

**CHARTER
AUDIT COMMITTEE
OF THE
BOARD OF DIRECTORS OF L-1 IDENTITY SOLUTIONS, INC.**

Approved by the Board of Directors on January 24, 2007

A. Organization

One committee of the board of directors (the “Board”) of L-1 Identity Solutions, Inc. (the “Company”) will be known as the Audit Committee (the “Committee”). The membership of the Committee shall consist of not fewer than three independent directors, as such term is defined by Rule 10A-3 promulgated by the Securities and Exchange Commission (“Commission”) and the New York Stock Exchange (“NYSE”) rules. Each Committee member shall be affirmatively determined to be “independent directors” as that term is defined by the listing standards of the NYSE. No member shall be an affiliate of the Company (as defined by the Commission) other than in his or her capacity as a member of the Committee, the Board or any other committee of the Board. No member shall accept consulting, advisory or compensatory fees from the Company, other than for service as a director and as a member of committees of the Board. Each Committee member must also meet the financial literacy requirements of the NYSE as interpreted by the Board’s Nominating/Governance Committee in its business judgment, at least one Committee member must be an “audit committee financial expert,” as defined by the Commission and at least one Committee member must have accounting or related financial management expertise, as set forth in the applicable NYSE rules as interpreted by the Board’s Nominating/Governance Committee in its business judgment. No Committee member will serve on more than two other public companies’ audit committees while such member is serving on this Committee.

One member of the Committee shall serve as Chair and one member of the Committee shall serve as Vice Chair. The Chair, or in his absence the Vice Chair, shall be responsible for leadership of the Committee, including scheduling meetings when necessary, presiding over meetings, preparing agendas, and making regular reports to the Board. The Chair and/or the Vice Chair will also serve as a liaison between the Committee, the Company’s management, internal auditors, if any, and the Company’s independent registered public accounting firm (the “independent accountants”).

The members of the Committee, the Chair of the Committee and the Vice Chair of the Committee shall be nominated by the Board’s Nominating/Governance Committee and appointed by the Board and may be removed by the Board in its discretion.

B. Function

The primary function of the Committee is to assist the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Company. This will include but is not limited to, oversight of the integrity of the Company’s financial statements, the Company’s systems of internal controls and disclosure controls and procedures, the Company’s compliance with applicable law and ethics programs, and the annual audit of

the Company's financial statements. The Committee shall be directly responsible for the appointment, oversight and compensation of the Company's independent accountants, subject to shareholder ratification, and for oversight of the Company's internal audit function, if any. The Committee may also have such other duties as may from time to time be assigned it by the Board.

C. General responsibilities and authority

1. The Committee shall provide and maintain open avenues of communication among the Company's management, employees, the independent accountants and the Board. The Committee shall receive and treat all complaints received by the Company regarding accounting, internal accounting controls and auditing matters and employee concerns regarding questionable accounting or auditing matters, including without limitation complaints and concerns raised under the Company's "whistleblower policy" adopted pursuant to Section 10A(m)(4) of the Securities Exchange Act of 1934.
2. The Committee must report Committee actions to the full Board and may make appropriate recommendations.
3. The Committee has the power to conduct or authorize investigations into matters within the Committee's scope of responsibilities.
4. The Company shall provide to the Committee appropriate funding, as determined by the Committee, for payment of fees to retain independent counsel, accountants or other experts it needs to assist in carrying out its responsibilities.
5. The Committee will meet, either in person or telephonically, at least four times each year, and may meet more frequently if circumstances dictate. The Committee will meet as necessary with members of management or others to receive all pertinent information from management.
6. A Committee member should not vote on any matter in respect of which such member is not independent.
7. The Committee will do whatever else the law, the Company's charter or bylaws or the Board require.

D. Responsibilities for engaging independent accountants and appointing financial management

1. The Committee will select, retain, oversee and terminate, if necessary, the independent accountants. The Committee will review and pre-approve any fees to be paid to the independent

accountants and review and approve dismissal of the independent accountants.

2. The Committee will confirm and assure the independence of the independent accountants. The Committee will obtain annually from the independent accountants a formal written statement describing all relationships between the independent accountants and the Company. The Committee shall discuss with the independent accountants any relationships that may affect their objectivity and independence, and the Committee may take, or recommend that the Board take, appropriate actions to oversee itself as to the independent accountants' independence. The Committee will also consider whether the provision of any services by the independent accountants not related to the audit of the annual financial statements and the review of the interim financial statements is compatible with maintaining the independent accountants' independence. No non-audit services shall be provided by the independent accountants unless the provision of such services is approved in advance by the Committee (or by the Committee's designee), as required by the Sarbanes-Oxley Act of 2002, and complete and adequate disclosure of the services and the approval is made.
3. The Committee shall evaluate the qualifications, performance and independence of the independent accountants, including without limitation a review and evaluation of the lead partner of the independent accountants and taking into account the opinions of management and the Company's internal auditors.
4. The Committee shall consider whether hiring employees or former employees of the independent accountants is consistent with maintaining the independent accountants' independence.
5. The Committee will review, in consultation with the independent accountants and the CFO, controller or internal auditor of the Company, if any, the audit scope and procedural plans made by the independent accountants.
6. The Committee will oversee processes related to internal and external audits. .
7. The Committee will review, and have veto power over, the appointment, replacement, reassignment or dismissal of the Company's internal auditor, if any.

