

# DAKTRONICS BOARD OF DIRECTORS AUDIT COMMITTEE CHARTER

(as Amended and Restated effective February 19, 2016)

## 1. Purpose.

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Daktronics, Inc., (the "Company") shall be to assist the Board in its oversight responsibilities to the shareholders, potential shareholders, the investment community and others relating to the integrity of the financial statements and related filings of the Company; the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures; and the independence, appointment, compensation, performance and qualifications of the Company's independent registered public accounting firm (the "Independent Auditor,").

## 2. Composition.

The Committee shall consist of a minimum of three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. All members of the Committee shall be independent directors in compliance with the applicable rules and regulations, including those of the Securities and Exchange Commission ("SEC") and The NASDAQ Stock Market ("Nasdaq"), as amended or supplemented from time to time, including, without limitation, Section 10A(m)(3) of the Securities Exchange Act of 1934 ("Exchange Act"). Furthermore, all members shall meet the experience requirements of the SEC and Nasdaq and shall have sufficient financial, accounting and legal experience and ability to enable them to discharge their responsibilities at the time of their appointment to the Committee. At least one member shall be an "audit committee financial expert," as defined by the applicable rules and regulations of the SEC and Nasdaq. The Chairman of the Audit Committee shall be appointed by the Board.

Although the Committee has the responsibilities set forth in this charter, it is not the duty of the Committee to prepare the Company's financial statements, determine that the Company's financial statements are complete and accurate and prepared in accordance with United States generally accepted accounting principles ("GAAP") and any other applicable accounting principles or standards, establish and maintain the Company's internal control over financial reporting and disclosure controls and procedures, or assure the Company's compliance with laws and regulations, all of which are the responsibility of the Company's management, or to audit the Company's financial statements or the effectiveness of the Company's internal control over financial reporting, which is the responsibility of the Company's Independent Auditor.

## 3. Functions.

In furtherance of these purposes, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and shall have the following authority and responsibilities:

- 3.1 To discuss with management and the Independent Auditor the audited annual financial statements and unaudited interim financial statements and related SEC filings, including matters required to be reviewed under applicable legal, regulatory or other applicable requirements, and recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K filed with the SEC. The Committee shall obtain assurance from the Independent Auditor that each audit of the Company's financial statements and its internal control over financial reporting, and each review of the Company's interim financial information, was conducted in accordance with the relevant professional standards. The Committee shall review and periodically evaluate the performance of the lead audit partner of the Independent Auditor and assure the regular rotation of the lead audit partner and the audit partner responsible for reviewing the audit, as required by law.
- 3.2 To review and discuss with management and the Independent Auditor, as appropriate, earnings press releases, financial information and earnings guidance to be provided to the public prior to dissemination.
- 3.3 To exercise its sole authority and responsibility to select, evaluate and, if necessary, replace the Independent Auditor, whose purpose is to audit the Company's financial statements and the effectiveness of the Company's internal control over financial reporting.. In connection with the annual selection of the Independent Auditor, and prior to each audit review, the Committee will discuss with the Independent Auditor the overall scope and plans for the Independent Auditor's audit, including the adequacy of staffing and compensation. The Committee shall have the sole authority to approve all audit engagement fees and terms, and the Committee, or a member of the Committee to whom the Committee has delegated such authority, must pre-approve any non-audit service to be provided to the Company by the Company's Independent Auditor as well as certain services provided by other auditing firms, except that the Committee shall not approve the engagement of the Independent Auditor to perform services not allowed under then current laws or regulations. The Independent Auditor shall report directly to the Committee. The Committee shall recommend to the Board that the Board submit the Committee's appointment of the Independent Auditor to the Company's shareholders for ratification.
- 3.4 To ensure receipt from the Independent Auditor of a formal written statement delineating (a) all relationships between the Independent Auditor and the Company and any other independence disclosures, consistent with applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") regarding the Independent Auditor's communications with the audit committee concerning independence (as they may be modified or supplemented); (b) the Independent Auditor's internal quality control procedures; (c) any material issues raised by the most recent internal quality control review, peer review, or PCAOB inspection of the Independent Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more

independent audits carried out by the Independent Auditor, and any steps taken to deal with any such issues. The Committee shall also be responsible for engaging in an active dialog with respect to any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditor and for taking any appropriate action to oversee the independence of the Independent Auditor.

