

**CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
DEXCOM, INC.**

As adopted February 9, 2005, and amended on March 17, 2009 and December 7, 2010

I. PURPOSE

The purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of DexCom, Inc. (the “*Company*”) is to assist the Board in fulfilling its statutory and fiduciary oversight responsibilities relating to the Company’s financial accounting, reporting and controls. The Committee’s principal functions are to:

- oversee the accounting and financial reporting processes of the issuer and the audits of the financial statements of the issuer;
- monitor the periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by the Company’s independent auditors and the Company’s financial and senior management;
- review and evaluate the independence and performance of the Company’s independent auditors; and
- facilitate communication among the Company’s independent auditors, the Company’s financial and senior management and the Board.

In order to serve these functions, the Committee will have unrestricted access to Company personnel and documents, and will have authority to direct and supervise an investigation into any matters within the scope of its duties.

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the Company’s independent auditors.

II. MEMBERSHIP

The Committee will consist of three or more members of the Board, with the exact number determined by the Board. Each member of the Committee will meet the independence, financial sophistication and experience requirements of the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder by the Securities and Exchange Commission (the “*Commission*”) and The NASDAQ Stock Market, as they may be amended from time to time (the “*Rules*”), except as otherwise permitted by such Rules. Each member of the Committee will have the ability to read and understand fundamental financial statements and at least one member will have prior experience in accounting, financial management or financial oversight, as required by the Rules, and be a “financial expert” as defined in Item 401(h) of Regulation S-K promulgated by

the Commission. No member of the Committee may have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the preceding three years, and each member must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member.

All members of the Committee will be appointed by, and will serve at the discretion of, the Board. Unless a chairperson is elected by the Board, the members of the Committee may designate a chairperson by majority vote of the Committee members.

III. RESPONSIBILITIES AND DUTIES

The following will be the principal recurring processes of the Committee in carrying out its oversight responsibilities. These processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

A. Financial Statements and Disclosures

The Committee will:

1. Review and discuss with management the quarterly results and the type and presentation of information to be included in the Company's related earnings press release prior to distribution to the public.
2. Review and discuss with management the Company's quarterly and annual financial statements and any report or opinion by the independent auditors, prior to distribution to the public or filing with the Commission.
3. In connection with the Committee's review of the annual financial statements:
 - Discuss with the independent auditors and management, any internal audit department and management the financial statements and the results of the independent auditors' audit of the financial statements.
 - Discuss any items required to be communicated by the independent auditors in accordance with the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") Statement on Auditing Standards ("SAS") No. 114, *The Auditor's Communication With Those Charged with Governance* (supersedes SAS No. 61, *Communication With Audit Committees*) (Codification of Statements on Auditing Standards, AU § 380), as amended. These discussions should include the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the Company's financial statements and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- Discuss with management and the independent auditors the Company's selection, application and disclosure of critical accounting policies and practices.
4. Recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K.
 5. In connection with the Committee's review of the quarterly financial statements:
 - Discuss with the independent auditors and management the results of the independent auditors' SAS No.100, *Interim Financial Information* (Codification of Statements on Auditing Standards, AU § 722) or similar review of the quarterly financial statements.
 - Discuss significant issues, events and transactions and any significant changes regarding accounting principles, practices, judgments or estimates with management and the independent auditors, including resolution of any disagreements among management and the independent auditors regarding financial reporting.
 6. Discuss on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information and earnings guidance to analysts and rating agencies.
 7. Review (i) the adequacy of the Company's accounting and financial reporting processes and systems of internal controls, (ii) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting or (iii) any fraud involving management or any employee of the Company with a significant role in the Company's internal controls over financial reporting that are disclosed to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer in connection with such officers' periodic review of the Company's internal controls over financial reporting.

B. Independent Auditors

The Committee will:

1. Be directly responsible for the selection, compensation, retention and oversight of the work of the independent auditors. Recommend to the Board the appointment or discharge of the independent auditors. The independent auditors will report directly to the Committee.
2. Review the continuing independence of the Company's independent auditors, including:
 - obtaining and reviewing, on an annual basis, a letter from the independent auditors describing all relationships between the independent auditors and the Company required to be disclosed by Ethics and Independence Rule 3526 of the Public Company Accounting Oversight Board;

- reviewing and discussing with the independent auditors their independence, including the nature and scope of any such relationships; and
- taking, or recommending that the Board take, appropriate action to oversee the independence of the auditors, including discontinuing any relationships that the Committee believes could compromise the independence of the auditors.

