
PACER INTERNATIONAL, INC.

Corporate Governance Guidelines
of the
Board of Directors

As Adopted

on

August 2, 2005

and amended on March 13, 2006 and October 1, 2006

PACER INTERNATIONAL, INC.
CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Pacer International, Inc. (the “Company”) has adopted the guidelines and policies set forth below and, with ongoing input from the Corporate Governance Committee, will continue to assess their appropriateness and implement such changes necessary to promote the effective governance of the Company.

Role of Directors. The business and affairs of the Company will be managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director’s responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and the Committees on which he or she serves and review all materials distributed in advance of such meetings. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or of the appropriate Committee before the meeting. Directors are expected to comply with applicable Company policies, including the Code of Ethics and Statement of Policy on Securities Trading.

Board Size. The Company’s Second Amended and Restated Bylaws provide that the Board will consist of no fewer than 3 and no more than 18 members. The Board’s guideline is to maintain a Board size of 6 to 10 members with no more than two management directors.

Director Independence. A majority of the members of the Board and all members of the Audit, Compensation and Corporate Governance Committees will be independent. An “independent” director means a director who is independent within the meaning of Nasdaq Marketplace Rule 4200(a)(15) and is free from any relationship that, 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. In addition, directors who serve on the Audit Committee must meet the heightened independence criteria applicable to audit committee members as set forth under the Charter of the Audit Committee, as in effect from time to time (the “Audit Committee Charter”). Directors who serve on other Committees of the Board will satisfy any additional independence requirements imposed by applicable law, regulation or stock exchange listing requirement or applicable Committee Charter. The Board, based on the recommendation of the Corporate Governance Committee, will determine the independence of the directors annually.

Board Membership Criteria. The Corporate Governance Committee is responsible for annually reviewing the composition of the Board and recommending, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole. The Corporate Governance Committee and the Board have established (and may revise periodically) criteria for evaluating the suitability of potential directors, will recommend to the Board director nominees consistent with approved criteria for selecting new directors, and will review the suitability for continued service of existing directors. The current criteria for evaluating nominees for director are set forth in the Policy on Nominations for Directors attached as Appendix A.

Director Tenure, Retirement and Succession. The Company does not impose formal term limits on its directors, although in general the Corporate Governance Committee believes that some turnover after ten to twelve years may facilitate ongoing changes to the Board structure. No director is eligible to be nominated as a director after his or her 72nd birthday.

Procedure for Director Not Elected by Majority Vote. If a nominee for director who is an incumbent director does not receive the vote of at least the majority of the votes cast at any meeting for the election of directors at which a quorum is present and no successor has been elected at such meeting, the director will promptly offer to resign from the Board. For purposes of these guidelines, a majority of votes cast means that the number of shares voted “for” a director’s election exceeds 50% of the number of votes cast with respect to that director’s election or, in the case where the number of nominees exceeds the number of directors to be elected, cast with respect to election of directors generally. Votes cast include votes to withhold authority in each case but exclude abstentions with respect to that director’s election, or, in the case where the number of nominees exceeds the number of directors to be elected, abstentions with respect to election of directors generally.

The Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the offered resignation, or whether other action should be taken. The Board will act on the offered resignation, taking into account the Corporate Governance Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the offered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Corporate Governance Committee in making its recommendation, and the Board in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who offers his or her resignation will not participate in the discussion or any recommendation of the Corporate Governance Committee or the decision of the Board with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board, such director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal.

If a director's resignation is accepted by the Board, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 3.9 or may decrease the size of the Board of Directors pursuant to the provisions of Section 3.2(a) of the Company's Second Amended and Restated By-laws.

Directors' Service on other Boards and Changes in Principal Occupation. Directors are expected to (1) advise the Chairman of the Board or the Chairman of the Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company and (2) report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board or the Chairman of the Corporate Governance Committee. Promptly following any such notice, the Corporate Governance Committee will review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Corporate Governance Committee's recommendation following such review. No member of the Audit Committee may serve on the audit committee of more than three public companies.

Officers' Service on Outside Boards. When the Company's Chief Executive Officer ("CEO") or another senior officer of the Company is invited to serve on outside boards of directors, the CEO or officer must present the issue to the Board for review and approval.

Number of Committees. The current standing Committees are the Audit Committee, Compensation Committee and the Corporate Governance Committee. The Board has the authority to create additional Committees.

Assignment and Rotation of Committee Members. The Corporate Governance Committee will be responsible for annually reviewing the Committee assignments and making recommendations to the Board regarding the size and composition of each standing Committee of the Board. After reviewing the Corporate Governance Committee's recommendations, the Board will be responsible for appointing Committee Chairs and members to the Committees on an annual basis.

