



TASER INTERNATIONAL, INC.

AUDIT COMMITTEE CHARTER

(Effective February 2001, amended February 2003)

The Board of Directors of TASER International, Inc. (the "Company") shall annually appoint from its members an Audit Committee. This Charter of the Audit Committee supplements the provisions of Section 3.06 of the Company's Bylaws and further defines the role, authority and responsibility of the Audit Committee. The Audit Committee will assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities regarding (i) the integrity of the Company's financial statements, (ii) the Company's process for financial reporting and monitoring compliance with laws and regulations, (iii) the independent accountant's qualifications and independence; (iv) the performance of the Company's internal audit function and independent accountant; (v) the Company's internal control system; and (vi) the Company's ethics policy.

Number of Members and Appointment

The Audit Committee shall be composed of at least two members of the Board of Directors. Members of the Committee shall be appointed annually by the Board of Directors. Vacancies shall be filled by the Board of Directors.

Qualifications of Members

All Audit Committee members shall meet the independence, experience and expertise requirements of Nasdaq, the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations of the Commission. Each member of the Audit Committee shall be a Director who, in the judgment of the Board of Directors, is financially literate and possesses the ability to read and understand the fundamental financial statements of the Company and its subsidiaries, including balance sheets, income statements and cash flow statements. At least one member of the Audit Committee shall, in the judgment of the Board of Directors, have accounting or related financial management expertise, which may include employment experience in finance or accounting, certification in accounting or any other comparable experience, including being, or having been, a chief executive officer or other senior officer of a company with financial oversight responsibilities. The Company will disclose in its periodic reports filed pursuant to Sections 13(a) or 15(d) of the Exchange Act whether or not (and if not,

why not) the Audit Committee is comprised of at least one member who is a “financial expert” as defined by the rules of the Commission. No member of the Audit Committee will receive compensation from the Company other than Director’s fees. The Audit Committee will meet at least four times per year. The Board of Directors shall designate one of the Committee members as chairperson.

Independence of Members

Members of the Audit Committee shall be free from any relationship to the Company or its subsidiaries that, in the judgment of the Board of Directors, may interfere with the exercise of their independence from management of the Company. No member of the Audit Committee shall be an affiliate of the Company or an officer or employee of the Company or any of its subsidiaries. Appointments to the Audit Committee shall be consistent with standards for determining independence promulgated by the Securities and Exchange Commission and the Nasdaq Stock Market, or such other national securities market as shall be the principal market for trading of the Company’s securities.

Meetings, Quorum, Informal Actions, Minutes

The Audit Committee shall meet on a regular basis. Special meetings may be called by the Chairman of the Audit Committee. A majority of the members of the Audit Committee shall constitute a quorum. Concurrence of a majority of the quorum (or, in case a quorum at the time consists of two members of the Committee, both members present) shall be required to take formal action of the Audit Committee. Written minutes shall be kept for all formal meetings of the Committee. As permitted by section 141 of the Delaware General Corporation Law, the Audit Committee may act by unanimous written consent, and may conduct meetings via conference telephone or similar communication equipment. Members of the Audit Committee may meet informally with officers or employees of the Company and its subsidiaries and with the Company’s independent auditors, and may conduct informal inquiries and studies without the necessity of holding a formal meeting. The Company officers who are required by law to certify the Company’s annual or quarterly reports will disclose to the Audit Committee and to the independent accountants the information that is required to be disclosed to them by Section 302 of the Sarbanes-Oxley Act of 2002. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent accountant to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Audit Committee will meet with management, the internal auditors and the independent accountant in separate executive sessions at least quarterly and will make regular reports to the Board. Management will be asked to report whether significant findings and recommendations made by the internal auditors and the independent accountant have been addressed in a timely manner. Annually, the performance of the Audit Committee and the Audit Committee Charter will be reviewed by the members.

Responsibilities

Internal Control

The Audit Committee will ensure that all employees are aware of the Company's internal control policies and procedures. Further, the Audit Committee will review and discuss with management the implementation of internal control recommendations made by the internal auditors and the independent accountant. Additionally, the Audit Committee will periodically review with management the status of major information technology plans and their potential effect on the internal control environment.

I. Financial Reporting

The Audit Committee will review and discuss with management and the independent accountant the Company's accounting policies which may be viewed as critical, and review and discuss any significant changes. Significant accounting and reporting developments, including recent professional and regulatory pronouncements, as well as off-balance sheet structures, and their impact on the Company's financial statements will be reviewed and understood. The Audit Committee will meet with management and the independent accountant to review and discuss the audited financial statements and the results of the audit. It will be determined whether the audited financial statements are complete and consistent with respect to information known to Audit Committee members, and based upon appropriate accounting principles. Further, the Committee will review the MD&A section of the annual report before its release and consider whether the information is adequate and consistent with Committee members' knowledge about the Company and its operations. Based on the review and discussions with management and the independent accountant, the Audit Committee will recommend to the Board of Directors whether the audited financial statements are appropriate for inclusion in the Company's Annual Report on Form 10-K. The Audit Committee will meet with management and the independent accountant to review the quarterly operating results, discuss the results against the prior year, discuss any significant variances from the financial plan and discuss the results of the independent accountant's review of the quarterly financial statements prior to the public release of the results and the filing of the Company's Form 10-Q, including the results of the independent accountant's review of the quarterly financial statements. The Audit Committee will discuss with management and the independent accountant significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, the development, selection and disclosure of critical accounting estimates and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements. The Audit Committee will discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, and hold general discussion on financial information and earnings guidance provided to analysts and rating agencies. The Audit Committee will discuss with management the Company's major financial risk exposures and the steps management has taken to

monitor and control such exposures, including the Company's risk assessment and risk management policies.

