

**L-1 IDENTITY SOLUTIONS, INC.
CORPORATE GOVERNANCE POLICY**

A. Role of the Board of Directors (the “Board”) of L-1 Identity Solutions, Inc. (“L-1” or the “Corporation”)

1. Fiduciary Responsibilities.

Under the law, a member of the Board (each member, a “Director”) is a fiduciary who must exercise a duty of loyalty and a duty of care, both to the Corporation and its shareholders as a whole. The duty of loyalty requires the Director to act in good faith and not allow his or her personal interests to prevail over the interests of the Corporation and its shareholders. The duty of care requires the Director to be diligent and prudent in overseeing the Corporation’s affairs. This duty may require the Director to independently inquire and seek data from the Corporation, its customers, employees or other affiliates to assure that Corporation policy is observed.

2. Striving for Achievement of the Corporation’s Objectives.

A second fundamental role of the Board is to ensure that the Corporation is lead in such a manner so as to consistently strive to achieve or surpass its financial, strategic and operational objectives. Examples of include without limitation:

- Striving to enhance shareholder value.
- Striving to be a leading provider of solutions and services that protect and secure personal identities and assets by serving the identity needs of federal governments, civil agencies, law enforcement, border management agencies and commercial businesses on a global basis.
- Developing a working environment that encourages and rewards individual and team initiative contributing to the *delight* of our customers and the success of our Corporation.
- Protect and enhancing the Corporation’s high level of ethics, integrity and values in all its relationships with customers, employees, suppliers, consultants and other persons with whom we conduct business as well as the countries and communities within which the Corporation operates.

- Respecting the privacy and rights of those individuals who provide personal information stored in systems developed by the Corporation.

3. Selecting the Chief Executive Officer (the “CEO”) and Evaluating the CEO’s Performance.

A key element in striving to meet or exceed the Corporation’s objectives is consistently achieved is the selection, motivation and ongoing assessment of the Chief Executive Officer of the Corporation. No other role of the Board has the leverage that this has in enhancing the interests of the Corporation’s shareholders.

4. The L-1 CEO – Role and Responsibility.

a) Goals and objectives of CEO’s position are to lead the affairs of L-1 in accordance with the law and corporate bylaws, policies and procedures approved by the Board to optimize growth, profitability and shareholder value.

b) Duties and responsibilities are:

- To assure that the directives, policies and procedures approved by the Board are implemented throughout the Corporation.
- To develop with the Board over the course of time the strategic direction of the Corporation.
- To use the talents of the Board in advancing the goals and objectives of the Corporation.
- To establish suitable current and long-term goals and objectives for the Corporation and to develop clear plans for achieving them together with expense and capital budgets. To present these, at least annually, to the Board for acceptance and approval.
- To monitor and measure the Corporation’s progress toward achieving the agreed upon goals and objectives. To report such progress to the Board at each Board meeting in enough detail so the Board may make informed judgments about the Corporations’ health and welfare.
- To establish both operating procedures and organization, structure and staffing requirements of the Corporation best calculated to assure continued, optimum growth,

profitability and return on capital employed. Recommend these to the Board for approval and acceptance.

- To recommend to the Board for acceptance and approval such changes in the Corporations' business, operating procedures, organization, structure, goals, objectives, plans and budget as may be required from time to time to assure optimum growth, profitability and return on capital employed.
- To dutifully oversee the resources of the Corporation. These include but are not limited to personnel, products and services, patents and trade secrets, cash and securities, treasury stock, real property, credit standing, customers and trade relationships.
- To oversee the development of an ongoing management succession and development plan and present the plan to the Board or a Committee of the Board on an annual basis as requested by the Board. This should include the development of potential successors for the CEO's own position as well as certain of the CEO's direct reports as identified by the Board..
- To recommend to the Board such changes in wages, salaries and incentive programs as may be required to retain productive employees and keep the Corporation competitive in the labor market.
- To establish suitable performance goals and objectives for the Corporation's executive officers. To, at least annually, personally review and evaluate their performance against these goals and objectives.
- To lead the annual meeting of shareholders and to keep the shareholders, corporate personnel, customers, suppliers and the financial community advised of the financial health and well-being of the Corporation.
- To answer in a frank and timely fashion all questions by the Board and its members.
- To participate, at least annually, in a full and frank evaluation of performance as CEO with the Board or a committee of its members established for this purpose.
- To undertake such other duties and responsibilities as the Board may from time to time direct.

