



Nominating Committee Charter of the Board of Directors of Proginet Corporation

Dated: June 1, 2004

I. Purpose

The Nominating Committee (the “Committee”) is a committee of the Board of Directors of Proginet (the “Company”). The purpose of the Committee is to review and make recommendations to the Board of Directors on matters concerning, Board compensation, evaluation and nominations. The Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

II. Memberships

The Committee shall consist of no fewer than two members of the Board of Directors, one of whom shall be “independent” under applicable law and stock exchange regulations, and shall be a non-employee director, as defined in Rule 16b-3 under the Securities Exchange Act of 1934, or any successor regulations. Members of the Committee shall be selected by the Board at the meeting of the Board as soon as possible following the Company’s Annual Meeting of Stockholders for terms of one year, or until their successors are duly elected and qualified

III. Responsibilities

The Committee has the following specific duties:

A. Board Composition, Evaluations and Nominating Activities

1. Oversee the Board evaluation process including conducting periodic evaluations of the performance of the Board as a whole;
2. Review the composition and size of Board and determine the criteria for Board memberships including issues of character, judgment, diversity, independence, expertise, corporate experience, length of service, other commitments and the like;
3. Evaluate the performance of Board members eligible for re-election and recommend the Director nominees for election to the Board by the stockholders at the annual meeting of stockholders;
4. Identify, consider and recommend candidates to fill new positions or vacancies on the Board, and review any candidates recommended by stockholders in accordance with the bylaws; in performing these duties, the Committee shall have the authority to retain and terminate any search firm to be used to identify Board candidates and shall have authority to approve the search firm’s fees and other retention terms;
5. Evaluate director compensation, consulting with outside consultants, as appropriate, and/or with the Human Resources department where appropriate, and make recommendations to the Board regarding director compensation;
6. Make recommendations for continuing education of Board members.

B. Selection and Replacement of Directors

An important element of the board succession plan is making sure that the board has the energy and expertise it needs to participate constructively in developing the strategy, monitoring its progress, and revising it as necessary. As such, every board needs a significant number of independent, non-employee directors who can actively and effectively contribute to the corporation's strategy.

Every board should strive to achieve the "right mix" of directors. The nominating committee of the board can be helpful in making sure that this mix will be maintained as directors change, and as the corporation grows and changes focus in response to changes in its business climate. Directors may become less capable or less available as time passes due to health changes, or perhaps more frequently, changes in their primary occupations or other responsibilities. Equally likely, the corporation itself may change. It may evolve to a new stage in its business, or its industry may change, making new types of director experience more relevant. With respect to a key product, the corporation may move from the initial product development state to the marketing cycle, which may require directors with marketing experience.

It is not always a natural impulse to phase out existing directors and replace them with new ones; CEO's and directors alike may be leery of changing the "chemistry" of their board by finding new directors. But such changes are essential to meet new challenges. For example, many boards today are finding that they need members with experience in e-commerce, a field that barely existed five years ago. To add such expertise, a board must either become larger, or move some directors off the board to make room.

At least some directors should have a "history of success" in developing and executing a winning strategy.

At least some directors should have relevant industry knowledge.

Every director should have time to be a good director.

In performing its duties, the Committee shall have the authority to obtain advice, reports or opinions from internal or external legal counsel and expert advisors.

The Committee may form and delegate authority to subcommittees when appropriate.

IV. Meetings:

The Committee will meet a minimum of two times a year. Special meetings may be convened as required. The Committee may invite to its meetings other Directors, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities.

V. Minutes:

The Committee will maintain written minutes of its meetings, which will be filed with the minutes of the meetings of the Board of Directors.

VI. Reports:

The Chair of the Committee shall make regular reports to the full Board on the actions and recommendations of the Committee.