



SEDONA
CORPORATION

SEDONA NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

I. PURPOSE

The primary function of the Corporate Governance Committee (the "**Committee**") of Sedona Corporation (the "**Corporation**") is to assist the Board of Directors (the "**Board**") in fulfilling its oversight responsibilities in connection with corporate governance practices. In this regard, the Committee shall be guided by the fundamental corporate policy that all corporate business be conducted with honesty and integrity and in compliance with all applicable laws and regulations. The Committee has been organized and empowered by the full Board in order to:

- Serve as an independent and objective component of the Board to ensure Board stewardship of its responsibilities to shareholders and all other constituencies consistent with best corporate governance practices;
- Monitor, review and appraise regularly the corporate governance systems of checks and balances, including the Corporation's code of ethics and standards of conduct program; and
- Ensure continuous leadership of the corporation through the Board membership nominating process and associated procedures.

II. COMPOSITION

The Committee is to be comprised of three or more directors each of who, in the judgment of the Board, has experience that would be valuable in providing broad direction to the Board on all matters related to corporate governance and who qualify as independent directors under the listing standards of the NASDAQ/OTCBB. The members of the Committee are to be elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal by the Board. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership on an annual basis. The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate, to the extent permitted by applicable law, regulation or listing standard.

III. MEETINGS

The Committee shall meet at least four times annually. The Committee shall meet each year to nominate the slate of Directors for approval by the full Board and subsequent submission to stockholders in connection with the Annual Meeting of Stockholders of the Corporation. The Committee shall meet at such additional times as determined necessary or advisable by the Chair of the Committee or a majority of the Committee. Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting.

IV. RESPONSIBILITIES AND DUTIES

In furtherance of the Committee's purpose, and in addition to any other responsibilities which may be properly assigned by the Board, the Committee shall have the following responsibilities and duties:

1. Recommend Board composition and size.
2. Define and recommend necessary criteria for Board membership.
3. Identify individuals qualified to become Board members.
4. Recommend selection processes and procedures for identifying, recruiting, attracting and retaining Board members, and implementation of such processes approved by the Board.
5. Nominate a slate of Directors for approvals by the Board and by the stockholders in connection with Annual Meeting of Stockholders, in compliance with corporate organizational documents and applicable law and the NASDAQ/OTCBB listing standards.
6. Review stockholder nominations for candidacy to the Board, if any, and make recommendations to the Board accordingly.
7. Develop and evolve overall corporate governance principles, procedures and practices of the Corporation for continuous improvement purposes including but not limited to the Corporation's Code of Ethics and Standards of Conduct.
8. Establish and recommend, with consideration of the requirements of the NASDAQ/OTCBB, to the Board all standards of independence for corporate governance purposes, review potential conflicts involving those independence standards and make recommendations to the Board on the resolution of all such matters.
9. Annually review and report to the Board on the effectiveness of corporate governance procedures and the Board as a governing body, including coordinating self-assessment of the Board both collectively and individually.

10. Maintain sole authority to retain and 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.
11. Periodically review this Charter, the Corporation's Certificate of Incorporation and Bylaws and the charters of any committee of the Board, including the Audit Committee Charter and the Compensation Committee Charter, and recommend any changes or amendments to the committee concerned and to the Board, as the Committee deems appropriate, including changes necessary to satisfy any applicable requirements of the NASDAQ/OTCBB, the Securities and Exchange Commission ("SEC") and any other legal or regulatory requirements.
12. Review the Corporation's code of ethics and standards of conduct program at least once annually, and report on any amendments that may be needed to that program. Periodically review the effectiveness of the Corporate Code of Ethics and Standards of Conduct with the Corporate and Compliance Ethics Officer, including meeting (in person or teleconference) at least semi annually for Ethics and Compliance review purposes, the training of corporate employees and consultants, the monitoring and auditing programs implemented to ensure compliance with the code of ethics and standards of conduct program, and the response to complaints received by the Corporation (and actions taken thereon) regarding compliance with legal or regulatory requirements or the Corporation's Code of Ethics and Standards of Conduct.
13. Review, with the Corporation's counsel, legal compliance matters and any legal matter that could have a significant impact on the Corporation.
14. Retain and determine compensation for, at the Corporation' expense, special outside legal, accounting, or other advisors or consultants, as it deems necessary or appropriate in its sole discretion in order to perform the duties of the Committee.
15. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
16. To do every other act incidental to, arising out of or in connection with, or otherwise related to, the authority granted to the Committee hereby or the carrying out of the Committee's duties and responsibilities hereunder.
17. Notwithstanding any of the foregoing, the legal liability of any of the Committee members shall be no greater than that of other members of the Board.

V. EVALUATION OF THE COMMITTEE

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and

recommendation presented by the Committee to the Board, the manner in which they were discussed or debated, and 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. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies, such changes shall include any modifications necessary to satisfy any applicable requirements of the NASDAQ/OTCBB, the SEC and any other legal or regulatory requirements.

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