with the Chairman and Chief Executive Officer the job performance and evaluation of elected corporate officers and other senior executives.

(c) The Committee shall develop and recommend to the Board a set of corporate governance principles for the Company, review those principles at least annually, ensure that management has established a system to enforce them, review management's monitoring of the Company's compliance with them, and recommend any proposed changes to the Board as the Committee deems advisable.

(d) The Committee shall oversee and review on a periodic basis the continuing education program for directors and the orientation program for new directors.

(e) The Committee shall formulate and recommend to the Board for adoption a policy regarding attendance of directors at annual meetings of the Company's stockholders. The policy may provide for attendance of directors by appropriate means of electronic conferencing.

(f) The Committee shall review the outside activities of, and consider questions of possible conflicts of interest of, Board members and senior executives.

3.2 Recommendations Regarding Board Membership.

(a) The Committee shall establish the criteria for membership on the Board. Such criteria should cover, among other things, diversity, experience, skill set and the ability to act on behalf of stockholders.

(b) The Committee shall formulate a process to identify candidates for nomination as directors. This process shall at a minimum:

(i) reflect the minimum qualifications that in the view of the Committee are required for membership on the Board;

(ii) reflect any additional qualifications that in the view of the Committee are required of one or more members of the Board;

(iii) provide for the consideration of the qualifications, performance and contributions of incumbent Board members who consent to re-election;

(iv) provide for the identification and evaluation of potential nominees for positions for which the Committee does not select qualified incumbents for re-election; and

(v) provide for appropriate documentation of the nominations process.

(c) The Committee shall identify candidates believed to be qualified to become Board members, conduct appropriate inquiries into the backgrounds and qualifications of such individuals and recommend to the Board the nominees to stand for election as directors at the annual meeting of stockholders. In the case of a vacancy in the office of director, the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by stockholders.

(d) The Committee shall recommend to the Board the membership of any committee of the Board and identify and recommend Board members qualified to fill vacancies on any committee of the Board.

(e) The Committee shall assist the Board in assessing whether individual members of the Board are independent under all applicable laws, rules and regulations, including those promulgated by the U.S. Securities and Exchange Commission ("**SEC**") and by the principal national securities exchange or national securities association on which the Company's securities are listed.

(f) The Committee shall establish director retirement policies.

3.3 *Stockholder Communication Matters.*

(a) The Committee shall formulate and recommend for adoption to the full Board a policy regarding consideration of nominees for election to the Board who are recommended by stockholders of the Company. The policy shall state at a minimum that the Committee will consider candidates nominated by stockholders of the Company. The policy shall contain any other elements that the Committee deems appropriate. These elements may include requirements relating to share ownership of recommending stockholders, qualifications of recommended candidates and compliance with procedures for submission of recommendations. In addition, the policy shall include requirements and specifications relating to:

- (i) the timing for submission of recommendations;
- (ii) the manner of submission of recommendations;
- (iii) information required to be provided concerning the recommending stockholder;
- (iv) information required to be provided concerning the proposed nominee;
- (v) the consent of the proposed nominee to be contacted and interviewed by the Committee; and
- (vi) the consent of the proposed nominee to serve if nominated and elected.

(b) The Committee shall review Board candidates recommended by stockholders.

(c) The Committee shall formulate procedures for stockholders to send communications to the Board in order to facilitate stockholder communications with the Board. The

Committee shall also formulate procedures for interested parties to communicate with non-management directors. These procedures shall at a minimum include requirements and specifications relating to:

- (i) the manner in which communications may be sent to the directors;
 - (ii) any information required to be provided concerning the communicating stockholder or other party;
 - (iii) the process for collecting and organizing communications;
 - (iv) the process for determining which communications will be relayed to the directors;
 - (v) the manner and timing of delivery of communications to the directors;
- and
- (vi) in the case of communications to non-management directors, procedures for determining if and when such communications should be shared with management.

3.4 Ongoing Corporate Governance Matters.

(a) The Committee shall identify and bring to the attention of the Board and management current and emerging corporate governance trends, issues and best practices that may affect the business operations, performance or public image of the Company.

(b) The Committees shall review and make recommendations to the Board regarding Company policies concerning corporate and social issues important to the Company, including those raised by stockholder proposals.

3.5 Charter Review and Performance Evaluation.

(a) Not less frequently than annually, the Committee shall review and reassess the adequacy of this Charter, and, if necessary, revise this Charter periodically as conditions dictate and, upon any revision, submit the revised Charter to the Board for approval.

(b) The Committee shall work with the Board to establish and maintain a process for the annual evaluation of the performance of the Committee and, pursuant to such process, conduct an annual evaluation of the Committee.

3.6 Authority to Engage Advisors. The Committee is hereby vested with the authority to engage its own outside legal, compensation, labor, employment and other advisors, as it determines necessary to carry out its duties and responsibilities, including the sole authority to approve such advisors' compensation and other retention terms.

3.7 Funding. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisor or expert engaged by the Committee and for payment of ordinary administrative expenses of the Committee.

3.8 ***Miscellaneous.***

(a) The Committee may perform any other activities consistent with this Charter, the Company's Certificate of Incorporation and Bylaws, and applicable law, as the Committee deems appropriate or as requested by the Board.

(b) The Committee may delegate any of its authority, duties or responsibilities to one or more subcommittees as the Committee may deem appropriate, consistent with the Company's Certificate of Incorporation and Bylaws, and applicable law.