Compliance with Company Ethics Policy and Complaint Procedures

The Audit Committee will ensure that an ethics policy is formalized in writing and that management takes the necessary actions to disseminate the information and educate all employees. The program for monitoring compliance and updates from management regarding the annual ethics certification and training processes will be reviewed periodically. The Audit Committee will 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 internal accounting controls, questionable accounting or auditing matters.

Compliance Oversight

The Audit Committee will review and advise the Board with respect to the effectiveness of the Company's system for monitoring compliance with laws and regulations and with the Company's Ethics Policy and will periodically obtain any required reports and assurances from the independent accountant, management and the internal auditor

Internal Audit

The internal auditors' proposed audit schedule and plans will be approved annually. Internal audit activities and organizational structure of the internal audit function will be reviewed regularly.

Independent Auditors

The Company's independent auditors are ultimately accountable to the Board of Directors and the Audit Committee. The Audit Committee and the Board of Directors have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Company's independent auditors. The Audit Committee shall, from time to time, review and make recommendations to the Board of Directors with respect to the engagement or discharge of the independent auditors and the terms of their engagement. The Audit Committee shall pre-approve all auditing services and permitted non-audit

services to be performed for the Company by the independent accountant in accordance with Section 10A(i) of the Exchange Act. Approvals of a non-audit service to be performed by the independent accountant shall be disclosed as promptly as practicable in the Company's quarterly or annual reports required by Section 13(a) of the Exchange Act. In carrying out its duties under the preceding paragraph, if the Audit Committee approves an audit service within the scope of engagement of the auditor, such audit service shall be deemed to have been preapproved for purposes of this paragraph. At least annually, the Audit Committee will obtain and review a report by the independent accountant describing (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the 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 auditor, (c) any steps taken to deal with any such issues and (d) all relationships between the independent accountant and the Company. The Board of Directors may, in its discretion, determine to submit to stockholders for approval or ratification the appointment of the Company's independent auditors. The Audit Committee shall oversee the independence and performance of the Company's independent auditors. The Committee shall ensure that the independent auditors periodically submit to the Audit Committee a formal written statement delineating all relationships between the auditors and the Company and shall engage in an active dialogue with the auditors with respect to any disclosed relationships or services that may impact the auditor's independence or objectivity. The Audit Committee shall make recommendations to the Board of Directors for appropriate action in response to the auditors' report to satisfy itself of the auditors' independence. The Audit Committee will evaluate the qualifications, performance and independence of the independent accountant, including considering whether the auditor's quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence. In making its evaluation, the Audit Committee shall take into account the opinions of management and the internal auditor. The Audit Committee's evaluation will include a review of the experience, qualifications and performance of the senior members of the independent accountant team, including the lead partner of the independent accountant. The Audit Committee will oversee the rotation of the lead (or coordinating) audit partner as required by law and will consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself. The Audit Committee will present its conclusions regarding the independent accountant to the Board of Directors, and if so determined by the Audit Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the independent accountant. The Audit Committee will recommend to the Board policies for the Company's hiring of employees or former employees of the independent accountant who participated in any capacity in the audit of the Company, particularly in light of the prohibition on employment outlined in Section 10A(l) of the Exchange Act. The Audit Committee will require the independent accountant to communicate whether or not it is aware of any reportable illegal acts.

The Audit Committee will discuss with the independent accountant matters related to the conduct of the audit as required in Statement on Auditing Standards No. 61. In particular, the Audit Committee will discuss:

(a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the independent accountant, internal auditors or management;

(b) the management letter provided by the independent accountant and the Company's response to that letter; and

(c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

The Audit Committee shall annually prepare and submit, for inclusion in management's proxy statement to stockholders in connection with the Company's annual meeting of stockholders, a report in conformity with Item 306 of Securities and Exchange Commission Regulation S-B. Without limiting the generality of the foregoing, the Audit Committee shall:

- Review the scope of proposed audits to be performed with respect to the Company's financial statements in the context of the Company's particular characteristics and requirements.
- Review with the independent auditors the results of the auditing engagement and any recommendations the auditors may have with respect to the Company's financial, accounting or auditing systems.
- Require a letter from the independent auditors concerning significant weaknesses or breaches of internal controls encountered during the course of the audit.
- Inquire of management and the independent auditors whether any significant financial reporting issues were discussed during the course of the audit and, if so, how they were resolved.
- Review with management and the independent auditors changes in accounting standards or rules proposed by Financial Accounting Standards Board or the Securities and Exchange Commission that may effect the Company's financial statements.
- Request an explanation from management and the independent auditors concerning the effects of significant changes in accounting practices or policies.
- Inquire about significant contingencies or estimates that may affect the Company's financial statements and the basis for the Company's presentation of such matters.

- Review the adequacy of the internal financial and operational controls of the Company with staff performing internal auditing functions and with the independent auditors.
- At least annually, meet privately with the independent auditors in executive session to, among other matters, help evaluate the Company's internal financial accounting and reporting staff and procedures.
- Receive and review a draft of the financial section of the Company's annual report to stockholders and the financial section of the Company's quarterly reports on Form 10-Q, with accompanying notes, and Management's Discussion and Analysis.
- Report the Committee's activities to the full Board of Directors on a regular basis.
- Review and assess the adequacy of this Charter on an annual basis.

Committee Resources

The Company will provide the Audit Committee with the appropriate funding to exercise its authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Audit Committee is authorized to employ the services of such counsel, consultants, experts and personnel, including persons already employed or engaged by the Company, as the Committee may deem reasonably necessary to enable it to fully perform its duties and fulfill its responsibilities.