- To oversee and coordinate with the Board all external and internal communications, particularly with respect to the shareholders and the financial community.
- c) Authority vested in the position.
- The CEO of the Corporation has the authority needed to carry out the duties and responsibilities of the position and to commit the resources of the Corporation so long as both are done in accordance with applicable laws, the bylaws of the Corporation and the plans, budgets, policies and procedures approved by the Board.
 - Portions of the duties and responsibilities as CEO may be delegated to others, but such delegation does not relieve the CEO of the responsibility for carrying out the duties of the position.
- d) L-1 believes that its CEO should demonstrate the following traits of leadership:
- Record of high achievement.
 - Unquestionable integrity.
 - Sense of vision.
 - Development of Executive Team.
 - Empowerment of Executive Team.
 - Physical health and stamina.
 - High intelligence.
 - Sense of fairness.
 - Sense of purpose.
 - Ability to rally the total organization and lead them in the achievement of the corporate vision.
 - Focus, but open to opportunity.
 - Strong judgment and ability to make the right decisions.
 - Strong financial acumen and ability to focus on sound financial growth.

- Common sense.
- Creative solutions to tough problems.
- Tough minded, courageous.
- Ability to make the tough decisions.
- Establish standing in the community.

5. Succession Planning for the CEO Position.

A key responsibility of the independent Directors is the entire process of succession planning for the future CEO including managing the process of selecting the new CEO of the Corporation and determining the timing for the selection. The Chairman of the Board (the “Chairman”) leads the Board in the selection planning process; provided however that if an individual holds the office of both Chairman and CEO, this leadership responsibility shall fall to the Presiding Director (as defined in Section B.4. below).

6. Managing Crisis.

The Board must strive to ensure that the interests of shareholders are protected regardless of circumstances.

While “the crisis management” role is one that hopefully the Board never has to fulfill, it must be prepared if the occasion ever arises to act in a clear and forceful manner so that there is no question that the interests of the Corporation’s shareholders are being protected and, if possible, the value of their shareholdings enhanced. The Chairman with the advice and counsel of the Board and legal counsel will lead any such activities.

B. Composition and Operating Principles of the L-1 Board of Directors and its Committees

1. Size of the Board.

The size of the Board shall be as prescribed in the Corporation’s bylaws as amended from time to time. Essentially, the size of the Board should be of a size that permits the proper fulfillment of its role with sufficient membership to provide a blend of the desired outside experiences. An overly large Board tends to diffuse responsibility and limit participation, while an overly small Board may lack a suitable range of skills and points of view.

2. Independence of Directors.

The L-1 Board has decided that its Board should consist of a majority of Directors who shall be affirmatively determined by the Board to be “Independent Directors”, as that term is defined by the listing standards of the New York Stock Exchange. .

The Board will make and publicly disclose its independence determination for each Director when the Director is first elected to the Board and annually thereafter for all nominees for election as directors.

3. Appointment, Nomination and Evaluation of Individual Directors.

Consistent with its charter, the Nominating and Corporate Governance Committee of the Board shall have the full and exclusive power and authority otherwise conferred upon the Board to (a) identify and evaluate candidates and nominate persons to stand for election at each annual meeting of stockholders; (b) fill any vacancy created by the removal, resignation or retirement from the Board or the death of any Director; and (c) upon any increase in the number of Directors, appoint any number of such additional Directors authorized in accordance with the requirements of the Company’s Restated Certificate of Incorporation, as amended. The Committee may consider candidates for the Board derived from any source deemed appropriate, including nominees proposed by the Chairman and other members of the Board. The Board shall also consider candidates nominated by shareholders provided that the procedures set forth in the Company's by-laws are followed

In nominating or appointing individuals to the Board potential new directors, or the continued service of incumbent Directors, the Nominating and Corporate Governance Committee will consider such qualifications and factors as it deems appropriate and as more fully described in its charter.

Directors are expected to advise the Chairman and the Chairman of the Nominating and Corporate Governance Committee prior to accepting any other third party directorship or any assignment to the audit committee or compensation committee of the board of directors of any third party. The Nominating and Corporate Governance Committee will assess, among other things, whether a conflict of interest may be presented. A Director’s service on the board of directors of any third party must not interfere with his or her ability to effectively serve on the Board.

Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman. A

Director should offer to resign if that Director no longer meets the Corporation's requirements for service on the Board.

4. Executive Sessions of the Non-Employee Directors.

Routine executive sessions of the non-employee Directors will be scheduled at the end of each regularly scheduled Board meeting to facilitate better communication among such Directors. The Directors have determined that an independent Director designated by the Board (the "Presiding Director") will preside at such meetings, and will also serve as the Presiding Director in performing such other functions as the Board may direct. Following the sessions the Presiding Director may brief the CEO on their discussion. Executive sessions should be held at least four times annually, and otherwise as required or desirable.

