

CODORUS VALLEY BANCORP, INC.

**CORPORATE GOVERNANCE
AND
NOMINATING COMMITTEE CHARTER
OF THE
BOARD OF DIRECTORS
ADOPTED
FEBRUARY 24, 2004**

I. AUTHORIZATION

Pursuant to Codorus Valley Bancorp, Inc.'s (the "Corporation") Bylaws, the Board of Directors (the "Board") has passed resolutions that authorize the formation of a Nominating and Governance Committee of the Board of Directors (the "Committee").

II. PURPOSE

To provide continuing assistance to the Board regarding matters relating to governance, performance and composition of the Board.

III. MEMBERSHIP AND STRUCTURE

The Committee shall be composed of five or more directors. Members of the Committee shall be appointed and removed by the Board. All members of the Committee shall be independent and meet the applicable independence requirements of the Nasdaq National Market.

The Committee shall meet as needed at stated times without notice or on notice to all by order of the Chairman of the Board of Directors.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees, in accordance with applicable law, as the Committee may deem appropriate in its sole discretion.

The Committee shall report its actions and recommendations to the Board via written minutes after each Committee meeting.

The Committee shall have the authority to retain any search firm to assist in identifying director candidates and to retain outside counsel and any other advisors, as the committee may deem appropriate, in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

1. identify individuals qualified to become Board members, who reflect the criteria as specified by the Board;
2. recommend to the Board nominees to fill vacancies on the Board and the nominees to stand for election as directors at the next annual meeting of shareholders (or, if applicable, a special meeting of shareholders);
3. develop and recommend to the Board the Corporate Governance Guidelines of the Corporation and any proposed changes to such practices;
4. periodically review and assess Board and management performance and lead the Board self-evaluation process;
5. annually review and assess the Committee's performance and charter and propose changes to the charter to the Board.