Board and Committee Meeting Agendas. The directors and management of the Company may originate topics to be reported and acted upon at Board meetings that relate to the business and affairs of the Company and its subsidiaries. The Committee members and management of the Company may originate topics to be reported and acted upon at Committee meetings that relate to the responsibilities delegated to the Committee.

Distribution of Board Materials. Information and materials for Board consideration should be distributed to directors reasonably in advance of the meeting, with additional time provided when the complexity of an issue demands. Directors will preserve the confidentiality of proprietary material given or presented to the Board.

Board Presentations. The Board encourages broad management participation in Board presentations and the involvement of those managers who are directly responsible for the recommendations or other matters before the Board.

Conflicts of Interest. Directors must disclose to other directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

Executive Sessions of Non-Management Directors. Regularly scheduled sessions of non-management directors will be held at least twice per calendar year as part of scheduled Board meetings. The non-management directors will either select a non-management director to preside at each executive session or will establish a procedure by which the presiding director for each executive session will be selected.

Director Access to Management and Independent Advisors. The Company will provide each director with access to the management of the Company. The Board and Committees, as set forth in the applicable Committee Charter, will have the right to consult and retain independent counsel and other advisors at the expense of the Company as they deem reasonably necessary to discharge their duties under applicable law, provided however, that to enable the Company to maintain its internal control over expenditures, no such expense will be incurred by a director or a Committee without prior written notice to the Board or the CEO. However, in any event, the Audit Committee will have exclusive authority to engage and terminate the Company's independent auditors in accordance with the Audit Committee Charter.

Board Member Compensation. The Board periodically, but at least once each year, will review and set the compensation for non-management directors based on the recommendations of the Compensation Committee. Director compensation may include both cash and stock-based components, and will be fully disclosed in the annual proxy statement. Principles considered by the Committee in recommending the amount and form of director compensation include (1) the level of compensation necessary to attract and retain qualified directors; (2) compensation paid by peer companies; (3) the preservation of director independence; (4) the provision of incentives that encourage directors to act with the interests of shareholders in mind; and (5) the use of compensation to facilitate the directors' acquisition of an equity interest in the Company. Directors who are employees of the Corporation do not receive separate compensation for their service as a director.

Board Member Equity Ownership. The Board believes that directors should be shareholders and have a financial stake in the Company. While the Board does not believe it appropriate to specify the level of share ownership for individual directors, it is anticipated that each director will develop an ownership position in the Company over time.

Director Orientation and Continuing Education. Upon election of the Board, new members will be provided with materials on the operations, finances, governance and business plan of the Company and will have the opportunity to visit major facilities and to meet informally with members of senior management. The Board encourages directors to periodically attend appropriate programs and sessions and obtain and review appropriate materials to assist them in performing their Board responsibilities.

Discussions with Investors or the Public. Except in unusual circumstances or as required by Committee Charters or as requested by senior management, directors are expected to follow the principle that senior management, as opposed to individual directors, provides the public voice of the Company. Directors receiving inquiries from institutional investors, the press or others should refer them to the CEO, the Chief Financial Officer or other appropriate officer of the Company.

Evaluation of the CEO. The performance of the CEO will be evaluated annually. A questionnaire and business objectives summary is distributed to all non-management directors annually for purposes of evaluating the CEO. The questionnaire, not a recorded item, provides each director the opportunity to assess individual elements of performance in major categories such as leadership, strategic planning, financial performance, operations, human resources, external relations and communications, and Board relations. The questionnaire and business objectives summary will serve as the basis for discussion, led by the Chair of the Compensation Committee, during an executive session, of the Board regarding CEO performance for the year. The Compensation Committee is responsible for reviewing and approving the base salary for the CEO, approving the bonus opportunity and bonus plan applicable to the CEO and awarding any equity-based compensation to the CEO. The Chairs of the Corporate Governance Committee and the Compensation Committee will review with the CEO the results of this evaluation process.

Succession Planning. The CEO will report periodically to an executive session of the Board on succession planning, including an assessment of senior managers, their potential successors and such person's potential to succeed the CEO and/or such senior managers. The CEO will also make available, on a continuing basis, the CEO's recommendation concerning who should assume the CEO's role in the event the CEO becomes unable to unwilling to perform his or her duties.