5. Evaluation of Board Performance.

The Nominating and Corporate Governance Committee will coordinate and lead the Board in an annual assessment of the Board's performance and effectiveness. The evaluation will focus on the Board's performance as a "total" Board rather than an evaluation of individual Directors.

The evaluation will be viewed from the standpoint of the Board's many constituencies focusing on results, ethics and the process for achieving results. The end goal will be to strive to do it even better to become the very best Board.

6. Board Compensation.

The Compensation Committee of the Board will report annually to the Board its review and recommendations for the Board's compensation. In discharging this duty, the Compensation Committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of L-1's size and scope; compensation should align directors' interests with the long-term interests of stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand.

7. Board Interaction With Investors, the Press and the Outside World.

The L-1 practice is that only the CEO or his identified designees shall speak for L-1 in the ordinary course of business. Directors should refrain from any comment on the Corporation to the outside world in the ordinary course of business.

Notwithstanding the foregoing, from time to time, comment to the outside world may be unavoidable. A Director must have knowledge of the Corporation's positions prior to comment. Generally, this should be

sought from the CEO prior to commenting to the outside world. In any event, Directors must at all times comply with the restrictions on selective disclosure set forth in Regulation FD under the Securities Exchange Act.

Notwithstanding the foregoing, L-1 shareholders and other parties interested in communicating directly with the Board as a group may do so by writing to the Board, c/o Secretary, 177 Broad Street, Stamford, CT 06901. The Secretary will review all correspondence and regularly forward to the Board all such correspondence that, in the opinion of the Secretary, deals with the functions of the Board or any Committee thereof or that the Secretary otherwise determines requires attention. Concerns relating to accounting, internal controls or auditing matters will immediately be brought to the attention of the Chairman and Vice Chairman of the Board's Audit Committee. The Corporation has adopted a Whistleblower Policy, which establishes procedures for submitting these types of concerns, either personally or anonymously through a toll free telephone "hotline" operated by an independent party. A copy of the Corporation's Whistleblower Policy is available on the Corporation's website at www.Llid.com. L-1 shareholders and other parties interested in communicating directly with the Chairman and/or Vice Chairman of the Audit Committee may do so by writing to such persons, c/o Secretary, 177 Broad Street, Stamford, CT 06901.

8. Board Access to Corporate Senior Management.

The Board desires contact with L-1 employees for strong, healthy corporate relations. Also, Directors may have a need or duty to independently and individually know what the Corporation is doing. Any and all avenues are open to exercise this duty including contact with clients or employees. Each of the Corporation's Chief Financial Officer and Chief Accounting Officer will be continuously available to the members of the Audit Committee.

9. Access to Independent Advisors.

The Board and its committees shall have the right at any time to retain independent outside auditors and financial, legal or other advisors, and the Company shall provide appropriate funding, as determined by the Board or any committee, to compensate such independent outside auditors or advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.

10. Attendance of Non-Directors at Board Meetings.

Attendance at Board meetings of individuals who are not Directors will be at the discretion of the Chairman.

11. Number of Committees.

The will be three standing Committees of the Board: Audit, Compensation and Nominating and Corporate Governance. Each shall have the duties and responsibilities set forth in its respective charter.

From time to time the Board may also form special ad hoc committees to address specific issues of interest to the CEO or the Board. Objectives for such committees will be defined at the time of formation.

12. Board Agendas.

The Chairman, will establish the agenda for each regularly scheduled Board meeting with input from the other Directors, as appropriate.

13. Committee Agendas.

Each Committee Chair sets the agenda of his/her respective Committee with input from the other members of the Committee, as appropriate.

14. Board and Committee Materials Distribution.

Background and presentation material will be sent to the Board of Directors and relevant Committee members as promptly as practicable in advance of each meeting.

15. Board and Committee Minutes.

All Board and Committee meeting minutes will be sent as promptly as practicable to the entire Board. The committee Chairperson will report the Committee minutes and lead the relevant discussion at the next Board meeting. Committee reports will be approved at that Board meeting.

16. Director Orientation and Continuing Education.

The Board through the Nominating and Governance Committee will establish, or identify and provide access to, appropriate orientation programs, sessions and materials for newly elected directors of the Corporation for their benefit either prior to or within a reasonable period of time after their nomination or election as a Director. The Board of Directors will encourage Directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of Directors of publicly traded companies.