- 3.5 To discuss with the Independent Auditor (a) the matters required to be discussed with audit committees in Auditing Standard No. 1301. *Communications with Audit Committees*, as adopted by the PCAOB, as they may be amended or supplemented, relating to the conduct of the audit and to the scope and results of the audit that may assist the Committee in overseeing the financial reporting and disclosure process for which management is responsible; (b) any audit problems or difficulties encountered in performing the audit and management's response; and (c) any disagreements between the Independent Auditor and management. The Committee shall be responsible for the resolution of any disagreements between management and the Independent Auditor.
- 3.6 To discuss with management and the Independent Auditor, as appropriate, the Company's risk assessment and risk management policies, including the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures.
- 3.7 To review with management and the Independent Auditor, as appropriate, the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application, and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made. The Committee shall also review related SEC filings, including disclosures beyond the basic financial statements and notes thereto. The Committee shall also review analyses prepared by management and the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements. The Company shall also review all written material communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences.
- 3.8 To review with the Chief Executive Officer, the Chief Financial Officer, the Independent Auditor or such others as the Committee deems appropriate, the Company's financial reporting processes, including the Company's internal control over financial reporting and the Company's disclosure controls and procedures; management's assessment of responsibility for creating and maintaining effective internal control over financial reporting and disclosure controls and procedures ; and procedures and the process for the quarterly certifications required by the SEC from the Company's Chief Executive Officer and Chief Financial Officer with respect to the Company's financial statements and its disclosure controls and procedures, and the annual reports of the Company's management and of the Independent Auditor

with respect to the effectiveness of the Company's internal control over financial reporting.

- 3.9 To review any significant litigation, regulatory proceedings or other legal matters in which the Company is or may be involved, including related disclosure and reporting issues.
- 3.10 To prepare and publish an annual audit committee report as required by the applicable rules and regulations of the SEC and Nasdaq, as they may be amended or supplemented.
- 3.11 To establish, monitor and periodically review policies for the hiring of current employees or former employees of the Company's Independent Auditor.
- 3.12 To establish and periodically review, at least annually, whistleblower policies and procedures for (a) the receipt, retention and treatment of complaints or concerns relating to accounting, internal control over financial reporting and auditing matters and (b) the confidential, anonymous submission by the Company's employees of such complaints and concerns to the Committee. The Committee shall review confidential information submitted by employees relating to questionable accounting or auditing matters, in accordance with applicable rules and regulations.
- 3.13 To review and approve all related party transactions required to be reviewed and approved under Item 404 of Regulation S-K of the SEC, as amended or supplemented, and the Company's Policy and Procedures with respect to Related Person Transactions, as amended or supplemented.
- 3.14 Meet separately at least quarterly with the Company's Independent Auditor and as frequently as necessary with management.
- 3.15 To receive and review any disclosure from the Company's Chief Executive Officer or Chief Financial Officer made in connection with the certification of the Company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K filed with the SEC of (a) all significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data; and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
- 3.16 To review any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; any major issues as to the effectiveness of the Company's internal control over financial reporting; and any special audit steps adopted in light of any identified internal control deficiencies.

3.17 To review the effect of any regulatory and accounting initiatives, as well as any off-balance-sheet structures, on the financial statements of the Company.

#### **4. Meetings, Reports and Resources**

The Committee shall meet at least quarterly with management and with the Company's Independent Auditor, which shall include separate meetings with the Independent Auditor. The Committee may also meet privately with management as it determines necessary.

The Committee shall have authority to retain such outside counsel, experts and other advisors, as the Committee may deem appropriate in its sole discretion, and to conduct or authorize investigations into any matters within the scope of its responsibilities. The Committee shall have sole authority to approve related fees and retention terms for such advisors, and it shall receive appropriate funding from the Company, as determined in the Committee's sole discretion, for payment of such outside counsel, experts or other advisors.

The Committee shall report to the Board and communicate its recommendations to the Board after each Committee meeting. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

The Committee shall communicate with the Chief Executive Officer on the evaluation of the Chief Financial Officer and his/her staff. It shall also work closely with, but independently of, the Chief Executive Officer and the Chief Financial Officer and their respective staffs.

#### Revision History

28 May 2009 Amended and Restated  
25 Feb 2010 Amended and Restated  
23 Feb 2012 Amended and Restated  
19 Feb 2016 Amended and Restated