Evaluation of Board and Committee Performance. The Board and its Committees, to the extent required by their respective Charters, will conduct self-evaluations annually to assess their performance and will evaluate annually the adequacy their respective Charters. The Board and Committee evaluation process will involve the distribution of self-assessment questionnaire to all Board and Committee members that invite written comments on the Board and each Committee's processes. The evaluations are then summarized and serve as the basis for a discussion of Board and Committee performance and any recommended changes to the respective Committee Charter, Board or Committee processes or policies or other improvements. Each Committees, to the extent required by its Charter, will report the results of its self-evaluation to the Board.

Strategic Planning Review. Management will present periodically the Company's strategic plan to the Board for its review and assessment, and the Board will make such recommendations to management regarding the strategic plan as it deems necessary.

Annual Review of Guidelines. The Corporate Governance Committee will review these guidelines periodically (at least annually) to assure that they are appropriate for the Company and comply with the requirements of Nasdaq, and to recommend any desirable changes to the Board.

Amendments. These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Corporate Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the Nasdaq Stock Market.



PACER INTERNATIONAL, INC.
POLICY ON NOMINATIONS FOR DIRECTOR

The selection of each nominee for director of Pacer International, Inc. (the “Company”) shall, as required by NASD Marketplace Rules, be recommended to the Board by the Corporate Governance Committee (which consists of a majority of the independent directors (as independence is defined under applicable NASD Marketplace Rules) and approved by the Board.

In selecting a nominee for director, the Corporate Governance Committee and the Board will consider the following criteria:

1. whether the nominee would be “independent” (as independence is defined in Rule 4200(a)(15) of the NASD Marketplace Rules), would meet the heightened independence requirements for service on the Audit Committee and would not have a relationship, which in the opinion of the Board, would interfere with exercise of independent judgment in carrying out the responsibilities of a director;
2. whether the nominee has the personal attributes for successful service on the Board, such as demonstrated character and integrity; experience at a strategy/policy setting level; high-level managerial experience in a relatively complex organization, or experience dealing with complex problems; an ability to work effectively with others; and sufficient time to devote to the affairs of the Corporation;
3. whether the nominee would be considered a "financial expert" or "financially literate" as described in applicable listing standards or legislation (as incorporated into the Audit Committee guidelines);
4. whether the nominee has been the chief executive officer or senior executive of a public company or a leader of a major complex organization, including industry groups or governmental organizations;
5. in recognition of the Corporation’s strategy to leverage its diverse portfolio of transportation services, whether the nominee has senior level experience in providing or buying transportation services in one or more segments of the transportation industry, including those segments in which the Company engages or proposes to engage;
6. whether the nominee, by virtue of particular experience, technical expertise or specialized skills or contacts relevant to the Corporation's current or future business, will add specific value as a Board member;
7. whether the nominee possesses such knowledge, experience, skills, expertise and diversity so as to enhance the Board's ability to manage and direct the affairs and business of the Corporation;
8. whether any nominee who is an existing director continues to be suitable for continued service; and
9. whether there are any other factors related to the ability and willingness of a new nominee to serve, or an existing Board member to continue his/her service.

There are no specific minimum qualifications that a candidate for director must meet in order to be recommended for Board membership. Rather the Corporate Governance Committee and the Board will evaluate the mix of skills and experience that the candidate offers, consider how a given candidate meets the Board's current expectations with respect to each such criterion and make a determination regarding whether a candidate should be recommended to the shareholders for election as a director.

The Corporate Governance Committee and the Board will consider nominees for director suggested by shareholders. In considering potential nominees suggested by shareholders, the Corporate Governance Committee and Board will use the same evaluation criteria discussed above that it uses to evaluate candidates suggested by management, other directors, executive search firms or other sources of referral.

Any shareholder wishing to suggest a candidate for director should write to the Corporate Secretary, at the Company's offices in Concord, CA, and include: (1) a statement that the writer is a shareholder and is proposing a candidate for consideration by the Corporate Governance Committee, (2) the name, age and contact information for the candidate, (3) a statement of the candidate's business and educational experience, (4) to the extent practicable, information regarding each of the factors listed above sufficient to enable the Corporate Governance Committee to evaluate the candidate, (5) information about any relationship or understanding between the proposing shareholder and the candidate, and (6) a statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected.

The Board acknowledges that the Corporation's Second Amended and Restated Bylaws adopted on May 25, 2002, establish deadlines and procedures that a shareholder must follow to nominate a director. The Board confirms that shareholders who wish to nominate a candidate for director must comply with the procedures and requirements set forth in the Bylaws.

As adopted by the Board of Directors of
Pacer International, Inc., on January 27, 2004
and amended and ratified
by the Corporate Governance Committee on
February 1, 2005 and February 8, 2006.