C. The L-1 Board's Working Process

1. The Legal Standards.

Under the law, a Director is expected to act in good faith with loyalty to the Corporation and to exercise the care of a prudent person. The law also recognizes, however, that each Director cannot be expected to know everything about the business because of the complexities of modern Corporation life and is entitled to rely on the work of experts. Moreover, Directors are not accountable merely because, in the exercise of valid business judgment, they chose a course of action that turned out badly for the business. However, the Directors must be in a position to exercise informed business judgment. Accordingly, they must inform themselves prior to making a business decision of all material information reasonably available to them.

2. The Working Relationship with Management.

a) What the Directors should expect:

- A cooperative, open relationship that is fully receptive to counsel and suggestions regarding the overall direction of the business.
- The process of informing the Director includes providing not only the data but also management's best interpretation of what that data portends.
- The process of informing the Director should include direct access to those L-1 employees who perform a critical corporate function.
- The process of informing the Directors should include introducing them to Corporation officers, employees and operations as well as presenting them with effective written material.
- An interest in continually striving to improve the working process of the Board.
- A realization that a Director has assumed a responsibility to all shareholders and expects L-1 to be a good corporate citizen with respect to its many publics.
- The willingness to inform obviously carries with it the invitation and expectation of searching questions by Directors.

- The process of informing should include the distribution to Directors of all communications by management to the investing public such as annual reports, proxy statements, prospectuses, interim earnings releases, and pertinent press releases.
 - Management will seek and use the advice and counsel of the Directors.
- b) What management should expect of the Board:
- Directors are expected to attend all scheduled Board and committee meetings and to review in advance of each meeting all materials distributed to them.
 - Directors will spend a sufficient amount of time to enable them to gain a firm overview of L-1's business and an informed judgment on its more important affairs and transactions.
 - Directors will express their views on the quality, quantity and timeliness of the information they receive from management to the extent that they regard it as not being entirely satisfactory or complete and will not be reluctant to seek additional information in such cases.
 - In fulfilling their responsibility to the shareholders, Directors will strive to articulate straightforward and constructive input and perspective and actively volunteer viewpoints.
 - Directors will be available to the Chairman and CEO, or other management as authorized by the CEO on an ad hoc basis for advice and counsel.
 - Directors will serve as a source of feedback for management concerning perceptions of L-1 by the external world.
 - The Board will establish and enforce a Code of Business Ethics and Standards of Conduct that will be applicable to all employees and Directors. Code of Business Ethics and Standards of Conduct will be made available to the public in accordance with federal securities laws and the listing standards of the New York Stock Exchange.

3. Fulfilling the Role of Director.

- a) Among the ways the Board fulfills its roles is to review as available, but not less than annually, the Corporation's performance against its approved objectives – specifically assessing:
- The effectiveness of the CEO's performance and that of the top leadership team.
 - Performance against the Corporation's approved strategic and operational goals.
 - The adequacy, effectiveness and allocation of L-1 resources including the resources of manpower, compensation and the strategic balance sheet plan.
 - The consistency of L-1's organizational structure with the approved strategy.
 - The integrity and ethical values of the organization in the conduct of its business.
 - The human resources and their motivation for the effective management of the enterprise through future business generations.
 - That actions affecting shareholder value, stock options and incentive compensation are consistent with the long-term mission of enhancing shareholder value.
- b) In fulfilling their roles, Directors perform several functions. Among them:
- A motivational function in which the Board fosters a climate that encourages the leadership and indeed the entire Corporation to excel.
 - An ambassadorial function through which the Directors remind management of how the external world may be expected to react.
 - A procedural function by which the broadly qualified Board can encourage management to think and plan carefully before advancing proposals.

- An advice and counsel function through which the Board provides management with access to different kinds of experiences before a final decision is made.
- An approval function through which the Board takes action reserved for it by statute, charter, bylaws or by Corporation policy and practice.
- The crisis management function – for example, in which the Board is called upon to act and spend whatever time is required to immediately select a new CEO or deal with a law suit or hostile takeover attempt.
- Assist the CEO as requested.
- Development of the Corporation, including suggestions for new business opportunities.

4. Role of In-House Legal Department.

Members of the Corporation's in-house legal department under the leadership of the Chief Legal Officer represent the Corporation as an entity rather than the officers or others with whom in-house counsel interacts in the course of that representation. In-house counsel is obligated at all times to act in the best interests of the Corporation and its shareholders, represented by the Board. This obligation does not preclude in-house counsel from interacting on operational matters with the Corporation's management. In fact, such interaction is in the best interest of the Corporation and the shareholders. However, if there were ever a conflict between the interests of the shareholders, represented through the Board, and the management, in-house counsel's obligation would be to the Board of Directors and shareholders. In such an instance, management might need to obtain separate advice.

5. Access to Independent Advisors.

The Board and its committees shall have the authority and budget at all times to retain independent outside financial, legal or other advisors.