

HALIFAX CORPORATION

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE **CHARTER**

I. Purpose

There shall be a committee of the board of directors (the “Board”) known as the Nominating and Corporate Governance Committee (the “Committee”) of Halifax Corporation (the “Company”). The Committee is responsible for developing and recommending to the Board a set of corporate governance policies for the Company, establishing criteria for selecting new directors, and identifying, screening and recruiting new directors. The Committee will also recommend to the Board nominees for directors and for committee membership.

II. Composition

The Committee shall be comprised of three or more members, all of whom must qualify as independent directors (“Independent Directors”) under the American Stock Exchange Company Guide (the “AMEX Company Guide”).

Notwithstanding this independence requirement, if the Committee is comprised of at least three members, one director, who is not independent as defined in Section 121 of the AMEX Company Guide, and is not a current officer or employee of the Company or a Family Member (as defined in the commentary of Section 121 of the AMEX Company Guide) of such person, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that such individual’s membership on the committee is required by the best interests of the Company and its shareholders, and the Board discloses, in the next annual meeting proxy statement subsequent to such determination, the nature of the relationship and the reasons for the determination (or Form 10-K if the Company does not file a proxy statement). A member appointed under this exception may not serve longer than two years.

The Committee members shall be appointed by the Board. The Board shall appoint one member of the Committee as chairperson. If the Board fails to elect a chairperson, the Committee members shall elect a chairperson from their members. The chairperson shall be responsible for leadership of the Committee, including overseeing the agenda, presiding over the meetings and reporting to the Board. If the Committee chairperson is not present at a meeting, the remaining members of the Committee may designate an acting chairperson.

The members of the Committee shall serve for a term of one year or until their successors shall be appointed and qualified. No member of the Committee shall be removed except by majority vote of the full Board. The Board shall have the authority to fill vacancies or add additional members to the Committee.

A member shall promptly notify the Committee and the Board if the member is no longer an Independent Director and such member shall be removed from the Committee unless the Board determines that an exception to the Independent Director requirement is available under the AMEX Company Guide with respect to such member's continued membership on the Committee.

III. Meetings and Procedures

Consistent with the Company's Articles of Incorporation, Bylaws and applicable state law, the following shall apply:

- The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter.
- The Committee shall meet at least annually and more frequently as circumstances require. One or more meetings may be conducted in whole or in part by telephone conference call or similar means if it is impracticable to obtain the personal presence of each Committee member. The Company shall make available to the Committee, at its meetings and otherwise, such individuals and entities as may be designated from time to time by the Committee.
- The chairperson of the Committee or a majority of the members of the Committee may call special meetings of the Committee.
- The chairperson, in consultation with other members of the Committee, shall set the length of each meeting and the agenda of items to be addressed at each meeting and shall circulate the agenda to each member of the Committee in advance of each meeting.
- A majority of the members of the Committee shall constitute a quorum.
- The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee and/or provide such pertinent information as the Committee requests, except that no director of the Company shall participate in discussions at which that director's nomination or committee selection is being discussed.
- The Committee shall keep written minutes of its meetings, which minutes shall be maintained by the Company with the books and records of the Company. The chairperson may designate an officer or employee of the Company to serve as secretary to the Committee.

IV. Responsibilities and Duties of the Committee

The Committee has the following duties and responsibilities:

Selection of Director Nominees and Committee Membership

- Determine what types of backgrounds are needed to help strengthen and balance the Board and establish the process for identifying and evaluating nominees for director, including but not limited to establishing criteria for selecting new directors.
- Determine the minimum qualifications that must be met by the Committee recommended candidates.
- Authority to conduct background and qualifications checks of persons the Committee wishes to recommend to the Board as candidates or to fill vacancies as determined necessary by the Committee in its discretion.
- Conduct director evaluations prior to nomination of incumbent directors for election.
- Recommend to the Board the slate of nominees of directors to be proposed for election at the shareholders' meeting and recommend to the Board individuals to be considered by the Board to fill vacancies. Approvals should follow a review by the Committee of the performance and contribution of fellow directors as well as the qualifications of proposed new directors.
- Recommend to the Board those directors to be selected for membership on the various Board committees. Recommendations should consider the qualifications for membership on each committee, whether the candidate will be able to devote the requisite time to the Committee, the extent to which there should be a policy of periodic rotation of directors among the committees, and any limitations on the number of consecutive years a director should serve on any one Board committee.
- Establish policies regarding the consideration of director candidates recommended by shareholders.
- Establish procedures to be followed by shareholders in submitting recommendations for director candidates.

Development and Implementation of Policies Regarding Corporate Governance Matters

- Recommend to the Board policies to enhance the Board's effectiveness, including with respect to the distribution of information to Board members, the size and composition of the Board, and the frequency and structure of Board meetings.
- Develop and review periodically, and at least annually, the corporate governance policies of the Company to ensure that they are appropriate for the Company and that policies of the Company comply with applicable laws, regulations and listing standards, and recommend any desirable changes to the Board.

- Administer the Code of Business Conduct and Ethics for directors, officers and employees.
- Consider any other corporate governance issues that arise from time to time, and recommend appropriate actions to the Board.
- Assist management in the review of director and officer liability insurance requirements and the alternative methods available for satisfying them.

Succession Planning and Other Matters

- Make recommendations to the Board with respect to potential successors for key management positions.
- Obtain advice and assistance from internal or external legal or other advisors as required for the performance of its duties.
- Review the Committee's performance annually with respect to its evaluation of its performance.
- Review and reassess the adequacy of this Charter on an annual basis and recommend to the Board any appropriate changes.
- Report regularly to the Board.
- Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board.

V. Investigations and Studies; Outside Advisors

The Committee may conduct or authorize investigations into or studies of matters within the scope of the Committee's duties and responsibilities, and may retain, at the Company's expense, such experts and other professionals as it deems necessary. The Committee shall have the sole authority to retain or terminate any search firm to be used to identify and evaluate director candidates, including sole authority to approve the search firm's fees and other retention terms, such fees to be borne by the Company.