3. Approve the Company's hiring of employees or former employees of the independent auditor, as required by regulations and by applicable listing standards.

4. Review the independent auditors' audit planning, scope and staffing.

5. Approve the fees and other significant compensation to be paid to the independent auditors, and pre-approve all audit and non-audit related services of independent auditors permitted by the Rules and applicable law. The Committee may establish pre-approval policies and procedures, as permitted by the Rules and applicable law, for the engagement of independent auditors to render services to the Company, including without limitation policies that would allow the delegation of pre-approval authority to one or more members of the Committee, provided that any pre-approval decision is reported to the Committee at its next scheduled meeting. The Committee shall receive certain disclosure, documentation and discussion of non-prohibited tax services by the independent auditors based on PCAOB Rule 3524, *Audit Committee Pre-Approval of Certain Tax Services*.

6. Review and discuss with the independent auditors the reports delivered to the Committee by the independent auditors regarding:

- critical accounting policies, estimates and practices used;
- alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the alternatives, and the treatment preferred by the independent auditors; and
- other material written communications between the independent auditors and Company management, such as any management letter or schedule of unadjusted differences.

C. **Internal Controls**

The Committee will

1. Discuss with the independent auditors and management, including the principal accounting officer, their periodic reviews of the adequacy of the Company's accounting and financial reporting processes and systems of internal control, including the adequacy of the systems of reporting to the Committee by each group.

2. Discuss any comments or recommendations of the independent auditors outlined in their annual management letter or internal control reports. Approve a schedule for implementing any recommended changes and monitor compliance with the schedule.

3. Periodically consult with the independent auditors out of the presence of management about internal controls, the fullness and accuracy of the Company's financial statements and any other matters that the Committee or these groups believe should be discussed privately with the Committee.

4. Review with management the Company's major financial risk exposures and the steps management has taken to monitor such exposures, including the Company's procedures and any related policies, with respect to risk assessment and risk management.

5. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Review any such complaints and submissions that have been received, including the current status and the resolution if one has been reached.

6. Consider the establishment and oversee the activities of an internal audit function within the Company.

D. General

The Committee will:

1. Review on a regular basis the status of any legal matters that could have a significant impact on the Company's financial statements.

2. Annually prepare a report to the Company's stockholders for inclusion in the Company's annual proxy statement as required by the rules and regulations of the Commission, as they may be amended from time to time.

3. Review and reassess the adequacy of the Committee's charter at least annually, and recommend to the Board any changes the Committee determines are appropriate.

4. Evaluate the Committee's composition and performance on an annual basis.

5. Review the fairness of and approve any proposed transaction between management and other related parties of the Company and the Company (other than transactions that are subject to review by the Compensation Committee of the Board) that are brought to the attention of the Committee.

6. Have the authority and right, at the expense of the Company, to retain legal, accounting and other consultants, experts and advisers of its choice to assist the Committee in connection with its functions. The Committee will have the authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as

determined by the Committee, for payment of compensation to any such advisers retained by the Committee and for ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions.

7. Consider waivers of the Code of Conduct (other than transactions that are subject to review by the Board as a whole or any other committee of the Board), as defined by applicable law and the Rules.

8. Perform any other activities required by applicable law, rules or regulations, including the rules of the Commission and any exchange or market on which the Company's capital stock is traded, and may perform other activities that are consistent with this charter, the Company's Certificate of Incorporation and Bylaws, and applicable laws, rules or regulations as the Committee or the Board deems necessary or appropriate.

IV. MEETINGS AND MINUTES

The Committee will meet at least once each quarter or more frequently, as determined appropriate by the Committee. The Committee will regularly report to the Board on significant matters related to the Committee's responsibilities. A quorum of the Committee for the transaction of business will be a majority of its members. Meetings may be held telephonically. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee will maintain written minutes of its meetings and will file such minutes with the minutes of the meetings of the Board.