E. Responsibilities for reviewing internal audits, the annual external audit and the review of quarterly and annual financial statements

1. The Committee will meet with the independent accountants and have an open line of communication available to the independent accountants to contact the Committee as the independent accountants deem necessary or appropriate.
2. The Committee will ask management and the independent accountant about significant risks and exposures and will assess management's steps to minimize them, including the Company's risk assessment and risk management policies.
3. The Committee will review the following with the independent accountant and the CFO, controller or internal auditor, as applicable:
 - a) The adequacy of the Company's internal control procedures and practices for accomplishing proper financial management including computerized information system controls, security, budgets, results, responsibilities, plans and staffing, and the Company's internal control procedures and practices for safeguarding assets and complying with the Company's policies and ethical practices.
 - b) As required by Section 302 of the Sarbanes-Oxley Act of 2002, review and discuss with management, the independent accountants and the internal auditor, if any, the Company's disclosure controls and procedures, any deficiencies in such disclosure controls and procedures and inquire as to fraud.
 - c) Any significant findings and recommendations made by the independent accountant, together with management's responses to them.
 - d) Any significant changes in the Company's accounting principles or financial reporting practices.
4. Upon completion of the annual audit, the Committee will review the following with management and the independent accountant:
 - a) The Company's annual financial statements and related footnotes.
 - b) The independent accountants' audits of and reports on the financial statements and internal control over financial reporting. The Committee's discussions with management and the independent accountants shall include the information contained in the reports to be filed with the

Commission, including the Company's disclosures under "Management Discussion and Analysis of Financial Condition and Results of Operations" and critical accounting policies and the matters required to be discussed by SAS No. 61, before those reports are released to the public or filed with the SEC or other regulators.

- c) The independent accountants' qualitative judgments about the appropriateness, as well as the acceptability, of accounting principles and financial disclosures.
 - d) Any difficulties or disagreements with management encountered during the course of the audit, including any restrictions on the scope of activities or access to required information.
 - e) The Committee shall review any management letter provided by the independent accountants and the Company's response to that letter.
 - f) Compliance with applicable regulatory and financial reporting requirements.
 - g) All other matters about the audit procedures or findings that applicable professional standards require the independent accountants to discuss with the Committee.
 - h) Based upon the Committee's review of the audited financial statements, the Committee shall make recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.
5. The Committee will review annual and quarterly reports prepared by Company management to be filed with the SEC and other published documents containing the Company's financial statements.
6. The Committee will review and discuss with the CFO, controller or internal auditor and the independent accountants the information contained in the interim financial statements to be filed with the Commission, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and critical accounting policies and the matters required to be discussed by SAS No. 61, before those interim statements are released to the public or filed with the SEC or other regulators.

7. The Committee will review and discuss with management and the independent accountants the earnings announcements and earnings guidance prior to their release.
8. The Committee will prepare a report as required by the rules of the Commission for inclusion in the Company's annual proxy statement that describes the Committee's composition and responsibilities, and how the responsibilities were fulfilled.
9. At least annually, obtain and review a report by the independent accountants describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, and any steps taken to deal with such issues; and all relationships between the independent auditor and the Company.

F. Periodic responsibilities

1. Review the Committee's charter annually and recommend any proposed changes to the Board for approval.
2. Review matters that the Committee determines may have a material effect on the Company's financial statements, compliance policies and programs, and reports with regulators.
3. Meet, either in person or telephonically, at least quarterly with the independent accountant, management and internal auditor (if any) in separate executive sessions to discuss any matters the Committee or these groups believe should be discussed privately with the Committee.
4. Conduct an annual self-evaluation of the performance of the Committee.
5. Review policies and procedures relating to the Company's handling of its legal affairs and compliance with significant applicable legal, ethical and regulatory requirements. This review may include, without limitation, reports from in-house and/or outside legal counsel.
6. Review the Company's procedures for (i) receipt, retention and treatment of complaints received by the Company from external sources 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.

While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audits or for determining whether the Company's financial statements are complete and accurate and are in accordance with accounting principles generally accepted in the United States of America.